
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus (as defined herein) or as to the action to be taken, you should consult your stock broker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

A copy of each of the Prospectus Documents (as defined herein), having attached thereto and the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange (as defined herein) and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the paragraph headed "Warning of the risks of dealing in Shares and Rights Shares in nil-paid form" under the section headed "Letter from the Board" in this Prospectus.

Dealings in the Shares (as defined herein) and the Rights Shares (as defined herein) in their nil-paid form and fully-paid forms may be settled through CCASS (as defined herein) operated by HKSCC (as defined herein) and you should consult your stock broker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

If you have sold or transferred all of your Shares, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, stock broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, 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 Prospectus.

This Prospectus does not constitute or form part of the offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



**RIGHTS ISSUE OF RIGHTS SHARES OF HK\$0.10 EACH
AT HK\$0.30 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SEVEN SHARES HELD ON
THE RECORD DATE**

Sole Underwriter of the Rights Issue



SRE Investment Holding Limited
Financial Adviser to SRE Group Limited



The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on the Acceptance Date (as defined herein). The procedure for acceptance and payment or transfer of the Rights Shares is set out on pages 15 and 16 of this Prospectus. The Underwriting Agreement (as defined herein) in respect of the Rights Issue (as defined herein) contains provisions entitling the Underwriter (as defined herein) by giving notice to the Company to terminate the obligations of the Underwriter thereunder at any time prior to the Latest Time for Termination (as defined herein) on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 8 to 9 of this Prospectus. In the event the Underwriter exercises its rights to terminate the Underwriting Agreement, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches).

It should also be noted that the Shares have been dealt in on an ex-rights basis from Friday, 11 May 2012 and that the Rights Shares are expected to be dealt in their nil-paid form from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both days inclusive). Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue is subject are required to be fulfilled (which is expected to be on Tuesday, 5 June 2012), or any dealings in the Rights Shares in their nil-paid form from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both days inclusive), are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders (as defined herein) and potential investors in the Company should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they should consult their professional advisers.

* For identification purpose only

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DEFINITIONS

In the Prospectus, unless the context otherwise requires, the following expressions have the meanings respectively set opposite to them:

“Acceptance Date”	Monday, 4 June 2012, being the latest day for acceptance of the offer of and payment for the Rights Shares and for application and payment for the excess Rights Shares
“Announcement”	the announcement of the Company dated 30 April 2012 relating to the Rights Issue
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors or a duly authorised executive committee thereof
“Business Day”	a day on which banks are generally open for normal banking business in Hong Kong other than Saturdays and Sundays
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CNTD”	China New Town Development Company Limited, a subsidiary of the Company listed on the Singapore Stock Exchange and the Stock Exchange
“Committed Shares”	370,018,227 Rights Shares which SREI has irrevocably undertaken to accept and/or procure the acceptance thereof as rights entitlement under the Rights Issue (comprising those Rights Shares to be provisionally allotted to it and those Rights Shares to be provisionally allotted as rights entitlement in respect of the Lent Shares)
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Conversion Rights”	the conversion rights attaching to the Convertible Bonds

DEFINITIONS

“Convertible Bonds”	the RMB denominated United States dollar settled 6% convertible bonds in the principal amount of RMB446.9 million maturing on 23 July 2014 issued by the Company on 24 July 2009 (Stock Code: 4309), details of which were disclosed in the Company’s announcement dated 29 June 2009
“Convertible Note”	the HK\$550 million, 2% convertible note due 2016 convertible into Shares
“Credit Suisse Lent Shares”	75,000,000 Shares lent by SREI to Credit Suisse Securities (Europe) Limited pursuant to a stock borrow agreement dated 29 June 2009
“Deutsche Bank Lent Shares”	75,000,000 Shares lent by SREI to Deutsche Bank AG (acting through its London Branch) pursuant to a stock borrow agreement dated 29 June 2009, which were returned to SREI on 8 May 2012
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares to be issued in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Closing Price”	the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Last Trade Day
“Last Trade Day”	Friday, 27 April 2012, being the last full trading day for the Shares immediately prior to the date of the Announcement
“Latest Practicable Date”	Thursday, 17 May 2012, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus

DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on the Business Day after the Acceptance Date which is expected to be on Tuesday, 5 June 2012
“Lent Shares”	150,000,000 Shares lent by SREI pursuant to two stock borrow agreements both dated 29 June 2009, comprising the Credit Suisse Lent Shares and the Deutsche Bank Lent Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom, the Directors, based on legal advice, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this prospectus issued by the Company for the Rights Issue
“Prospectus Documents”	this Prospectus, PAL and EAF
“Prospectus Posting Date”	Monday, 21 May 2012, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	Thursday, 17 May 2012
“Registrar”	Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

DEFINITIONS

“Rights Issue”	the issue by way of rights of one Rights Share for every seven Shares in issue on the Record Date at the Subscription Price
“Rights Shares”	708,089,215 new Shares to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SREI” or “Underwriter”	SRE Investment Holding Limited, a company incorporated in British Virgin Islands with limited liability, which is the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.30 per Rights Share
“Underwriting Agreement”	the conditional underwriting agreement dated 30 April 2012 entered into between the Company and the Underwriter in relation to the underwriting of the Underwritten Shares and certain other arrangements and obligations in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares other than the Committed Shares
“%”	per cent.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of the Prospectus:

Number of Rights Shares to be issued	708,089,215 Shares
Amount to be raised	Approximately HK\$212 million before expenses
Subscription price	HK\$0.30 per Rights Share payable in full on acceptance
Latest time for payment and acceptance	4:00 p.m. on the Acceptance Date (or such other date as the Underwriter may agree in writing with the Company as the last date for acceptance of, and payment for, the Rights Shares)
Basis of the Rights Issue	one Rights Share for every seven Shares held on the Record Date
Excess applications	Qualifying Shareholders may apply for Rights Shares in excess of the provisional allotments

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2012

First day of dealings in nil-paid Rights Shares	Wednesday, 23 May
Latest time and date for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 25 May
Last day of dealings in nil-paid Rights Shares	Wednesday, 30 May
Latest time and date for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 4 June
Latest time and date for termination of the Underwriting Agreement	4:00 p.m. on Tuesday, 5 June
Rights Issue expected to become unconditional	4:00 p.m. on Tuesday, 5 June
Publication of the announcement of results of acceptance of and excess applications for the Rights Issue	Friday, 8 June
Refund cheques for wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before	Monday, 11 June
Share certificates for fully-paid Rights Shares to be despatched on or before	Monday, 11 June
First day of dealings in fully-paid Rights Shares	Tuesday, 12 June

Note: All times and dates in this Prospectus refer to Hong Kong times and dates. Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as appropriate.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning signal:

1. in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 4 June 2012. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; and

EXPECTED TIMETABLE

2. in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Monday, 4 June 2012. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Acceptance Date, the dates mentioned in the section headed “Expected Timetable” in this Prospectus may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable in this regard.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Underwriter may at any time prior to the Latest Time for Termination, terminate the Underwriting Agreement if:

- (1) in the opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or material restriction on trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

In the event the Underwriter exercises its rights to terminate the Underwriting Agreement, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches). If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Shares have been dealt in on an ex-rights basis from Friday, 11 May 2012. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both days inclusive).

