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

CHANGE OF CHAIRMAN OF THE BOARD, CHAIRMAN OF NOMINATION COMMITTEE AND APPOINTMENT OF CO-CHAIRMAN OF THE BOARD

The Board announces that with effect from 29 August 2013:-

- (1) Mr. Yu Hai Sheng, originally the Chairman of the Board and Chairman of the Nomination Committee, has been re-designated as the co-chairman of the Board;
- (2) Mr. Shi Jian has been designated as the Chairman of the Board and the Chairman of the Nomination Committee; and
- (3) Mr. Li Yao Min has been appointed as an executive director and the co-chairman of the Board.

CHANGE OF CHAIRMAN OF THE BOARD AND CHAIRMAN OF THE NOMINATION COMMITTEE

The board of directors (the “**Board**”) of SRE Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) announces that with effect from 29 August 2013, Mr. Yu Hai Sheng (“**Mr. Yu**”), an executive director and originally the Chairman of the Board and Chairman of the Nomination Committee, has been re-designated as the co-chairman of the Board. Mr. Shi Jian (“**Mr. Shi**”), an executive director of the Company, has been designated as the Chairman of the Board and the Chairman of the Nomination Committee.

PARTICULARS OF MR. YU HAI SHENG

Mr. Yu Hai Sheng, aged 59, is an executive director of the Company. He obtained a Master of Business Administration Degree from Shanghai University. Prior to joining the Company 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. Mr. Yu was the Chief

Executive Officer of the Group from May 2007 to June 2013, who was responsible for financing, capital operation and housing technology business of the Group. Mr. Yu was also the co-chairman of the Board from November 2010 to June 2013.

Save as disclosed above, Mr. Yu has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years and does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Mr. Yu has entered into a service agreement with the Company for a term of three years commencing from 10 June 2013. Pursuant to the service agreement, Mr. Yu is entitled to a remuneration of HK\$3,000,000 per annum which was determined with reference to market standard. He is also entitled to receive an annual bonus, which amount shall be determined by the Board from time to time and together with the bonus payable to all executive directors of the Company shall not be more than 10% of the Company's profit after taxation and non-controlling interests. Mr. Yu is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

As at the date of this announcement, Mr. Yu is beneficially interested in 6,236,091 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"). Besides, Mr. Yu holds a 5% shareholding in SRE Investment Holding Limited, the controlling shareholder of the Company.

Save as disclosed above, Mr. Yu does not have any other relationship with any directors, senior management, substantial or controlling shareholder of the Company.

Mr. Yu has confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of the shareholders of the Company in relation to his re-designation, and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

PARTICULARS OF MR. SHI JIAN

Mr. Shi Jian, aged 59, was appointed as an Executive Director and also as the Chairman of the Board in 1999. Mr. Shi resigned from Chairman of the Board on 10 June 2013, but remains as an executive director. Mr. Shi is also a director of a number of subsidiaries of the Company. 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 over 20 years' experience in property investment and corporate operation. Mr. Shi Jian is concurrently the chairman of the board of directors and an executive director of China New Town Development Company Limited ("**CNTD**"), a company listed on the Singapore and Hong Kong Stock Exchange (stock code: 1278). Mr. Shi Jian is the spouse of Md. Si Xiao Dong, the Director of various companies of our Group. Mr. Shi Jian is the uncle of Mr. Shi Lizhou, an Executive Director of the Company. Mr. Shi is the ultimate controlling shareholder of the Company.

