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SRE GROUP LTD.

SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**OVERSEAS REGULATORY ANNOUNCEMENT
PROPOSED DISTRIBUTION IN SPECIE OF THE SHARES IN
CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED
BY CONTROLLING SHAREHOLDER**

This overseas regulatory announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

China New Town Development Company Limited (“CNTD”), a company dual-listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the Main Board of The Stock Exchange of Hong Kong Limited and a 59.20% owned subsidiary of SRE Group Limited, has on 31 August 2012 released to the SGX-ST an announcement (the “Announcement”) in relation to the proposed distribution in specie of the shares in CNTD by the controlling shareholder. The following is a reproduction of the Announcement for information purpose only.

On behalf of the Board of Directors of
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 31 August 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

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The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this announcement.



China New Town Development Company Limited **中國新城鎮發展有限公司**

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

Hong Kong Stock Code: 1278

Singapore Stock Code: D4N.si

PROPOSED DISTRIBUTION IN SPECIE OF THE SHARES IN THE COMPANY BY CONTROLLING SHAREHOLDER

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange and under Rule 703(1) of the Listing Manual of The Singapore Exchange Securities Trading Limited.

Reference is made to the announcement of SRE dated August 31, 2012 which stated that the board of directors of SRE had resolved to distribute a special dividend in the form of a distribution in specie of all the Relevant Shares, being 2,658,781,817 Shares currently held by SRE's wholly-owned subsidiary Sinopower, to the SRE Shareholders on the basis of 1.408075 Shares for every 3 shares held in SRE. SRE will convene and hold a special general meeting for the purpose of considering, and if thought fit, approving the SRE Distribution.

The Relevant Shares represent approximately 59.20% of the total number of issued Shares as at the date of this announcement. As the Relevant Shares are currently held by Sinopower, upon passing of the ordinary resolution at the special general meeting of SRE approving the SRE Distribution, Sinopower will implement the Sinopower Distribution whereby all the Relevant Shares will be distributed to SRE. After the Relevant Shares have been transferred to SRE, SRE will then implement the SRE Distribution.

Upon completion of the SRE Distribution, SRE and Sinopower will no longer have any shareholding interests in the Company, the Company will cease to be a subsidiary of SRE and the Group's financial results will no longer be consolidated into SRE's financial results.

SREI, the controlling shareholder of SRE, holds approximately 55.23% of the issued share capital of SRE as at the date of this announcement. Accordingly, SREI's effective interest in the Company is approximately 32.70% as at the date of this announcement. Assuming the number of issued Shares remains unchanged from the date of this announcement until completion of the SRE Distribution, immediately after completion of the SRE Distribution, SREI will directly hold approximately 32.70% of the total number of issued Shares.

The Company will release further announcements to keep shareholders of the Company updated should there be any material impact to the Company's business arising from the Sinopower Distribution and the SRE Distribution.

CHANGES IN SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' INTERESTS IN THE COMPANY

	As of the date of this announcement		Immediately after completion of the Sinopower Distribution		Immediately after completion of the SRE Distribution	
	No. of Shares held	Approx. %	No. of Shares held	Approx. %	No. of Shares held	Approx. %
Substantial shareholders						
Sinopower	2,658,781,817	59.20	0	0	0	0
	(Note 1&3)					
SRE	0	0	2,658,781,817	59.20	0	0
			(Note 2&3)			
SREI	0	0	0	0	1,468,356,862	32.70
					(Note 3)	
Directors						
Shi Jian	0	0	0	0	6,104,939	0.14
Li Yao Min	4,147,500	0.09	4,147,500	0.09	6,575,173	0.15
Other Directors' interests	11,057,500	0.25%	11,057,500	0.25%	11,057,500	0.25%
Other shareholders of the Company	1,816,854,359	40.46	1,816,854,359	40.46	2,998,746,702,	66.76
					(Note 4)	
Total:	<u>4,490,841,176</u>	<u>100</u>	<u>4,490,841,176</u>	<u>100</u>	<u>4,490,841,176</u>	<u>100</u>

Notes:

1. SRE is deemed interested in the 2,658,781,817 Shares held by Sinopower and SREI is also deemed to be interested in the same 2,658,781,817 Shares which SRE is deemed interested in.
2. SREI will be deemed interested in the 2,658,781,817 Shares held by SRE immediately after completion of the Sinopower Distribution.
3. Mr. Shi Jian, a Director, is deemed interested in the 2,658,781,817 Shares held by Sinopower as of the date of this announcement, will be deemed interested in the 2,658,781,817 Shares which will be held by SRE immediately after completion of the Sinopower Distribution, and will be deemed interested in the 1,468,356,862 Shares which will be held by SREI immediately after completion of the SRE Distribution.
4. These 2,998,746,702 Shares include 1,090 Shares which will be held by Md. Si Xiao Dong, the spouse of Mr. Shi Jian, immediately after completion of the SRE Distribution and Mr. Shi will be deemed interested in such 1,090 Shares which will be held by Md. Si.

DEFINITIONS

Unless otherwise defined, the following expressions have the following meanings in this announcement:

“Company” China New Town Development Company Limited, a company incorporated in the British Virgin Islands with limited liability and the shares of which are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Relevant Shares”	2,658,781,817 Shares, representing approximately 59.20% of the total number of issued Shares as at the date of this announcement
“Shares”	shares of no par value in the Company
“Sinopower”	Sinopower Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SRE
“Sinopower Distribution”	the proposed distribution of a dividend by Sinopower to its sole shareholder SRE in the form of a distribution in specie of all the Relevant Shares held by Sinopower to SRE
“SRE”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“SRE Distribution”	the proposed distribution of a special dividend by SRE to the SRE Shareholders in the form of a distribution in specie of all the Relevant Shares to the SRE Shareholders on the basis of 1.408075 shares in the Company for every 3 shares in SRE held by such SRE Shareholders
“SRE Shareholder(s)”	holder of share(s) in SRE
“SREI”	SRE Investment Holding Limited, the controlling shareholder of SRE holding approximately 55.23% of the issued share capital of SRE as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the board of directors
**China New Town Development
Company Limited**
Shi Jian
Chairman

Singapore and Hong Kong, August 31, 2012

As at the date of this announcement, the executive Directors are Mr. Shi Jian (Chairman), Mr. Li Yao Min, Mr. Yue Wai Leung Stan, Mr. Shi Janson Bing, Ms. Gu Biya, Ms. Song Yiqing, Mr. Mao Yiping, Mr. Yang Yonggang and Mr. Qian Yifeng, and the independent non-executive Directors are Mr. Henry Tan Song Kok, Mr. Lam Bing Lun Philip, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.