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

LETTER FROM THE BOARD



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

Executive Directors

Mr. Shi Jian (*Chairman*)
Mr. Li Yao Min
Mr. Yu Hai Sheng (*Co-Chairman & Chief Executive Officer*)
Mr. Jiang Xu Dong (*Vice-Chairman & Chief Operation Officer*)
Mr. Shi Pin Ren
Mr. Zhang Hongfei
Mr. Shi Lizhou

Non-executive Director

Mr. Cheung Wing Yui
Mr. Jin Bing Rong

Independent Non-executive Directors

Mr. Jiang Xie Fu
Mr. E. Hock Yap
Mr. Zhuo Fumin
Mr. Yuan Pu

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong

Room 2501, 25th Floor,
Office Tower, Convention Plaza,
1 Harbour Road,
Wanchai, Hong Kong

21 May 2012

To the Qualifying Shareholders,

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES OF HK\$0.10 EACH
AT HK\$0.30 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SEVEN SHARES
HELD
ON THE RECORD DATE**

I. INTRODUCTION

The Company proposes to raise approximately HK\$212 million before expenses by way of a rights issue of 708,089,215 Rights Shares on the basis of one Rights Share in nil-paid form for every seven Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.30 per Rights Share payable in full on acceptance. The Rights

* For identification purpose only

LETTER FROM THE BOARD

Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders (if any). The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

As at the Latest Practicable Date, SREI was interested in 2,590,127,604 Shares (including the Credit Suisse Lent Shares), representing approximately 52.26% of the then issued share capital of the Company.

Pursuant to the Underwriting Agreement, SREI has irrevocably undertaken to the Company (i) to accept and/or procure the acceptance of the Committed Shares; and (ii) that all Shares held by SREI (excluding the Lent Shares) as at the date of the Underwriting Agreement will remain beneficially owned by it as on the Record Date.

SREI has also undertaken that it will not, without first having obtained the prior written consent of the Company:

- (1) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Underwriting Agreement and the Record Date; or
- (2) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except the acceptance of and procuring the acceptance of the Committed Shares under the Rights Issue pursuant to the Underwriting Agreement) any Share or any interest therein between the Record Date and the Acceptance Date.

The purpose of this Prospectus is to provide you with further details of the Rights Issue, including information on dealings in and transfer of Rights Shares in their nil-paid form and the procedure for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Group.

The Company considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

II. TERMS OF THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One Rights Share for every seven Shares held on the Record Date
Number of Shares in issue:	4,956,624,507 Shares as at the Latest Practicable Date
Number of Rights Shares:	708,089,215 Shares

LETTER FROM THE BOARD

Subscription Price: HK\$0.30 per Rights Share

Aggregate nominal value of the Rights Shares: HK\$70,808,921.50

Sole Underwriter: SREI

As at the Latest Practicable Date, there were outstanding Convertible Bonds with an aggregate principal amount of RMB446,900,000 convertible into 556,927,763 Shares at the conversion price of HK\$0.91 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.8818.

Save for the outstanding Convertible Bonds as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

The number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 14.29% of the Company's issued share capital as at the Latest Practicable Date and will represent approximately 12.50% of the Company's issued share capital as enlarged by the issue of the Rights Shares immediately after the completion of the Rights Issue.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. Subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only but will not send any PAL or EAF to them. The Company will also send copies of the Prospectus to the trustee in respect of the Convertible Bonds as required by the terms and conditions of the Convertible Bonds.

To qualify for the Rights Issue, a Shareholder or an investor must: (i) have been registered as a member of the Company on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The latest time and date for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Acceptance Date. The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his or her entitlement under the Rights Issue, his or her proportionate shareholding in the Company will be diluted.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong, may not be eligible to take part in the Rights Issue as the Prospectus Documents will not be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company on the Record Date, there were a total of two Shareholder(s), whose registered address(es) as shown on the register of members of the Company were outside Hong Kong, namely in Macau.

The Directors have made enquiries with the Company's overseas legal adviser regarding the feasibility of extending the Rights Issue to the Overseas Shareholders in accordance with Rule 13.36(2)(a) of the Listing Rules.

The Company has been advised by its legal adviser on the laws of Macau that there is no legal restriction under the applicable legislation of Macau or requirement of any relevant regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in Macau. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Macau. Such Overseas Shareholders, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) wishing to accept (or to instruct the registered owner to accept) the offer of the Rights Shares to satisfy himself/herself/itself/themselves as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt about your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any acceptance of or application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

If however there were Non-Qualifying Shareholders, the Company will make arrangements for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in nil-paid Rights Shares end if a premium in excess of all expenses of sale can be achieved. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (if any) (pro-rata to their shareholdings on the Record Date), provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any unsold Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application on EAFs by the Qualifying Shareholders.

LETTER FROM THE BOARD

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company.

Subscription Price

The Subscription Price is HK\$0.30 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (1) a discount of approximately 22.08% to the Last Closing Price;
- (2) a discount of approximately 19.79% to the theoretical ex-rights price of approximately HK\$0.374 per Share, which is calculated based on the Last Closing Price;
- (3) a discount of approximately 22.08% to the average of the closing prices of approximately HK\$0.385 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on the Last Trade Day;
- (4) a discount of approximately 22.68% to the average of the closing prices of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the ten consecutive trading days ending on the Last Trade Day; and
- (5) a discount of approximately 85.82% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 31 December 2011 of approximately HK\$2.116.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions and the current financial position of the Group. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the paragraph headed “Reasons for the Rights Issue and use of proceeds” below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discounts to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every seven Shares held by the Qualifying Shareholders on the Record Date.

LETTER FROM THE BOARD

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to a nominee of the Company, and will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application on EAFs by the Qualifying Shareholders.

No odd lot matching services will be provided. Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders (if any), any unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares. Please refer to the paragraph headed "Application for excess Rights Shares" below for further details.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the then existing Shares in issue, such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at or before 4:00 p.m. on the Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**SRE Group Limited – Provisional Allotment Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar at or before 4:00 p.m. on the Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to

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have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation at or before 4:30 p.m. on Friday, 25 May 2012 with the Registrar, which will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders for the Rights Shares will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If any of the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed and the monies received in respect of acceptances of the Rights Shares will be refunded to the applicants without interest by means of cheque(s) to be despatched by ordinary post at the risk of such applicants on or before Monday, 11 June 2012.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders (if any), any unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Qualifying Shareholders who wish to apply for any Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by 4:00 p.m. on the Acceptance Date or such later time and/or date as may be agreed between the Company and the Underwriter. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**SRE Group Limited – Excess Application Account**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on Friday, 8 June 2012.

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Applications for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for whereas Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will still receive a greater number of Rights Shares than those applying for a smaller number)).

