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SRE GROUP LTD.

SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**RE-DESIGNATION OF VICE CHAIRMAN OF THE BOARD
AND
APPOINTMENT OF NEW EXECUTIVE DIRECTORS**

The Board announces that with effect from 1 November 2011:–

- (1) Mr. Jiang Xu Dong, an executive Director and the chief operation officer of the Group, will be re-designated as the vice chairman of the Board and will continue to act as an executive Director and the chief operation officer of the Group;
- (2) Mr. Li Yao Min, the vice chairman of the Board and an executive Director, will cease to be the vice chairman of the Board but remain as an executive Director;
- (3) Mr. Zhang Hongfei will be appointed as an executive Director; and
- (4) Mr. Shi Lizhou will be appointed as an executive Director.

RE-DESIGNATION OF VICE CHAIRMAN OF THE BOARD

With effect from 1 November 2011, Mr. Jiang Xu Dong (“**Mr. Jiang**”), an executive director of SRE Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) and the chief operation officer of the Group, has been re-designated as the vice chairman of the board of directors of the Company (the “**Board**”).

PARTICULARS OF MR. JIANG XU DONG

Mr. Jiang Xu Dong, aged 47, graduated from Shanghai Tonji University in 1986 specializing in industrial and civil construction and was awarded a master degree in business administration afterwards. Prior to joining the Group in 1997, Mr. Jiang was a department director of Shanghai Real Estate Administration Bureau between 1986 and 1997. Mr. Jiang has nearly 20 years of experience in property development and operation management. Mr. Jiang is currently an executive director of the Company (a “**Director**”) and the chief operation officer of the Group and he is responsible for the property development of the project companies of the Group. He is also the chairman of the board of Shanghai Oasis Garden Real Estate Co., Ltd., a subsidiary of the Company.

Save as disclosed above, Mr. Jiang has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years and does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Pursuant to the service contract dated 2 June 2010 entered into between Mr. Jiang and the Company, Mr. Jiang was appointed as an executive Director for 3 years commencing on 2 June 2010 (subject to retirement by rotation and re-election in accordance with the bye-laws of the Company) unless otherwise terminated by either party by giving not less than 6 months written notice to the other or in accordance with other terms of the service contract. Following his re-designation, Mr. Jiang's annual remuneration will be adjusted from HK\$2,000,000 to HK\$2,500,000, which is determined with reference to market remuneration standards. His annual remuneration is subject to review from time to time by the remuneration committee of the Board. Under the service contract, Mr. Jiang is also entitled to an annual management bonus, the amount of which is to be determined by the Board from time to time with reference to the performance results of the Group and its associated companies as well as the performance of Mr. Jiang, provided that the aggregate management bonus payable to all executive Directors for a financial year shall not be more than 10% of the Company's net profit after taxation and minority interests as shown in the audited consolidated financial statements of the Company for the relevant year.

Save for being a 2% shareholder of SRE Investment Holding Limited, the controlling shareholder of the Company, Mr. Jiang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Jiang does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO").

Mr. Jiang has confirmed that there are no other matters in respect of his re-designation that need to be brought to the attention of the shareholders of the Company and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

With effect from 1 November 2011, Mr. Li Yao Min ("Mr. Li"), the vice chairman of the Board and an executive Director, will cease to be the vice chairman of the Board but remain as an executive Director; so that Mr. Li would focus on his work as the co-chairman, the chief executive officer and executive director of China New Town Development Company Limited ("CNTD"), a subsidiary of the Company and a company listed on The Stock Exchange of Hong Kong Limited (stock code: 1278). Mr. Li's annual remuneration will be adjusted from HK\$1,500,000 to HK\$1,000,000.

APPOINTMENT OF EXECUTIVE DIRECTORS

The Board is pleased to announce that Mr. Zhang Hongfei ("Mr. Zhang") and Mr. Shi Lizhou ("Mr. Shi") have been appointed as executive Directors with effect from 1 November 2011.

PARTICULARS OF MR. ZHANG HONGFEI

Mr. Zhang Hongfei, aged 35, holds a master degree in economics from Shanghai University and a professional graduation certificate in industrial foreign trade from the Wuhan Institute of Technology (then known as the Wuhan Institute of Chemical Technology). Between 1996 and 1998, Mr. Zhang had been working in the office of external affairs of Sanmenxia Chemical Machinery Co., Ltd. Since joining the Group in 2001, Mr. Zhang had held various positions such as the deputy general manager and the general manager of the asset management department of the Group, and vice president of the Group. He currently acts as the general manager and/or chairman of the board of various property project companies of the Group. Mr. Zhang has over 10 years of experience in external affairs, asset management, property development and property operation.

