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COMPLETION OF PLACING OF NEW SHARES OF A SUBSIDIARY

The Board is pleased to announce that CNTD, a subsidiary of the Company, has completed the placing of 585,000,000 new CNTD Shares at the Placing price of HK\$0.35 per share pursuant to the Placing Agreement. Following completion of the Placing, CNTD will remain as a subsidiary of the Company.

Reference is made to the announcement of the Company dated 20 June 2012 (the “Announcement”) in relation to, among other matters, a placing of up to 585,000,000 Placing Shares by CNTD, a subsidiary of the Company. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

COMPLETION OF PLACING OF NEW SHARES OF A SUBSIDIARY

The Board is pleased to announce that CNTD, a subsidiary of the Company, has completed the placing of 585,000,000 new CNTD Shares at the Placing Price of HK\$0.35 per share to not less than six independent places under the CNTD General Mandate. The 585,000,000 Placing Shares represent (i) approximately 14.98% of the issued share capital of CNTD immediately before completion of the Placing; and (ii) approximately 13.03% of the issued share capital of CNTD immediately after completion of the Placing. The gross and net proceeds from the Placing are approximately HK\$205 million and HK\$202 million, respectively. The net proceeds from the Placing will be used as general working capital for CNTD.

* For identification purpose only

Upon the completion of the Placing, CNTD will remain as a subsidiary of the Company and the Company's interest in CNTD will be diluted from approximately 68.07% to approximately 59.20%.

By order of the Board
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 13 July 2012

As at the date hereof, the board of directors of SRE 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.