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to them individually. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post and at his own risk on or before Monday, 11 June 2012. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to him by ordinary post and at his own risk on or before Monday, 11 June 2012.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of the relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post at the risk of such applicants on or before Monday, 11 June 2012.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

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The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Monday, 11 June 2012. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Monday, 11 June 2012. Dealings in the fully-paid Rights Shares are expected to commence on or about Tuesday, 12 June 2012.

Application for listing of the Rights Shares on the Stock Exchange

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the Shares is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares (i.e. 2,000 Shares in one board lot).

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

It is expected that dealings in the Rights Shares in nil-paid form will commence on Wednesday, 23 May 2012 and will end on Wednesday, 30 May 2012 and dealings in the Rights Shares in fully-paid form will commence on Tuesday, 12 June 2012.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction.

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All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Adjustment to the Convertible Bonds

As at the Latest Practicable Date, there were outstanding Convertible Bonds in the aggregate principal amount of RMB446,900,000 convertible into 556,927,763 Shares at the conversion price of HK\$0.91 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.8818.

As a result of the Rights Issue, the conversion price of the outstanding Convertible Bonds was, with effect from the first date on which the Shares are traded ex-rights, i.e. 11 May 2012, adjusted from HK\$0.94 to HK\$0.91 per Share in accordance with the terms and conditions of the Convertible Bonds. The Company has given notification of the adjustment to the trustee and agents in respect of the Convertible Bonds, and to the holders of the Convertible Bonds through the trustee by way of notification letters in accordance with the terms and conditions of the Convertible Bonds.

Underwriting Arrangements

Principal terms of the Underwriting Agreement

Date:	30 April 2012
Parties:	The Company and SREI
Number of Underwritten Shares:	338,070,988 Rights Shares
Underwriter's Commission:	The commission payable by the Company in respect of the Rights Issue is HK\$100,000

The Board considers the terms of the Underwriting Agreement including the commission payable by the Company to be on normal commercial terms (or better to the Company) and fair and reasonable so far as the Company and the Shareholders are concerned.

SREI is a controlling shareholder and a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, as arrangements have been made in relation to excess applications in compliance with Rule 7.21 of the Listing Rules, the Underwriting Agreement is exempted from all reporting, announcement and independent shareholders' approval requirements under the Listing Rules. It is not in the ordinary course of business of SREI to underwrite shares.

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Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date;
- (2) the filing with the Registrar of Companies in Bermuda of one copy of the Prospectus duly signed in accordance with the requirements of the Companies Act 1981 of Bermuda on or before or as soon as reasonably practicable after the publication of the Prospectus in compliance with the Companies Act 1981 of Bermuda;
- (3) the Company posting the Prospectus Documents to the Qualifying Shareholders;
- (4) the filing and registration of all relevant documents relating to the Rights Issue which are required by law to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance by no later than the Prospectus Posting Date;
- (5) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (6) the Underwriter's shareholding in the Company (including the Lent Shares) in the Company not being diluted to less than 50% as a result of any allotment and issue of new Shares by the Company (including pursuant to the exercise of the Conversion Rights) on or before the Record Date.

If any of the above conditions shall not have been fulfilled and/or waived if permitted by the terms of the Underwriting Agreement in whole or in part by the Underwriter by the Latest Time for Termination (or such later time and/or date as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and the Rights Issue will not proceed. As at the Latest Practicable Date, condition (6) above had been fulfilled.

Irrevocable undertaking from SREI

As at the Latest Practicable Date, SREI was interested in 2,590,127,604 Shares (including the Credit Suisse Lent Shares), representing approximately 52.26% of the then entire issued share capital of the Company. Pursuant to the stock borrow agreement in relation to the Credit Suisse Lent Shares, SREI is entitled to instruct Credit Suisse Securities (Europe) Limited as the stock borrower to accept the Rights Shares to be provisionally allotted as rights entitlement in respect of the Credit Suisse Lent Shares and Credit Suisse

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Securities (Europe) Limited is required to redeliver the Credit Suisse Lent Shares together with such Rights Shares taken by it on the relevant return date in accordance with the terms of the stock borrow agreement.

Pursuant to the Underwriting Agreement, SREI has irrevocably undertaken to the Company (i) to accept and/or procure the acceptance of the Committed Shares and (ii) that all Shares held by SREI (excluding the Lent Shares) as at the date of the Underwriting Agreement will remain beneficially owned by it as on the Record Date.

SREI has also undertaken that it will not, without first having obtained the prior written consent of the Company:

- (1) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Underwriting Agreement and the Record Date; or
- (2) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except the acceptance of and procuring the acceptance of the Committed Shares under the Rights Issue pursuant to the Underwriting Agreement) any Share or any interest therein between the Record Date and the Acceptance Date.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Underwriter may at any time prior to the Latest Time for Termination, terminate the Underwriting Agreement if:

- (1) in the opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or

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armed conflict, or affecting local securities markets which may, in the opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole; or

- (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or material restriction on trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

In the event the Underwriter exercises its right to terminate the Underwriting Agreement, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches). If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

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Warning of the risks of dealing in Shares and Rights Shares in nil-paid form

The Shares have been dealt in on an ex-rights basis from Friday, 11 May 2012. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both dates inclusive).

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 23 May 2012 to Wednesday, 30 May 2012 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

Reasons for the Rights Issue and use of proceeds

The Directors believe that the Right Issue is in the best interest of the Group and the Shareholders as a whole and it would enable the Group to enlarge the capital base and strengthen the financial position of the Group. The Rights Issue would also enable the Qualifying Shareholders to maintain their respective pro rata shareholding interests in the Group by participating in the Rights Issue.

The estimated gross proceeds from the Rights Shares will be approximately HK\$212 million before expenses.

The estimated expenses in relation to the Rights Issue, including financial, legal and other related professional expenses, of approximately HK\$5 million, will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.29.

The estimated net proceeds of the Rights Issue will be approximately HK\$207 million, after the deduction of all estimated expenses of approximately HK\$5 million. The Directors currently intend to apply approximately 50% of the net proceeds from the Rights Issue for development of property business and the remaining balance for general working capital purposes of the Group.

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Previous fund exercise of the Company

As disclosed in the announcement of the Company dated 6 May 2011, the Company entered into a subscription agreement with SREI pursuant to which SREI subscribed for and the Company issued the Convertible Note in the principal amount of HK\$550 million. On 10 November 2011, SREI gave notice to the Company to convert the Convertible Note at the conversion price of HK\$1.00 per new Share to be allotted and issued to the holder of the Convertible Note upon exercise of the conversion rights attaching to the Convertible Note and 550,000,000 Shares were allotted and issued by the Company to SREI. The proceeds, net of expenses, amounted to approximately HK\$546 million. Approximately 70% of the proceeds had been used for refinancing part of the Group's then existing interest-bearing debts (which generally bore higher interest rates than the Convertible Note did) and the Company intends to use the remaining proceeds for further refinancing purposes and/or meeting the possible capital requirement resulted from the early redemption of the Convertible Bonds. The utilization of the net proceeds is consistent with the original intention of the Company.

