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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF AUDIT COMMITTEE

The Board is pleased to announce that Mr. Chan, Charles Sheung Wai has been appointed as an independent non-executive director of the Company with effect from 10 July 2012. Mr. Chan has also been appointed as the chairman of the Remuneration Committee of the Board and a member of the Audit Committee of the Board with effect from the same date.

The board of directors (the “**Board**”) of SRE Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Chan, Charles Sheung Wai (“**Mr. Chan**”) has been appointed as an independent non-executive director of the Company (“**INED**”) with effect from 10 July 2012. Mr. Chan has also been appointed as the chairman of the Remuneration Committee of the Board and a member of the Audit Committee of the Board with effect from the same date.

PARTICULARS OF MR. CHAN, CHARLES SHEUNG WAI

Mr. Chan, Charles Sheung Wai (陳尚偉), aged 58, has been appointed as an independent non-executive director of the Company, the chairman of the Remuneration Committee of the Board and a member of the Audit Committee of the Board with effect from 10 July 2012. Mr. Chan obtained a Bachelor of Commerce degree at the University of Manitoba, Canada in 1977. He is a member of the Chartered Accountants of Canada as well as a member of the Hong Kong Institute of Certified Public Accountants. He started his career as an audit staff at the Canadian office of Arthur Andersen in 1977 and was admitted to partnership in 1988. He subsequently joined the China/Hong Kong office of Arthur Andersen as an audit partner in 1994. For the period from July 2002 to June 2012, he was a partner of the China/Hong Kong Office of PricewaterhouseCoopers. Mr. Chan served as a member of the Listing Committee of The Stock Exchange of Hong Kong Limited during the period from 1998 to 2001 and also served as a member of the Selection Committee for the first Legislative Council of the Hong Kong Special Administrative Region in 1998. From 1996 to 1999, he was a council member of the Hong Kong Society of Certified Public Accountants (the “**Society**”). He had also served as a member of the Accounting Standards Committee of the Society, a member of the Auditing Standards Committee of the Society and the chairman of

the China Technical Committee of the Society.

Mr. Chan has not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years. Save as disclosed above, Mr. Chan does not hold any other positions with any member of the Group, any other major appointments or any other professional qualifications.

As at the date of this announcement, Mr. Chan does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) nor any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Pursuant to the appointment letter dated 5 July 2012 entered into between Mr. Chan and the Company, Mr. Chan has been appointed as an INED for a term commencing on 10 July 2012 and expiring on 30 June 2014, subject to retirement and re-election by the shareholders of the Company at the next annual general meeting of the Company and other removal and retirement by rotation provisions in the bye-laws of the Company, unless otherwise terminated by either party by giving not less than one month's written notice to the other or otherwise in accordance with the terms of the appointment letter. According to such appointment letter, Mr. Chan is entitled to a director's fee of HK\$330,000 per annum, subject to determination by the remuneration committee of the Company from time to time with reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, as at the date of this announcement, the Board is not aware of any matters relating to Mr. Chan's appointment that need to be brought to the attention of the shareholders of the Company nor any information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Following Mr. Chan's appointment, the Company complies with (i) Rule 3.10(2) of the Listing Rules, which require that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise; (ii) Rule 3.21 of the Listing Rules, which requires that at least one of the members of the Audit Committee of the Board who is an INED has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules and the majority of the Audit Committee of the Board to be INEDs; and (iii) Rule 3.25 of the Listing Rules, which requires the Remuneration Committee of the Board to be chaired by an INED and to comprise a majority of INEDs.

The Board wishes to express its warm welcome to Mr. Chan on his appointment as the INED.

By Order of the Board of Directors of
SRE GROUP LIMITED

Shi Jian
Chairman

Hong Kong, 10 July 2012

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

** For identification purpose only*