Save as disclosed above, Mr. Zhang has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years and does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Pursuant to the service contract dated 28 October 2011 entered into between Mr. Zhang and the Company, Mr. Zhang will be appointed as an executive Director for a term of 3 years commencing on 1 November 2011 (subject to retirement by rotation and re-election in accordance with the bye-laws of the Company) unless otherwise terminated by either party by giving not less than 6 months written notice to the other or in accordance with other terms of the service contract. Under his service contract, Mr. Zhang is entitled to receive a director's fee of RMB 480,000 and HK\$ 720,000 per annum, which is determined with reference to Mr. Zhang's duties, responsibilities and the prevailing market conditions. His remuneration is subject to review from time to time by the remuneration committee of the Board. Mr. Zhang is also entitled to an annual management bonus, the amount of which is to be determined by the Board from time to time with reference to the performance results of the Group and its associated companies as well as the performance of Mr. Zhang, provided that the aggregate management bonus payable to all executive Directors for a financial year shall not be more than 10% of the Company's net profit after taxation and minority interests as shown in the audited consolidated financial statements of the Company for the relevant year.

Mr. Zhang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhang has confirmed that there are no other matters in respect of his appointment that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

PARTICULARS OF MR. SHI LIZHOU

Mr. Shi Lizhou, aged 28, holds a master degree in global financial management from Northumbria University at Newcastle Upon Tyne, the United Kingdom and a bachelor degree in finance from Lancaster University, the United Kingdom. Mr. Shi has 3 years of experience working in the field of property development in the Company. He has been the co-general manager of Shanghai Zhufu Property Development Co., Ltd., a subsidiary of the Company, since June 2007 and has become the general manager in corporate finance of the Company since March 2010. He was also appointed as an assistant president, deputy director of CNTD since 30 November 2010. He is also the co-general manager of the Group's Bairun Project in Shanghai and a director of Shanghai Lushan Real Estate Ltd., a subsidiary of the Company. Following Mr. Shi's appointment as an executive Director, he will continue to act as the co-general manager of Shanghai Zhufu Property Development Co., Ltd. and the co-general manager of Bairun Project in Shanghai. He will no longer act as the general manager in corporate finance of the Company or an assistant president, deputy director of CNTD.

Mr. Shi has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years. Save as disclosed above, he does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Pursuant to the service contract dated 28 October 2011 entered into between Mr. Shi and the Company, Mr. Shi will be appointed as an executive Director for a term of 3 years commencing on 1 November 2011 (subject to retirement by rotation and re-election in accordance with the bye-laws of the Company) unless otherwise terminated by either party by giving not less than 6 months written notice to the other or in accordance with other terms of the service contract. Under his service contract, Mr. Shi is entitled to receive a director's fee of RMB 360,000 and HK\$ 600,000 per annum, which is determined with reference to Mr. Shi's duties, responsibilities and the prevailing market conditions. His remuneration is subject to review from time to time by the remuneration committee of the Board. He is also entitled to an annual management bonus, the amount of which is to be determined by the Board from time to time with reference to the performance results of the Group and its associated companies as well as the performance of Mr. Shi, provided that the aggregate management bonus payable to all executive Directors for a financial year shall not be more than 10% of the Company's net profit after taxation and minority interests as shown in the audited consolidated financial statements of the Company for the relevant year.

Mr. Shi is the nephew of Mr. Shi Jian, the chairman of the Board and he is also the cousin of Mr. Shi Janson Bing, the co-chief executive officer and an executive director of CNTD. Save as disclosed above, Mr. Shi does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor does he have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Shi has confirmed that there are no other matters in respect of his appointment that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to express its warm welcome to Mr. Zhang and Mr. Shi for joining the Board. The Company believes that their extensive knowledge and experience in external affairs, asset management, property development and operation as well as corporate finance would contribute to the Company, and in particular, enhance the capabilities of the Company in various aspects to cope with the challenging market environment today.

By Order of the Board of Directors of
SRE GROUP LIMITED
Shi Jian
Chairman

Hong Kong, 31 October 2011

As at the date hereof, the Board comprises five executive Directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Shi Pin Ren; two non-executive Directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and four independent non-executive Directors, namely Mr. Jiang Xie Fu, Mr. E Hock Yap, Mr. Zhuo Fumin and Mr. Yuan Pu.

* For identification purpose only