Save for the above and the Rights Issue, the Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this Prospectus.

Effect of the Rights Issue on shareholdings in the Company

Based on the assumption that there will be no change in the issued share capital of the Company and shareholding structure of the Company from the Latest Practicable Date to the date of completion of the Rights Issue, the shareholdings in the Company as at the Latest Practicable Date and immediately after the completion of the Rights Issue were and will be as follows:

	As at the Latest Practicable Date ¹		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares (other than the Committed Shares) are taken up by the Qualifying Shareholders)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
SREI	2,590,127,604 ²	52.26	2,960,145,831	52.26	3,298,216,819	58.22
Mr. Shi Jian	13,006,991 ³	0.26	14,865,132	0.26	13,006,991	0.23
Md. Si Xiao Dong ⁴	2,324 ⁵	0.00	2,656	0.00	2,324	0.00
Directors (excluding Mr. Shi Jian)	11,548,415	0.23	13,198,188	0.23	11,548,415	0.20
	2,614,685,334	52.75	2,988,211,807	52.75	3,322,774,549	58.66 ⁶
Public	2,341,939,173	47.25	2,676,501,915	47.25	2,341,939,173	41.34
Total	<u>4,956,624,507</u>	<u>100</u>	<u>5,664,713,722</u>	<u>100</u>	<u>5,664,713,722</u>	<u>100</u>

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Notes:

- 1 Assuming no change in shareholdings from the Latest Practicable Date.
- 2 These Shares comprise 2,515,127,604 Shares held by SREI and the Credit Suisse Lent Shares. Pursuant to two stock borrow agreements both dated 29 June 2009, 75,000,000 Shares were lent by SREI to each of Credit Suisse Securities (Europe) Limited and Deutsche Bank AG (acting through its London Branch) respectively and on 8 May 2012, the Deutsche Bank Lent Shares were returned to SREI. As Mr. Shi Jian and his spouse, Md. Si Xiao Dong together beneficially own 63% of the issued share capital of SREI, each of Mr. Shi Jian and Md. Si Xiao Dong is deemed to be interested in the 2,590,127,604 Shares held by SREI.
- 3 These 13,006,991 Shares represent Mr. Shi Jian's personal interests in the Shares.
- 4 Md. Si Xiao Dong is the spouse of Mr. Shi Jian.
- 5 These 2,324 Shares represent Md. Si Xi Dong's personal interests in the Shares.
- 6 The aggregate of the approximate percentages of interest held by SREI, Mr. Shi Jian, Md. Si Xiao Dong and the Directors (excluding Mr. Shi Jian) in the issued share capital of the Company does not amount to 58.66 due to rounding calculations.

Business review, trend and prospects of the Group

The PRC government has imposed austerity policy towards real estate market during 2011, with key measures including purchase restrictions, credit controls as well as price restrictions, raising down payment ratio for second home purchases and the imposition of property tax in individual regions. As a result, real estate market in the PRC was affected, with transaction volume decreased and residential prices lowered in some cities. In 2012, it is expected that the central government will further strengthen tightening measures, and the property market will continue to face formidable challenges. Nevertheless, the Group remains positive on the medium and long term development prospects of the PRC property market, as the unswerving trend of urbanization in the PRC will continue to bring demand for real estate in the PRC.

Against the backdrop of tightening measures in the PRC property market, the Group will make timely adjustments to its strategies according to economic trends, increase the proportion of investment in commercial real estate development and in development projects in second- and third-tier or even third- and fourth-tier cities with development potential in the PRC to lay a solid foundation for the Group's next five-year plan. The Group's strategy for the year will base primarily on cash, and secondarily on profits. The Group will not aimlessly pursuit expansion but will conduct all works in an orderly manner. The Group will accomplish new goals under the new system and the new requirements of the market economy.

Financial and trading prospect of the Group

In the recent years, the Group has continued to strengthen its market position as an integrated real estate developer specializing in property and land development business. With Shanghai remaining to be the base for its real estate business, the Group will continue to be extending its property portfolio to other high-growth markets, including Shenyang, Haikou and Wuxi with strong economic development potential. While the Group continues to be a

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developer focusing on medium- and high-end residential properties, it targets to build more high-quality commercial properties such as office buildings, hotels and shopping malls, aiming to become a fully integrated trans-regional developer. Upon the receipt of the proceeds of the Right Issue, the capital strength and financial position of the Group will be further enhanced to facilitate the Group's business development strategy.

Taxation

Qualifying Shareholders and Non-Qualifying Shareholders (if any) are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of, as regards Qualifying Shareholders, holding or disposal of, or dealing in the Rights Shares and as regards, the Non-Qualifying Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be provisionally allotted to them under the Rights Issue. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from purchase, holding or disposal of, or dealing in the Rights Shares.

III. LISTING RULES IMPLICATIONS

Pursuant to Rule 7.19(6)(a) of the Listing Rules, since the Rights Issue would increase the issued share capital of the Company by not more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

IV. FURTHER INFORMATION

Your attention is drawn to the additional information set out in appendices I to III to the Prospectus.

Yours faithfully,
For and on behalf of the Board of
SRE Group Limited
SHI JIAN
Chairman

THREE-YEAR FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2009, 2010 and 2011 are disclosed in the annual reports of the Company for the years ended 31 December 2009 (pages 44 to 158), 2010 (pages 46 to 156) and 2011 (pages 50 to 160) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.sre.com.cn). The auditors of the Company have issued unqualified opinions on the consolidated financial statements of the Group for the years ended 31 December 2009, 2010 and 2011.

INDEBTEDNESS

Borrowings

At the close of business on 31 March 2012, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of the Prospectus, the details of the Group's outstanding borrowings were set out as follows:

		<i>HK\$million</i>
Bank borrowings – Secured	(a)	4,788
Bank borrowings – Unsecured		25
Other borrowings – Secured	(b)	950
Other borrowings – Unsecured		260
Convertible bonds	(c)	<u>551</u>
Current portion		<u>6,574</u>
Bank borrowings – Secured	(a)	8,008
Other borrowings – Secured	(b)	532
Guaranteed senior notes	(d)	<u>555</u>
Non-current portion		<u>9,095</u>
Total		<u><u>15,669</u></u>

- (a) As at the close of business on 31 March 2012, the Group's bank borrowings of approximately HK\$12,796 million were secured by the pledges of certain bank deposits, leasehold land, investment properties, properties held or under development for sale, property, plant and equipment, part of future property pre-sales proceeds and an equity interest of a subsidiary. In addition, among the above bank borrowings, a bank loan of HK\$123 million was guaranteed by Mr. Shi Jian, the Chairman of the Company.
- (b) As at the close of business on 31 March 2012, the Group's other borrowings of approximately HK\$1,482 million were secured by the pledges of certain leasehold land, properties held or under development for sale and equity interests of certain subsidiaries. In addition, among the above other borrowings, a borrowing of HK\$779 million was guaranteed by Mr. Shi Jian, the Chairman of the Company.