Save as disclosed above, Mr. Shi has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3

years and does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Mr. Shi has entered into a service agreement with the Company for a term of three years commencing on 10 June 2013. Pursuant to the service agreement, Mr. Shi is entitled to a remuneration of HK\$1,000,000 per annum which was determined with reference to market standard. On 29 August 2013, he entered into a supplemental agreement with the Company adjusting his remuneration to HK\$2,000,000 per annum. He is also entitled to receive an annual bonus, which amount shall be determined by the Board from time to time and together with the bonus payable to all executive directors of the Company shall not be more than 10% of the Company's profit after taxation and non-controlling interests. Mr. Shi is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

As at the date of this announcement, Mr. Shi and his spouse Md. Si Xiao Dong (“**Md. Si**”), together with SRE Investment Holding Limited (a company which is together beneficially owned as to 63% by Mr. Shi and Md. Si) were beneficially interested in an aggregate of 2,926,545,943 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Shi does not have any other relationship with any directors, senior management, substantial or controlling shareholder of the Company.

Mr. Shi has confirmed that there are no other matters in respect of his designation as the Chairman that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN OF THE BOARD

The Board is pleased to announce that Mr. Li Yao Min (“**Mr. Li**”) has been appointed as an executive director and co-chairman of the Board with effect from 29 August 2013.

Mr. Li Yao Min, aged 62, resigned from the position of vice chairman and executive director of the Company on 1 November 2011 and 1 April 2013 respectively. He is concurrently an executive director, the Co-chairman and the Chief Executive Officer of CNTD. Mr. Li joined the Group in May 1993. From 1992-1993, Mr. Li worked for Shanghai Golden World Commercial Building Company Limited as general manager. Mr. Li has over 20 years' relevant management experience in construction, structure, planning and large scale real estate project development. He is a researcher in the Faculty of Real Estate at the Shanghai Finance and Economics University. He also sits on the boards of various companies within our Group.

Save as disclosed above, Mr. Li has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years and does not hold any other position with the Company and other members of the Group, or any other major appointments and professional qualifications.

Mr. Li has entered into a service agreement with the Company for a term of three years commencing from 29 August 2013. Pursuant to the service agreement, Mr. Li is entitled to a remuneration of HK\$2,000,000 per annum which was determined with reference to market standard. He is also entitled to receive an annual bonus, which amount shall be determined by

the Board from time to time and together with the bonus payable to all executive directors of the Company shall not be more than 10% of the Company's profit after taxation and non-controlling interests. Mr. Li is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

As at the date of this announcement, Mr. Li is beneficially interested in 5,172,324 shares of the Company within the meaning of Part XV of the SFO. Save for being a 5% shareholder of SRE Investment Holding Limited, the controlling shareholder of the Company, Mr. Li does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Li has confirmed that there are no other matters in respect of his appointment as an executive director and the co-chairman of the Board that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Respectively in June and in April 2013, Mr. Shi and Mr. Li resigned from the position as Chairman and an executive director of the Board due to their need to focus more on the work of CNTD. As things later evolved and unfolded, it was found that they did not and would not have to spend as much time and efforts as expected in performing their duties in CNTD. As the Board of the Company always treasure the experience of both Mr. Shi and Mr. Li in the business and in particular the leadership and guidance of Mr. Shi, the Board has resolved to reappoint Mr. Shi as Chairman and Mr. Li as an executive director of the Board.

The Board would like to take this opportunity to extend its warmest welcome to Mr. Shi and Mr. Li on their re-designation as Chairman of the Board and appointment as an executive director and co-chairman respectively.

NON-COMPLIANCE WITH RULE 3.10A OF THE LISTING RULES

As a result of Mr. Li's appointment as an executive director, the number of independent non-executive directors of the Company fell short of the requirement under Rule 3.10A of Listing Rules that the independent non-executive directors of the Company shall represent at least one-third of the board.

The Board will endeavour to appoint a suitable candidate to fill the vacancy as soon as possible and in any event within three months from 29 August 2013 for the purpose of complying with Rule 3.10A of the Listing Rules. Further announcement(s) regarding such appointment will be made by the Company when appropriate.

By Order of the Board of Directors of
SRE GROUP LIMITED
Shi Jian
Chairman

Hong Kong, 29 August 2013

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. Wang Zi Xiong, 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*