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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**DESPATCH OF CIRCULAR IN RELATION TO
DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF KONMEN INVESTMENT LIMITED
AND
APPLICATION FOR WHITEWASH WAIVER**

The Circular containing, among other things, details of the Acquisition, the issue of the Consideration Shares and the Whitewash Waiver and the notice convening the SGM has been despatched to the Shareholders on 7 September 2007.

Reference is made to the announcement of SRE Group Limited (the “**Company**”) dated 17 August 2007 regarding the acquisition of Konmen Investment Limited which constitutes a discloseable and connected transaction of the Company and the corresponding application by Good Time Resources Limited for a waiver from the obligation on itself and parties acting in concert with it to make a general offer to shareholders of the Company under the Code on Takeovers and Mergers (the “**Announcement**”). Capitalized terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise specified.

DESPATCH OF CIRCULAR

The Board is pleased to announce that the circular (the “**Circular**”) of the Company containing, among other things, (i) further information on the Acquisition, the issue of Consideration Shares and the Whitewash Waiver; (ii) the advice of the Independent Financial Adviser to the Acquisition IBC, the Whitewash IBC and the Independent Shareholders; (iii) the recommendations of the Acquisition IBC and the Whitewash IBC to the Independent Shareholders; and (iv) the notice convening the SGM with resolutions approving the Acquisition, the issue of Consideration Shares and the Whitewash Waiver has been despatched to the Shareholders on 7 September 2007. The Circular has also been posted on the website of the Company at www.sre.com.cn and the website of SFC at www.sfc.hk.

* *for identification purpose only*

The SGM will be held at 10:00a.m. on Monday, 24 September 2007, details of which are set out in the notice of SGM in the Circular.

By order of the Board
SRE Group Limited
Lee Wai Yee
Company Secretary

As at the date hereof, the board of Directors comprises nine Directors, four of whom are executive Directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng and Mr. Jiang Xu Dong; two of whom are non-executive Directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and three of whom are independent non-executive Directors, namely Mr. Yeung Kwok Wing, Mr. Geng Yu Xiu and Mr. E Hock Yap.

The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

Hong Kong, 7 September 2007