- (c) As at the close of business on 31 March 2012, the principal amount of the Group's outstanding convertible bonds (the "CB") was approximately RMB447 million (equivalent to approximately HK\$551 million). The CB was issued on 23 July 2009, maturing on 23 July 2014, bearing interest at 6% per annum payable semi-annually in arrears, with bondholders' option to convert the CB to ordinary shares of the Company at any time after 41 days from the issue date to 10 business days before its maturity at an initial conversion price of HK\$1.056 per share with a fixed exchange rate applicable to the conversion of RMB0.8818 = HK\$1.00 per ordinary share (subject to certain anti-dilutive adjustments). On 23 July 2012, the bondholders will have the right to require the Company to redeem all or some of the CB at the US Dollar equivalent of 100% of their principal amounts, together with unpaid accrued interests.
- (d) As at the close of business on 31 March 2012, the principal amount of the Group's outstanding guaranteed senior notes (the "Notes") was approximately US\$71 million (equivalent to approximately HK\$555 million). The Notes was issued on 24 April 2006, maturing on 24 April 2013, with an interest rate of 8.625% per annum payable semi-annually in arrears. The Notes were guaranteed by certain subsidiaries of the Company.

Contingent liabilities

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the certain purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end when the purchasers pledge related properties certificates as securities to the banks for the mortgage loans granted by the banks. The Group entered into guarantee contracts of principal amounts totaling approximately HK\$479 million and these contracts were still effective as at the close of business on 31 March 2012.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Group, as at the close of business on 31 March 2012, the Group did not have any outstanding indebtedness in respect of any loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchases commitments, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors of the Company are of the opinion that, taking into consideration the financial resources available to the Group, including internally generated funds and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2011. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 31 December 2011. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2011 or at any future date.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2011 <i>HK\$million</i> <i>(Note 2)</i>	Estimated net proceeds from the Rights Issue <i>HK\$million</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$million</i> <i>(Note 5)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 708,089,215 Rights Shares <i>(Note 1)</i> to be issued at a subscription price of HK\$0.30 per Rights Share	9,840	207	10,047
			1.77

Notes:

- (1) The Rights Issue of 708,089,215 Rights Shares is based on 4,956,624,507 Shares in issue as at the Record Date.
- (2) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2011 is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2011 of approximately HK\$10,489 million less goodwill of approximately HK\$649 million as extracted from the published annual report of the Group for the year ended 31 December 2011.

- (3) The estimated net proceeds from the Rights Issue are based on 708,089,215 Rights Shares to be issued (in the proportion of one Rights Share for every seven Shares held as at the Record Date) at the subscription price of HK\$0.30 per Rights Share after deduction of the estimated related expenses of approximately HK\$5 million.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company immediately after completion of the Rights Issue is calculated based on 5,664,713,722 Shares which comprise 4,956,624,507 Shares in issue before the Rights Issue and 708,089,215 Rights Shares expected to be issued on the completion of the Rights Issue.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2011.

**2. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA STATEMENT OF
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



22/F CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

21 May 2012

The Directors
SRE Group Limited
Room 2501, 25th Floor, Office Tower, Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

Dear Sirs,

**SRE Group Limited and its subsidiaries
Unaudited pro forma financial information**

We report on the unaudited pro forma adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of SRE Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the Company’s rights issue at a subscription price of HK\$0.30 per rights share, on the basis of one rights share for every seven shares held on 17 May 2012 (i.e. the Record Date as defined in the prospectus of the Company dated 21 May 2012 (the “Prospectus”)), to raise approximately HK\$212 million before expenses (the “Rights Issue”) might have affected the financial information presented, for inclusion in Appendix II to the Prospectus. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages II-1 and II-2 in Appendix II to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 Accountants' Reports on Pro Forma Financial Information in Investment Circulars issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2011 or any future dates.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

The Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Prospectus misleading.

2. SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS**Share Capital**

As at the Latest Practicable Date, the authorised and issued share capital of the Company were, and immediately following completion of the Rights Issue will be, as follows:

<i>Authorised:</i>		<i>HK\$</i>
8,000,000,000	Shares of HK\$0.10 each on the Record Date	800,000,000
 <i>Issued and to be issued:</i>		
4,956,624,507	Shares in issue as at the Latest Practicable Date	495,662,450.70
708,089,215	Rights Shares to be allotted and issued under the Rights Issue	70,808,921.50
<hr/>		<hr/>
<u>5,664,713,722</u>	Shares in issue immediately after completion of the Rights Issue	<u>566,471,372.20</u>

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were outstanding Convertible Bonds with an aggregate principal amount of RMB446,900,000 convertible into 556,927,763 Shares at the conversion price of HK\$0.91 per Share (after adjustment as a result of the Rights Issue and subject to any further adjustments) using a fixed exchange rate of HK\$1 = RMB0.8818.

Save as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

Shares options granted to eligible participants*(a) Share option scheme of the Company*

On 23 May 2002, the Company adopted a share option scheme. According to this share option scheme, the Directors may, at their discretion during the ten years from the date of approval of the scheme, invite any executive and/or employee of the Group to take up share options of the Company. As at the Latest Practicable Date, there were no outstanding share options granted to eligible participants under the share option scheme.

(b) CNTD's Management Stock Option Plan ("Management Grant")

Since CNTD was deemed as a subsidiary of the Company since 9 September 2009, CNTD's Management Grant was included in the consolidated financial statements of the Group. The detailed information of the Management Grant since it was launched is as follows:

On 5 July 2007, the Board of Directors of CNTD passed a resolution to award a total of 380 CNTD shares (equivalent to 28,500 thousand CNTD shares after the CNTD's share split in 2007) to certain of CNTD's directors and employees ("Entitled Persons"), including Mr. Li Yao Min, director of the Company, who was awarded 79 shares (equivalent to 5,925,000 shares after the share split), as an incentive for his continued service to CNTD in the following proportions:

Entitled Persons	Number of CNTD shares allotted	
	Before the CNTD share split	Equivalent to the numbers after the CNTD share split
Li Yao Min	79	5,925,000
Yue Wai Leung, Stan	79	5,925,000
Yang Yong Gang	68	5,100,000
Gu Bi Ya	40	3,000,000
Cheng Wai Ho	40	3,000,000
Mao Yi Ping	33	2,475,000
Tai Kuo Lin	25	1,875,000
Ma Da Yu	10	750,000
Sun Xiao Meng	3	225,000
Zhang Qiong	3	225,000
Total	380	28,500,000

In accordance with the terms of the Management Grant, the shares are allotted and will vest as follows: (a) 10% at the end of the 12th month after the date of listing of CNTD on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 November 2007; (b) 15% at the end of the 24th month after the date of listing of CNTD on the Main Board of the SGX-ST; (c) 20% at the end of the 36th month after the date of listing of CNTD on the Main Board of the SGX-ST; (d) 25% at the end of 48th month after the date of listing of CNTD on the Main Board of the SGX-ST; and (e) the remaining 30% at the end of the 60th month after the date of listing of CNTD on the Main Board of the SGX-ST.

