
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SRE Group Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



**ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM (as defined hereafter) of the Company to be held on Wednesday, 6 July 2016 at 4:00 p.m., at Suites 1001-1004, 10th Floor, One Pacific Place, 88 Queensway, Hong Kong or at any adjournment thereof is set out on pages 17 to 19 in this circular. A proxy form for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, please complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event no later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

* *For identification purpose only*

16 June 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix – Summary of the Principal Terms of the New Share Option Scheme...	8
Notice of Special General Meeting	17

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Adoption Date”	the date on which the New Share Option Scheme is adopted by an ordinary resolution to be passed by the Shareholders at the Special General Meeting
“Affiliate”	the controlling Shareholder or the subsidiary or associate of such controlling Shareholder
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Date of Grant”	as defined in paragraph 3 in the Appendix
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	as defined in paragraph 2 in the Appendix
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 June 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Special General Meeting, a summary of the principal terms of which is set out in Appendix to this circular

DEFINITIONS

“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be held at Suites 1001-1004, 10th Floor, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 6 July 2016 at 4:00 p.m.
“Shareholder(s)”	the holders of the Shares of the Company
“Shares(s)”	ordinary share(s) of HK\$0.10 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

Board of Directors:

Mr. He Binwu (*Chairman*)
Mr. Peng Xinquang (*Chief Executive Officer*)
Mr. Shi Janson Bing
Mr. Chen Chao
Mr. Zhu Qiang
Mr. Chen Donghui
Ms. Qin Wenying
Mr. Zhuo Fumin*
Mr. Chan, Charles Sheung Wai*
Mr. Guoping*
Mr. Ma Lishan*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

Suite 4006, 40/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

* *independent non-executive Directors*

16 June 2016

To the Shareholders

Dear Sir or Madam,

ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING

The purpose of this circular is to (i) provide you with further information relating to the New Share Option Scheme which will be proposed as an ordinary resolution at the SGM; and (ii) give you notice of the Special General Meeting.

ADOPTION OF THE NEW SHARE OPTION SCHEME

The Board proposes to adopt the New Share Option Scheme to reward the contributions made by the Eligible Employees, to provide incentive for the Eligible Employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. As at the Latest Practicable Date, none of the Company and any of its subsidiaries has adopted any share option scheme

* *For identification purpose only*

LETTER FROM THE BOARD

pursuant to the Listing Rules. The basis of eligibility of any Eligible Employees to the grant of the options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

The rules of the New Share Option Scheme provide that the Board may offer to grant to any Eligible Employees from time to time as the Board may in its absolute discretion select, an option to subscribe for such number of Shares as the Board may determine. The basis for determining the subscription price is also specified precisely in the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme though the Board may specify such performance target at the time of grant. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Employees to acquire proprietary interests in the Company.

As at the Latest Practicable Date, there were no outstanding options of the Company as none of the Company and any of its subsidiaries has adopted any share option scheme pursuant to the Listing Rules. As at the Latest Practicable Date, there were 20,564,713,722 Shares in issue. Assuming no further issue or repurchase of Shares during the period from the Latest Practicable Date to the Adoption Date, the number of Shares in issue as at the Adoption Date will be 20,564,713,722 and therefore 2,056,471,372 Shares may fall to be allotted and issued under the New Share Option Scheme, if adopted, representing 10% of the issued share capital of the Company as at the Adoption Date. The mandate limit of the New Share Option Scheme of 2,056,471,372 Shares assuming no further issue or repurchase of Shares during the period from the Latest Practicable Date to the Adoption Date, is within the overall limit of 30% prescribed under the Listing Rules.

None of the Directors shall be a trustee of the New Share Option Scheme or has a direct or indirect interest in any such trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Value of Option

The Directors consider that it is not appropriate at this stage to state the value of all options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined yet. Such variables include but are not limited to, the subscription price, exercise period and lock-up period (if any), and predetermined performance target (if any), which can only be determined at the time of grant. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders. The Company will, for the purposes of calculation of the value of all options, use the Black-Scholes option pricing model, the binomial model or a comparable generally accepted methodology in accordance with the Listing Rules.

