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SRE GROUP LIMITED
上置集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1207)

ANNOUNCEMENT OF PRICE SENSITIVE INFORMATION

Signing of Strategic Cooperation Agreement on Comprehensive Town Development

The board of directors (the “Board”) of SRE Group Limited (the “Company”) is pleased to announce that on 21 April 2012 the China New Town Development Company Limited (“CNTD”), a 68.07% owned subsidiary of the Company, has signed a Strategic Cooperation Agreement on Comprehensive Town Development (“Cooperation Agreement”) with 北京小城鎮發展基金 (Beijing Small Town Development Fund or the “Beijing Fund”), which was founded by the Beijing Municipal Development and Reform Commission and China Development Bank Capital Corporation Ltd (together with the Company, the “Parties”). The purpose of the Cooperation Agreement is to establish a long-term strategic partnership for the joint participation in the planning, construction and operation of small town developments around Beijing which will be funded by the Beijing Small Town Development. Please refer to the section titled “Information on Beijing Fund” below for further information on Beijing Fund.

The Cooperation Agreement is only for the purpose of setting out the cooperative intention of both parties, and specifically provides that none of the parties will have any liabilities in the event of non-observance of its terms. Both parties to the Cooperation Agreement agreed that they would sign a further specific cooperation agreement after reaching consensus for any single project.

Summary of Key Terms of the Cooperation Agreement

The Parties intend to strategically cooperate on the corporate level and/or at the project- level in relation to the comprehensive town development business of small towns in Beijing, including the development and construction of infrastructure, service facilities, industries and residential development, which the Parties expect will include the following aspects:

- Infrastructure construction. Participation in energy, safety, environment, transportation, communication and other infrastructure works in small towns.
- Service facilities construction. Participation in project works relating to parks, hospitals, schools and other public service facilities, and the development and construction of commercial complexes in small towns.
- Industries development and construction. Participation in industrial park, cultural, travel and other service industrial projects, and the development and construction of premium agricultural projects
- Residential construction. Participation in the development and construction of high quality housing for low-income families and affordable housing.

In addition, the Parties intend to cooperate in financing, project development and other aspects, depending on the actual needs of specific future project, including but not limited to:

- Financing. The Parties (or their affiliated companies) will cooperate in obtaining financing from Beijing Small Town Development Fund and in project financing.
- Project development. Through joint shareholding of development project operating companies, the Parties (or their affiliated companies) will cooperate to implement the development and construction of specific projects, such as the infrastructure, service facilities, industries and residential.

None of the directors of the Company and to the best of the directors' knowledge, none of the substantial shareholders of the Company, is interested, whether directly or indirectly, in the Cooperation Agreement.

Information on Beijing Fund

The Beijing Fund was jointly initiated and founded by the Beijing Municipal Development and Reform Commission and 國開金融責任有限公司 (China Development Bank Capital Corporation Ltd*), with a total fund size of RMB 10 billion. The Beijing Fund focuses on investment in the construction of characterised small towns around Beijing, and has already developed a series of premium project reserves, a portion of which are coming into practical investment phase.

Information on the CNTD

CNTD was listed on the Main Board of SGX in November 2007 and on the Main Board of The Stock Exchange of Hong Kong Limited in October 2010 (HK1278). CNTD is an established new town development and construction company in China, having, since 2002, successfully carried out several small town development projects, including the Shanghai Luodian New Town, the Wuxi Hongshan New Town and the Shenyang Lixiang New Town.

On behalf of the Board of Directors of
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 22 April 2012

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.