The Management Grant is provided on the basis that the relevant Entitled Persons remain in service within CNTD on the vesting days and he/she has not submitted a notice of resignation at those dates. The exercise price is RMB8 per CNTD share (before the CNTD’s share split in 2007, after the CNTD’s share split, the exercise price is RMB8 per 75,000 CNTD shares). The Management Grant is accounted for as a compensation for services to be provided by the Entitled Persons in the periods of service as specified above. As at the Latest Practicable Date, management stock options in respect of a total of 7,357,500 CNTD shares remain outstanding under the Management Grant.

3. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Authorised representatives	Mr. Shi Jian Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
	Mr. Li Yao Min Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
Financial adviser to the Company	CCB International Capital Limited 34/F., Two Pacific Place 88 Queensway, Admiralty Hong Kong

Legal advisers to the Company	<i>As to Hong Kong law:</i> Woo Kwan Lee & Lo 26th Floor, Jardine House 1 Connaught Place, Central Hong Kong <i>As to Bermuda law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong
Underwriter	SRE Investment Holding Limited c/o Room 2501, 25th Floor, Office Tower Convention Plaza 1 Harbour Road Wanchai, Hong Kong
Legal advisers to the Underwriter	Leung & Lau 3/F, 50 Connaught Road C. Central, Hong Kong
Auditor and reporting accountant	Ernst & Young Certified Public Accountants 22/F CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Principal bankers	CITIC Bank International Limited The Agricultural Bank of China
Hong Kong branch registrar and transfer office	Tricor Tengis Limited 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Company secretary	Ms. Hui Sze Wai Sylvie

4. DISCLOSURE OF INTERESTS

Disclosure of interests of Directors and Chief Executives

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is

taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, were as follows:

(I) *Interests and long positions in the Shares, underlying Shares and debentures of the Company*

(i) Long position in Shares

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of shareholding (Note 1)
Shi Jian	13,006,991	2,324 (Note 2)	3,298,216,819 (Note 3)	3,311,226,134	66.80%
Li Yao Min	5,172,324	–	–	5,172,324	0.10%
Yu Hai Sheng	6,236,091	–	–	6,236,091	0.13%
Zhuo Fu Min	–	140,000 (Note 4)	–	140,000	0.003%

Notes:

- The percentage shareholding in the Company is calculated by reference to 4,956,624,507, which is the number of Shares in issue as at the Latest Practicable Date.
- These Shares were held by Md. Si Xiao Dong, the spouse of Mr. Shi Jian.
- These Shares comprised 2,590,127,604 Shares (including the Credit Suisse Lent Shares) held by SREI, 370,018,227 Committed Shares and 338,070,988 Underwritten Shares in which SREI is taken to have an interest under the SFO. As Mr. Shi Jian and his spouse, Md. Si Xiao Dong together beneficially own 63% of the issued share capital of SREI, Mr. Shi Jian is therefore taken to be interested in these 3,298,216,819 Shares.
- These Shares were held by Md. He Pei Pei, the spouse of Mr. Zhuo Fu Min.

(II) *Interests and long positions in the shares, underlying shares and debentures of the associated corporations of the Company*

(ii) Long position in shares of CNTD

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of shareholding
Shi Jian	–	–	2,658,781,817 (Note)	2,658,781,817	68.07%
Li Yao Min	4,147,500	–	–	4,147,500	0.11%

Note: Mr. Shi Jian is deemed to be interested in Sinopower Investment Limited's entire shareholding in the CNTD by virtue of the fact that he is a controlling shareholder of the Company through SREI. Sinopower Investment Limited is a subsidiary of the Company.

(iii) *Long position in options granted pursuant to the Management Grant of CNTD*

Name of Director	No. of shares exercisable under the Management Grant of CNTD	No. of shares awarded but not yet exercisable under the Management Grant of CNTD	Total	Approximate percentage of shareholding of CNTD
Li Yao Min	–	1,777,500	1,777,500	0.05%

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in any shares or underlying shares or interests in debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

Disclosure of interest of substantial shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the persons (not being Directors or chief executive of the Company) or companies who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

Name of Shareholder	Capacity	Number of issued ordinary shares held (Note 1)	Approximate percentage of shareholding (Note 2)
Si Xiao Dong	Beneficial owner, spouse and corporate interest	3,311,226,134(L) (Note 3)	66.80%
SREI	Beneficial owner	3,298,216,819 (L) (Note 4)	66.54%

Notes:

1. “L” represents long positions in Shares.
2. The percentage shareholding in the Company is calculated by reference to 4,956,624,507, which is the number of Shares in issue as at the Latest Practicable Date.
3. These Shares comprised 2,324 Shares held by Md. Si Xiao Dong, 13,006,991 Shares held by her spouse, Mr. Shi Jian and 3,298,216,819 Shares which SREI was interested in. Such 3,298,216,819 Shares comprised 2,515,127,604 Shares held by SREI, the Credit Suisse Lent Shares (being 75,000,000 Shares), 370,018,227 Committed Shares and 338,070,988 Underwritten Shares in which SREI is taken to have an interest under the SFO.
4. These Shares comprised 2,515,127,604 shares held by SREI, the Credit Suisse Lent Shares (being 75,000,000 Shares), 370,018,227 Committed Shares and 338,070,988 Underwritten Shares in which SREI is taken to have an interest under the SFO.

As at the Latest Practicable Date, so far as was known to the Directors, the following persons and companies (other than Directors or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group (other than the Company):

Name of entity (which is interested in 10% or more interest in any member of the Group)	Name of member of the Group	Approximate percentage of interest held in the member of the Group
1. Shanghai Haizhan Investment & Management Co., Ltd.*	Shanghai Zhufu Property Development Co., Ltd.*	49%
2. Shanghai Great Wall Investment Holding (Group) Co., Ltd.*	Shanghai Skyway Hotel Co., Ltd.*	35%
3. Shanghai Jieyong Asset Management Co., Ltd.*	Shanghai Lushan Real Estate Ltd.*	40.5%
4. Shanghai Shunfu Broadband Network Engineering Co., Ltd.*	Shanghai Lake Malaren Property Management Co., Ltd.*	15%
5. Hainan Guosheng Investment Co., Ltd.*	Haikou Century Harbour City Co., Ltd.*	20%
6. Perfect Media Holdings Limited	Shenyang Huarui Shiji Investment Development Limited*	40%
7. Shanghai Luodian Asset Management & Investment Co., Ltd.*	Shanghai Golden Luodian Development Co., Limited*	27.37%
8. Shenyang Lixiang Dongling State-owned Asset Management Co., Ltd.*	Shenyang Lixiang New Town Development Co., Ltd.*	10%
9. Wuxi New District Municipal Investment and Development Co., Ltd.*	Wuxi Hongshan New Town Development Co., Ltd.*	10%
10. Wuxi New District Municipal Investment and Development Co., Ltd.*	Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.*	10%
11. Changchun Kaida Development Co., Ltd.*	Changchun New Town Automobile Industry Construct Co., Ltd.*	20%

Name of entity (which is interested in 10% or more interest in any member of the Group)	Name of member of the Group	Approximate percentage of interest held in the member of the Group
12. Shanghai Luodian Tourism Services Development Co. Ltd.*	Shanghai Malaren Tourism Development Co., Ltd.*	10%
13. Eminence Victor Limited	Meredith Land Pty. Ltd.	17%
14. Lucky Charming Enterprises Limited	Anderson Land (Shanghai) Ltd.	48%

Save as disclosed above, so far as was known to the Directors or chief executive of the Company, there was no other person (not being a Director or chief executive of the Company) who as at the Latest Practicable Date had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, had a direct or indirect interest amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, other than contracts expiring or terminable by the Company within one year without payment of compensation other than statutory compensation.

6. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Group were made up.

7. INTEREST IN CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

8. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given opinions or advice, which is contained or referred to in this Prospectus:

Name	Qualifications
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young:

- (a) has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion of its report and references to its name, in the form and context in which they are included;
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had since 31 December 2011, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, none of the Directors was aware of any material adverse change in the financial or trading position of the Group since 31 December 2011 (being the date to which the latest published audited financial statements of the Group were made up).

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

11. EXPENSES

The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses are estimated to amount to approximately HK\$5 million and will be borne by the Company.

12. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Group within the two years immediately preceding the date of this Prospectus which are, or may be, material:

- (1) The sale and purchase agreement dated 6 December 2010 entered into between Mr. Pau Shing Kwan as the vendor and Sinopower Investment Limited as the purchaser in relation to the sale and purchase of (i) the entire issued share capital of Cheswing Limited (“Cheswing”) and (ii) an interest free shareholder’s loan in the sum of US\$25,799,999 owing by Cheswing to Mr. Pau Shing Kwan at the total consideration of US\$36,000,000.
- (2) The subscription agreement dated 9 December 2010 between SREI and the Company relating to the subscription by SREI of 700,000,000 Shares at the subscription price of HK\$0.81 per Share.
- (3) The convertible note subscription agreement dated 6 May 2011 between the Company as issuer and SREI as the subscriber in relation to the subscription of up to HK\$550,000,000 in aggregate principal amount of 2% convertible bonds of Company due 2016.
- (4) The sale and purchase agreement dated 18 November 2011 entered into between Shanghai Jinmei Construction & Decoration Co., Ltd.* as vendor and Shenyang Luyi Property Company Limited*, a wholly-owned subsidiary of the Company as purchaser in relation to the sale and purchase of 7.5% of the entire registered capital of Liaoning High School Support Group Property Development Limited* at a consideration of RMB185,000,000.
- (5) The Underwriting Agreement.

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

(a) Qualification of the Directors

Executive Directors

Mr. Shi Jian

Mr. Shi Jian, aged 58, is the Chairman of the Board as well as the founder of the Group. Mr. Shi has worked in the Company since 13 August 1999. Mr. Shi is responsible for the formulation of the Group’s development strategy. Mr. Shi served in the People’s Liberation Army from 1970 to 1986. From 1986 to 1993, Mr. Shi was an administration manager of Shanghai Rainbow Hotel. From 1993 to 1995, he was the general manager of the Universal Mansion project. Mr. Shi has nearly 20 years’ experience in property investment and corporate operation. Mr. Shi is the chairman of the board of directors of CNTD. Mr. Shi Jian is the spouse of Md. Si Xiao Dong, the director of various companies within the Group. Mr.

Shi is the father of Mr. Shi Janson Bing, the co-chief executive officer and executive director of CNTD and the uncle of Mr. Shi Lizhou, the assistant president and deputy director of CNTD. Mr. Shi is also the father-in-law of Ms. Zuo Xin, the assistant president of CNTD. Mr. Shi is the controlling shareholder of the Company. He also sits on the boards of various companies within the Group.

Mr. Li Yao Min

Mr. Li Yao Min, aged 61, has ceased to be the Vice-Chairmen of the Board but remains as an Executive Director with effect from 1 November 2011. He joined the Group in May 1993. From 1992 to 1993, Mr. Li worked for Shanghai Golden World Commercial Building Co., Ltd as general manager. Mr. Li has over 20 years' relevant management experience in construction, structure, planning and large scale real estate project development. Mr. Li serves as co-chairman and chief executive officer since 1 July 2011 in CNTD. He also sits on the boards of various companies within the Group.

Mr. Yu Hai Sheng

Mr. Yu Hai Sheng, aged 58, is the Co-Chairman of the Board and Chief Executive Officer of the Group. Mr. Yu obtained a Master of Business Administration from Shanghai University. Mr. Yu joined the Group in 1997. Mr. Yu had been manager of Shanghai Mechanical Engineering Company, factory manager of Shanghai Pioneer Mechanical Engineering Factory and chief of Industrial Planning Bureau of Shanghai Sports Commission. He has ample experience in the installation of electrical, mechanical and networking equipment and management. He also sits on the boards of various companies within the Group. Mr. Yu is the father of Mr. Yu Songming, the assistant president and deputy director of CNTD.

Mr. Jiang Xu Dong

Mr. Jiang Xu Dong, aged 48, has been appointed as the Vice-Chairman of the Group since 1 November 2011 and remains as an Executive Director and Chief Operation Officer of the Group. Mr. Jiang graduated from Shanghai Tongji University in 1986 specializing in industrial and civil construction, and was awarded a MBA degree afterwards. He joined the Group in 1997. He was a department director of Shanghai Real Estate Administration Bureau between 1986 and 1997. Mr. Jiang has over 20 years' experience in property development and operation management.

Mr. Shi Pin Ren

Mr. Shi Pin Ren, aged 48, is an Executive Director of the Group. Mr. Shi graduated from the Shanghai TV University with a bachelor degree in finance, and is an economist. Mr. Shi joined the Group in March 2010 and was appointed as an Executive Director in June 2010. Before joining the Company, Mr. Shi

worked in the Agricultural Bank of China and had held various positions including head of the Chongming sub-branch and head of the Minhang sub-branch of Shanghai, and the general manager of the Real Estate Credit Department of the Shanghai branch. He has over 20 years experience in banking and administration.

Mr. Zhang Hong Fei

Mr. Zhang Hong Fei, aged 35, was appointed as an Executive Director since 1 November 2011. Mr. Zhang 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.

Mr. Shi Li Zhou

Mr. Shi Li Zhou, aged 29, was appointed as an Executive Director since 1 November 2011. He 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 from 30 November 2010 to 29 March 2012. 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. 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.

Non-executive Directors

Mr. Cheung Wing Yui

Mr. Cheung Wing Yui, aged 62, is a Non-executive Director of the Company. Mr. Cheung has been a practicing lawyer in Hong Kong since 1979 and admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. He is currently a consultant of Messrs. Woo, Kwan, Lee & Lo,

Solicitors and Notaries, and the Deputy Chairman of the Council of the Open University of Hong Kong. Mr. Cheung is a director of a number of listed companies in Hong Kong (including SmarTone Telecommunications Holdings Limited, Sunevision Holdings Limited, Tianjin Development Holdings Limited, Tai Sang Land Development Limited, Hop Hing Group Holdings Limited and Agile Property Holdings Limited) and retired as director of Taifook Securities Group Limited and Ching Hing (Holdings) Limited in 2007 and Ping An Insurance (Group) Company of China, Ltd. in 2009.