LETTER FROM THE BOARD

Conditions Precedent of the New Share Option Scheme

The adoption of New Share Option Scheme is conditional upon (i) the passing of the necessary ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the SGM and to authorise the Board to grant the options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the options under the New Share Option Scheme; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares (representing a maximum of 10% of the Shares in issue as at the date of approving the adoption of the New Share Option Scheme) which may fall to be issued upon the exercise of options that may be granted under the New Share Option Scheme.

In addition, the New Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the Board may, at its sole discretion, determine such term(s) and impose such other restrictions on the grant of an option. The New Share Option Scheme also sets out the basis of determining the exercise price of an option. Subject to the Listing Rules, the Board has the discretion in determining the exercise price in respect of any option.

The Board (or its duly authorised committee) will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

A summary of the principal terms of the rules of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the SGM is set out in Appendix to this circular on pages 8 to 16. A copy of the New Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Suite 4006, 40/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, during normal business hours from the date hereof up to and including 19 June 2016 and at the new principal place of business of the Company in Hong Kong at Suites 1001-1004, 10/F., One Pacific Place, 88 Queensway Road, Hong Kong from 20 June 2016 up to and including the date of the SGM.

To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the adoption of the New Share Option Scheme.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the Shares in issue as at the date of approving the adoption of the New Share Option Scheme) which may fall to be issued upon the exercise of options that may be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

SGM

The notice convening the SGM is set out on pages 17 to 19 this circular. A proxy form for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, please complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event no later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjourned thereof if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

Shareholders whose names appear on the register of members of the Company on Wednesday, 6 July 2016 are entitled to attend and vote at the SGM. For determining the entitlement to attend and vote in the SGM, the register of members of the Company will be closed from Monday, 4 July 2016 to Wednesday, 6 July 2016, both days inclusive, and during such period no share transfer will be registered. In order to qualify for voting at the SGM, properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 30 June 2016, for registration.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the SGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

Your attention is also drawn to the additional information set out in the Appendix to this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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 this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

GENERAL

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
SRE GROUP LIMITED
He Binwu
Chairman

The following is a summary of the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the SGM.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to reward the contributions made by the Eligible Employees, to provide incentive for the Eligible Employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

2. WHO MAY JOIN

The Board may at its discretion grant options to any Directors or employee of the Group (the “**Eligible Employees**”).

3. SUBSCRIPTION PRICE

The subscription price per Share payable on the exercise of an option is to be determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which the option is offered to an Eligible Employee (“**Date of Grant**”); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Share on the Date of Grant.

4. GRANT OF OPTION

An offer of the grant of an option shall be made to an Eligible Employee by letter in such form as the Board may from time to time determine, requiring the Eligible Employee to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. The offer shall remain open for acceptance for a period of 14 days from the Date of Grant. Subject to the terms of the offer letter, there shall be no minimum holding period for the vesting or exercise of the options.

An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance as set out in the offer letter. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the Date of Grant.

5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**(i) Scheme Mandate**

The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as at the Adoption Date (as the Scheme is required to be approved by the Shareholders and for the purpose of this paragraph, it shall be deemed to fall on the SGM to be held on 6 July 2016) (the “**Scheme Mandate**”), which is expected to be 2,056,471,372 Shares. For the purpose of calculating the Scheme Mandate, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted.

(ii) Refreshment of Scheme Mandate

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate as refreshed must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders’ approval. For these purposes, options previously granted under the New Share Option Scheme and any other share option schemes of the Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted.

(iii) Grant of options beyond Scheme Mandate

The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the Scheme Mandate provided the options in excess of the Scheme Mandate are granted only to Eligible Employees who are specifically identified before such approval is sought. A circular will be sent by the Company to the Shareholders in accordance with the Listing Rules.

