

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



SRE GROUP LTD.

SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**COMPLETION OF CONNECTED TRANSACTION
RELATING TO THE SUBSCRIPTION OF CONVERTIBLE NOTE
BY THE CONTROLLING SHAREHOLDER
AND
CONVERSION OF THE CONVERTIBLE NOTE**

The Company and the Subscriber had on 10 November 2011 in writing agreed to advance the Completion Date to an earlier date and the Convertible Note Subscription was completed on 10 November 2011.

The Company further announces that on 10 November 2011, the Subscriber has given notice to the Company to convert the Convertible Note in the principal amount of HK\$550 million at the conversion price of HK\$1.00 per Conversion Share.

Reference is made to the circular of the Company dated 26 May 2011 (the “**Circular**”) in relation to the Convertible Note Subscription, the Convertible Note Subscription Agreement and the Whitewash Waiver, the announcement of the Company dated 14 June 2011 in relation to the poll results of the SGM (the “**Poll Results Announcement**”) and the announcement of the Company dated 6 September 2011 in relation to the postponement of the completion date (the “**Late Completion Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless otherwise specified.

COMPLETION OF THE CONVERTIBLE NOTE SUBSCRIPTION

As set out in the Poll Results Announcement, since all the Conditions have been fulfilled following the approval by the Independent Shareholders of the Whitewash Waiver by way of poll at the SGM, completion of the Convertible Note Subscription Agreement shall take place on 12 September 2011, being the 90th calendar day after all the Conditions have been fulfilled. Due to reasons as set out in the Late Completion Announcement, the Subscriber and the Company had on 6 September 2011 agreed in writing to change the date of completion of the Convertible Note Subscription Agreement (the “**Completion Date**”) to 30 December 2011 or such other date as the Subscriber and the Company may agree in writing.

On 10 November 2011, the Company and the Subscriber had further agreed in writing to advance the Completion Date from 30 December 2011 to 10 November 2011. Accordingly, the Convertible Note Subscription was completed on 10 November 2011 and the Convertible Note in the principal amount of HK\$550 million at the initial Conversion Price of HK\$1.00 per Conversion Share was issued to the Subscriber. Save for the allotment by the Company to the Subscriber and persons acting in concert with it who are Shareholders of scrip dividend in respect of the Group’s final dividend for the year ended 31 December 2010 pursuant to the Scrip Dividend Scheme, no acquisition or disposal of voting rights had been made by the Subscriber and/or persons acting in concert with it between the date of the Convertible Note Subscription Agreement and the Completion Date.

CONVERSION OF THE CONVERTIBLE NOTE

The Company further announces that on 10 November 2011, the Subscriber has given notice to the Company to convert the Convertible Note in the principal amount of HK\$550 million at the conversion price of HK\$1.00 per Conversion Share and 550,000,000 Conversion Shares were allotted and issued by the Company to the Subscriber.

Upon full conversion of the Convertible Note, the Subscriber will be interested in 2,590,127,604 Shares (including the Lent Shares), and the Subscriber together with persons acting in concert with it (including Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Md. Si Xiao Dong and Mr. Shi Jian Dong) will be interested in a total of 2,608,785,334 Shares (including the Lent Shares), representing approximately 52.26% and 52.63% respectively of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

By order of the Board
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 10 November 2011

As at the date hereof, the Board comprises seven executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren, Mr. Zhang Hongfei and Mr. Shi Lizhou; 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*