Mr. Jin Bing Rong

Mr. Jin Bing Rong, aged 63, is a Non-executive Director of the Company. Mr. Jin graduated from Fudan University and obtained a master degree in international finance in 1997. Mr. Jin has over 20 years' experience in banking and was the former president of the Shanghai branch of the Agricultural Bank of China. Mr. Jin had been working with the Agricultural Bank of China since 1981 and had served as the president of its branches in Shanghai during his 20-plus year career with the bank.

Independent Non-executive Directors

Mr. Jiang Xie Fu

Mr. Jiang Xie Fu, aged 69, is an Independent Non-executive Director of the Company. He was the Vice-Chairman of the Urban & Rural Construction and Environmental Protection Committee of Shanghai People's Congress Standing Committee from 2003 till 2008. He had been the Party Secretary of the Shanghai Municipal Housing, Land and Resource Administration Bureau. He obtained a Bachelor degree in Shanghai Normal University majoring in History.

Mr. E. Hock Yap

Mr. E. Hock Yap, aged 56, is an Independent Non-executive Director of the Company. Mr. Yap graduated from Sheffield University with a bachelor degree in Chemical Engineering. He is a member of the Institute of Chartered Accountants in England. Mr. Yap has over 30 years of experience in financial and accounting management, banking and investment.

Mr. Zhuo Fumin

Mr. Zhuo Fumin, aged 60, was appointed as an Independent Non-executive Director of the Company in November 2010. He was also a member of the audit committee and a member of the remuneration committee of the Company. Mr. Zhuo graduated from Shanghai Jiaotong University of Engineering Science in 1983 and obtained a master degree in Economics from Fudan University in 1997. Between 1987 and 1995, Mr. Zhuo served senior positions including an office head and an officer assistant of the Shanghai Economic System Reform Committee. Between 1995 and 2002, Mr. Zhuo held various senior positions at

Shanghai Industrial Investment (Holdings) Co., Ltd., including the chief executive officer and the vice chairman of Shanghai Industrial Holdings Limited, a company listed on the Stock Exchange (stock code: 363) and the chairman and an executive director of SIIC Medical Science and Technology (Group) Limited, a medical company. From 2002 to 2005, Mr. Zhuo was the chairman and the chief executive officer of Vertex China Investment Co., Ltd., a wholly owned subsidiary of Vertex Management Group which is a global venture capital management company. In 2005, Mr. Zhuo cofounded 科星創投基金 and has been appointed as the Chairman. Since 2008, Mr. Zhuo has been concurrently serving as a management partner of GGV Capital. Mr. Zhuo was previously an independent director of China Enterprise Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 600675). Currently, he is a director of Daqo New Energy Corp., a company listed on the New York Stock Exchange (stock code: DQ) and a non-executive director of Besunyen Holdings Company Limited, a company listed on the Stock Exchange (stock code: 926). He also serves as an independent non-executive director of Focus Media Holding Limited, a company listed on NASDAQ (stock code: FMCN) and of Shenyin Wanguo (H.K.) Limited, a company listed on the Stock Exchange (stock code: 218).

Mr. Yuan Pu

Mr. Yuan Pu, aged 61, was appointed as an Independent Non-executive Director of the Company with effect from 1 July 2011. Mr. Yuan is a senior economist. From 1970 to 1994, Mr. Yuan was as a government official and had served several departments under the State Council. Positions he held during this period included the Vice Division Chief of the Comprehensive Production Department and the Division Chief of the Policies, Laws and Regulations Department of the Ministry of Chemical Industry of the PRC, the Division Chief of the Policies, Laws and Regulations Department of the Economic and Trade Office of the State Council and the Division Chief of the Research Office of the State Economic and Trade Commission. From 1995 to 1999, Mr. Yuan was employed as the Vice Director of the China National Tendering Centre of Mach. & Elec. Equipment. From 1999 to 2000, Mr. Yuan served as the Director General of China Coordination Center for Cooperation of SMEs with Foreign Countries and ChinaCentre for Promotion of SME Development as well as the Executive Vice-President and Secretary-General of China International Cooperation Association of Small and Medium Enterprises.

(b) The addresses of the Directors and senior management of the Company

Name	Residential address
<i>Executive Directors</i>	
Mr. Shi Jian	Flat C, 9th Floor, 1 Albany Road, Hong Kong
Mr. Li Yao Min	Flat A, 22th Floor, Tower 2, 2B Broadwood Road, The Leighton Hill, Happy Valley, Hong Kong

Name	Residential address
Mr. Yu Hai Sheng	Flat 402, No. 9, Alley 847, Baochang Road, Shanghai, PRC
Mr. Jiang Xu Dong	Room 1905, 74 Hao, 1467 Nong, Cao Bao Road, Shanghai, PRC
Mr. Shi Pin Ren	Room 901, No. 15, Lane 39, DongHanYang Road, HongKou District, Shanghai, PRC
Mr. Zhang Hongfei	Room 602, No. 19, Lane 958, Pushan Road, Zhabei District, Shanghai, PRC
Mr. Shi Lizhou	Room 17C, An Fu Road, 298 Lane, No. 2, Xu Hui District, Shanghai, 200031, PRC
<i>Non-executive Directors</i>	
Mr. Cheung Wing Yui	18th Floor, Repulse Bay Garden, No. 28 Belleview Drive, Repulse Bay
Mr. Jin Bing Rong	Flat 2602, Block 2, No. 333 Han Zhong Road, Shanghai, PRC
<i>Independent Non-executive Directors</i>	
Mr. Jiang Xie Fu	Flat B, 15th Floor, No. 539 Xin Hua Road, Shanghai, PRC
Mr. E. Hock Yap	26H, Shouson Hill Road, Hong Kong
Mr. Zhuo Fumin	Room 1301, Bldg. 3, No. 258 Puming Road, Pudong District, Shanghai, PRC
Mr. Yuan Pu	Room 1001, Door 7, No. 39 Nanxiange Street, Xicheng District, Beijing, PRC

14. MISCELLANEOUS

- (a) The Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (c) The head office and principal place of business of the Company is situated at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.
- (d) Ms. Hui Sze Wai Sylvie, the Company Secretary of the Company, is an associate member of the Hong Kong Institute of Certified Public Accountants.

15. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the Laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent of Ernst & Young referred to in the paragraph headed “Expert and consent” in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to Section 342C of the Companies Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong from the date of this Prospectus up to and including 4 June 2012:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the written consent referred to in the paragraph headed “Expert and consent” in this appendix;
- (c) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (d) the annual reports of the Company for the three financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, respectively;
- (e) the accountant’s report in respect of the unaudited pro forma financial information of the Group in respect of the Rights Issue, the text of which is set out in Appendix II; and
- (f) the Prospectus.

* *For identification purpose only*