(iv) Maximum number of Shares issued pursuant to options

Notwithstanding any provisions to the contrary, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed such number of Shares as shall represent 30% of the Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

(v) Maximum entitlement of each Eligible Employees

Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of Shares issued and to be issued to that grantee on exercise of his options (including both exercised and outstanding options) during any 12 month period exceeding 1% of the total Shares then in issue.

6. TIMING FOR EXERCISE OF OPTIONS

The period during which an option may be exercised in accordance with the terms of the New Share Option Scheme (“**Option Period**”) shall be a period of time to be notified by the Board to each grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Date of Grant.

7. ASSIGNMENT OF OPTIONS

An option is personal to the grantee and shall not be transferable or assignable or be used for the repayment of debt. No grantee shall sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or attempt to do so.

8. RIGHTS ON CEASING EMPLOYMENT

If the grantee who is a director or an employee of the Group ceases to be so engaged by reason other than the termination of his employment on one or more of the grounds under sub-paragraph (v) of paragraph 15 below or the effective term of his contract of employment has expired without renewal or the transfer of employment from the Group to another company other than the Company and its Affiliates or the resignation or by virtue of any statutory requirement or other circumstances specified in the New Share Option Scheme, the option shall lapse automatically on the date on which such grantee ceases to be so engaged.

If the grantee who is a director or an employee of the Group transfers employment from the Group to an Affiliate, the option that is already vested but not yet exercised shall be exercised within three months from the date on which the employment of the said grantee is transferred from the Group to such Affiliate; and the option not already vested shall lapse automatically on the date on which the employment of the said grantee is transferred from the Group to such Affiliate.

9. RIGHTS ON DEATH, INCAPACITY OR PERMANENT DISABILITY

In the event of death, incapacity or permanent disability of the grantee (being an individual) before exercising the option in full, and such grantee is an Eligible Employee, the option that is already vested but not yet exercised shall be exercised within three months from the date of the death, incapacity or permanent disability of the said grantee (in case of death, by his successor), and the shares received from such exercise shall also be sold within such period; and the option not already vested shall lapse automatically on the date of the death, incapacity or permanent disability of the said grantee.

10. RIGHTS ON RETIREMENT

If the grantee being an Eligible Employee ceases to be so engaged by reason of retirement in accordance with the terms of his contract of employment, the option that is already vested but not yet exercised shall be exercised within three months from the date of the retirement of the said grantee, and the option not already vested shall lapse automatically.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to all grantees on the same day as it gives notice of the meeting to its shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the closing date for the exercise of option then required by the Board; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court;

exercise the option, conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. The Company may require the grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms present to the court or upon any other terms as may be approved by such court) the rights of grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

12. EFFECT OF CAPITAL ALTERATION

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the grantee) such corresponding alterations (if any) in: (i) the number of Shares subject to any option so far as such option remains unexercised; (ii) the subscription price; (iii) the method of exercise of the option; and/or (iv) the number of Shares subject to the New Share Option Scheme, as the auditors or the independent financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustment shall be made pursuant to Chapter 17 of the Listing Rules and on the basis that are required to give each grantee the same proportion of the share capital as that to which the grantee was previously entitled, but not so that the effect would be to enable any Share to be issued to a grantee at less than its nominal value.

13. RIGHTS ON VOLUNTARY WINDING-UP

In the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same day as or soon after it despatches such notice to each shareholder of the Company give notice thereof to all grantees (together with a notice of the existence of this provision) and thereupon, all options shall lapse automatically on the date on which such winding-up is commenced.

14. RIGHTS ON GENERAL OFFER

If a general offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to all the holders of Shares (or all holders other than the offeror and its concert parties and persons controlled by the offeror) and the offer becomes or is declared unconditional during the Option Period of an outstanding option, the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time before the date on which the offer becomes or is declared unconditional, unless otherwise determined by the Board in its absolute discretion.

