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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

RESULTS OF THE RIGHTS ISSUE

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The Board is pleased to announce that as at 4:00 p.m. on Monday, 4 June 2012, being the latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares, a total of 149 valid acceptances and applications had been received from 97 applicants for a total of 855,564,644 Rights Shares, which comprise: (i) 84 valid acceptances of provisional allotments in respect of a total of 527,467,369 Rights Shares; and (ii) 65 valid applications for excess Rights Shares in respect of a total of 328,097,275 Rights Shares. In aggregate, they represented approximately 120.83% of the total number of 708,089,215 Rights Shares available under the Rights Issue.

The Rights Issue and the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 5 June 2012. It is expected that the share certificates for fully-paid Rights Shares will be despatched by ordinary post to those entitled at their own risk on Monday, 11 June 2012. Refund cheques in respect of the wholly or partially unsuccessful applications for excess Rights Shares will also be despatched to the applicants by ordinary post at their own risk on Monday, 11 June 2012.

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Tuesday, 12 June 2012.

As the Rights Issue was over-subscribed, the obligations of the Underwriter under the Underwriting Agreement in respect of the Rights Shares have been fully discharged.

Reference is made to the announcement dated 30 April 2012 and the prospectus dated 21 May 2012 (the “**Prospectus**”) of SRE Group Limited (the “**Company**”) in respect of the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise stated.

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Pursuant to the Underwriting Agreement, SREI has accepted and/or procured the acceptance of a total of 370,018,228 Rights Shares under the PAL. SREI has applied for 306,000,000 excess Rights Shares under the Rights Issue with the Company's consent.

Based on the above, as the Rights Issue was over-subscribed, the obligations of the Underwriter under the Underwriting Agreement in respect of the Rights Shares have been fully discharged. All the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Rights Issue and the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 5 June 2012.

SHAREHOLDINGS IN THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:—

| | Immediately before completion of the Rights Issue | | Immediately after completion of the Rights Issue | |
|---------------------------------------|--|------------------|---|------------------|
| | <i>No. of Shares</i> | <i>Approx. %</i> | <i>No. of Shares</i> | <i>Approx. %</i> |
| SREI | 2,590,127,604 <i>(Note 1)</i> | 52.26 | 3,128,434,569 <i>(Notes 1 & 2)</i> | 55.23 |
| Mr. Shi Jian | 13,006,991 | 0.26 | 13,006,991 | 0.23 |
| Md. Si Xiao Dong | 2,324 | 0.00 | 2,324 | 0.00 |
| Directors (excluding Mr. Shi Jian) | 11,548,415 | 0.23 | 11,568,415 <i>(Note 3)</i> | 0.20 |
| Public | 2,341,939,173 | 47.25 | 2,511,701,423 <i>(Note 4)</i> | 44.34 |
| Total | 4,956,624,507 | 100.00 | 5,664,713,722 | 100.00 |

Notes:

1. These Shares include the 75,000,000 Credit Suisse Lent Shares returned from Credit Suisse Securities (Europe) Limited to SREI on 24 May 2012 which is after the Record Date.

2. These Shares (registered in the name of HKSCC Nominees Limited) comprise 2,590,127,604 Shares which SREI was interested in before completion of the Rights Issue, the 370,018,228 Rights Shares which SREI has accepted and/or procured the acceptance thereof as rights entitlement under the Rights Issue and approximately 168,288,737 excess Rights Shares which are expected to be allocated to SREI by HKSCC Nominees Limited. As disclosed in the Prospectus, the Board regards the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the arrangement in relation to the allocation of the excess Rights Shares will not be extended to SREI individually. As a result, the number of excess Rights Shares allocated to SREI is based on an estimate and is subject to adjustment.
3. These Shares comprise 5,172,324 Shares held by Mr. Li Yao Min, 6,236,091 Shares held by Mr. Yu Hai Sheng, and 140,000 Shares held by and 20,000 Rights Shares provisionally allotted to and accepted by Md. He Pei Pei, the spouse of Mr. Zhuo Fu Min.
4. Such number of Shares is subject to adjustment depending on the actual number of excess Right Shares to be allocated to SREI.

EXCESS APPLICATIONS

Regarding the 328,097,275 excess Rights Shares being applied for by way of application under the EAFs, the Board has resolved to allot a total of 180,621,846 Rights Shares available for excess application on a fair and equitable basis based on the following principles as set out in the Prospectus:-

- (1) preference has been 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) after allocation under principle (1) above, the excess Rights Shares have been allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares have been allocated a higher percentage of the excess Rights Shares they have applied for whereas Qualifying Shareholders applying for a larger number of Rights Shares have been allocated a lower percentage of the excess Rights Shares they have applied for (although they may still receive a greater number of Rights Shares than those applying for a smaller number)).

The allotment results in respect of the excess Rights Shares are set out as follows:–

| Number of excess Rights Shares applied for | Number of valid excess applications | Total number of excess Rights Shares applied for | Total number of Rights Shares allotted | Approximate percentage of allocation based on the total number of excess Rights Shares applied for in the category | Basis of allotment |
|---|--|---|---|---|---------------------------|
| 1 to 1,999 | 33 | 44,026 | 44,026 | 100.00% | Note A |
| 2,000 to 999,999 | 31 | 2,334,493 | 1,444,493 | 61.88% | Note B |
| 325,718,756 | 1 | 325,718,756 | 179,133,327 | 55.00% | Note C |
| Total | 65 | 328,097,275 | 180,621,846 | | |

Note A: In full.

Note B: Odd lots excess Rights Shares applied for in full plus 60% of the remaining excess Rights Shares applied for (round up to the nearest board lot).

Note C: Approximately 55% of the excess Rights Shares applied for.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES AND COMMENCEMENT OF DEALINGS OF RIGHTS SHARES IN FULLY-PAID FORM

It is expected that share certificates for the Rights Shares, in their fully-paid form, and the refund cheques in respect of the wholly or partially unsuccessful applications for excess Rights Shares, are expected to be despatched by ordinary post to those entitled thereto, at their own risk, on Monday, 11 June 2012.

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Tuesday, 12 June 2012.

By order of the board of
SRE Group Limited
SHI JIAN
Chairman

Hong Kong, 8 June 2012

As at the date hereof, the Board comprises seven executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren, Mr. Zhang Hongfei and Mr. Shi Lizhou; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and three independent non-executive directors, namely Mr. Jiang Xie Fu, Mr. Zhuo Fumin and Mr. Yuan Pu.

* For identification purpose only