15. LAPSE OF OPTIONS

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the date referred to in paragraphs 8, 9, 10 or 14;
- (iii) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 13 above;

- (iv) the date the scheme or compromise referred to in paragraph 11 above becomes effective;
- (v) the date on which the grantee: (a) has not satisfied the Company's requirement at the annual personal assessment of the Group; or (ii) (b) has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or (c) has been convicted of a criminal offence involving his integrity or honesty; or (d) has been prohibited from acting as a director or a member of the senior management or has been publicly censured or declared as an ineligible candidate by regulating authorities; or (e) has been in breach of any contracts entered into between the grantee (or its associates) and the Group;
- (vi) the date on which the New Share Option Scheme is terminated pursuant to paragraph 23 below;
- (vii) such event or date of termination as may have been specifically provided for in the New Share Option Scheme; and
- (vii) the occurrence of such event or expiry of such period as may have been specifically provided for in the offer letter, if any.

16. RANKING OF SHARES

The Shares to be allotted upon exercise of an option will be subject to all the provisions of the Bye-laws and will rank *pari passu* with the fully paid Shares in issue on the date of allotment. Accordingly the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment provided that the record date for the dividend or distribution is a date after the date of allotment.

17. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 23 below, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date on which the New Share Option Scheme is deemed to take effect in accordance with its terms, after which time no further options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the New Share Option Scheme.

18. ALTERATIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered by the Board except that any material alteration to its terms and conditions or any change to the terms of options (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall first be approved by the Shareholders in general meeting and the provisions of the New Share Option Scheme which relate to matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the grantees except with the prior sanction of a resolution of the Company in general meeting. Any amended terms of the New Share Option Scheme shall comply with Chapter 17 of the Listing Rules.

19. ADMINISTRATION

The New Share Option Scheme shall be administered by the Board (or its duly authorised committee). Any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting. The decision of the Board as to all matters relating to the New Share Option Scheme or its interpretation or effect (save as otherwise provided) shall be final and binding on all parties affected. In particular, the Board shall finally determine whether a person is eligible to participate in the New Share Option Scheme.

Without prejudice to any of the provisions of the New Share Option Scheme, the Board may from time to time adopt such operational rules as it may deem fit for the purpose of giving effect to or implementing the New Share Option Scheme (including rules which restrict the exercise of the options granted or to be granted or otherwise impose restrictions on the grantee) provided that such rules do not conflict with the New Share Option Scheme or contravene any of the provisions of the Listing Rules.

20. OPTIONS TO RELATED PERSONS

- (i) Any grant of options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (“**Related Person**”) must be approved by all the independent non-executive directors of the Company (excluding any independent non-executive director who is also a grantee of the options).
- (ii) Any grant of options to a substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the twelve month period up to and including the proposed Date of Grant: (a) would represent in aggregate more than 0.1% of the Shares then in issue; and (b) would have an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000.

- (iii) At the general meeting to approve the proposed grant of options pursuant to this paragraph 20, such grantee who is a Related Person, his associates and all core connected persons of the Company must abstain from voting unless intending to vote against the proposed grant and that intention has been stated in the circular to be despatched to shareholders in accordance with the Listing Rules. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

21. RESTRICTIONS ON GRANT OF OPTIONS

No grant of options shall be made after inside information has come to the Company's knowledge until it has been announced pursuant to the requirements of the Listing Rules. Without prejudice to the foregoing, no option shall be granted during a period during which no option may be granted.

22. CANCELLATION OF OPTIONS

Options granted but not exercised or lapsed may be cancelled by the Board at its discretion with the consent of the relevant grantee. The grantee whose options are cancelled may be issued new options in accordance with the provisions of the New Share Option Scheme, provided that there are sufficient available unissued options (excluding such cancelled options) for such re-issuance under the Scheme Mandate.

23. TERMINATION

The Company may at any time terminate the operation of the New Share Option Scheme by resolution of the Board or resolution of the shareholders in general meeting and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in force in all other respects. In particular, all options granted and accepted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.

Save as otherwise determined by the Board in its absolute discretion, the New Share Option Scheme shall be accelerated and the grantee shall exercise the share option within a period specified by the Board in any of the following circumstances: (i) if as a result of any general offer made to the holders of the Shares, the Board becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror, or a person associated with or acting in concert with the offeror; or (ii) a compromise or arrangement between the Company and its Shareholders or creditors is made in connection with the reconstruction or subdivision or its amalgamation with another company or any matters related thereto as effected and completed by the Company.

The New Share Option Scheme shall be terminated with immediate effect, and any unexercised share option, vested or otherwise, shall lapse and become non-exercisable on the date on which the New Share Option Scheme is terminated in any of the following circumstances: (i) an audit report with adverse or qualified opinion is issued on the financial

accounting report of the Company by the auditor of the Company; (ii) the operation of the Company is materially affected by a sanction imposed against the Company by the Stock Exchange or other regulatory authority; or (iii) any circumstances whereupon the implementation of the New Share Option Scheme is not permitted by the Stock Exchange, any governmental, judicial or other regulatory authority in accordance with the laws.

24. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon (i) the passing of the necessary ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the SGM and to authorise the Board to grant the options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the options under the New Share Option Scheme; and (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any option which may be granted under the New Share Option Scheme.

NOTICE OF SPECIAL GENERAL MEETING



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of SRE Group Limited (the “**Company**”) will be held at 4:00 p.m. on Wednesday, 6 July 2016 at Suites 1001-1004, 10th Floor, One Pacific Place, 88 Queensway, Hong Kong for the purposes of considering and, if thought fit, passing the following resolution of the Company, with or without amendments:

ORDINARY RESOLUTIONS

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) falling to be issued pursuant to the exercise of any options granted under the new share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the New Share Option Scheme be approved and adopted to be the share option scheme of the Company and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, and that the Directors (or their authorised committee) be authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (a) to administer and grant options thereunder and to allot and issue Share pursuant to the New Share Option Scheme;
- (b) to alter and/or modify the New Share Option Scheme from time to time provided that such alteration and/or modification is effected in accordance with the provisions of the New Share Option Scheme relating to the alteration and/or modification and subject to Chapter 17 of the Listing Rules;
- (c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the New Share Option Scheme provided always that the total number of Shares subject to the New Share Option Scheme aggregated with the number of Shares subject to any grant after the date of passing of this Resolution pursuant to any other share option schemes of the Company, shall not exceed 10% of the total number of

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

Shares of the Company in issue as at the date of passing of this Resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total issued shares of the Company from time to time; and

- (d) to consent, if a Director so deems fit an expedient, to such conditions, alteration and/or modification as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the Board
SRE GROUP LIMITED
He Binwu
Chairman

Hong Kong, 16 June 2016

Notes:

- (1) A member of the Company entitled to attend and vote at the special general meeting or any adjourned meeting thereof convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof
- (3) Completion and return of the proxy form shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), all votes of the shareholders of the Company must be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
- (5) Where there are joint registered holders of any shares of the Company, any one of such joint holders may vote either in person or by proxy in respect of such shares of the Company as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
- (6) Shareholders whose names appear on the register of members of the Company on Wednesday, 6 July 2016 are entitled to attend and vote at the SGM. For determining the entitlement to attend and vote in the SGM, the register of members of the Company will be closed from Monday, 4 July 2016 to Wednesday, 6 July 2016, both days inclusive, and during such period no share transfer will be registered. In order to qualify for voting at the SGM, properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 30 June 2016, for registration.

NOTICE OF SPECIAL GENERAL MEETING

- (7) As at the date hereof, the board of directors of the Company comprises seven executive directors of the Company, namely Mr. He Binwu, Mr. Peng Xinkuang, Mr. Shi Janson Bing, Mr. Chen Chao, Mr. Zhu Qiang, Mr. Chen Donghui and Ms. Qin Wenying; and four independent non-executive directors of the Company, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Guoping and Mr. Ma Lishan.