
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SRE Group Limited (the “Company”)**, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



DECLARATION OF SPECIAL DIVIDEND

DISTRIBUTION IN SPECIE OF SHARES IN CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

A letter from the Board is set out on pages 4 to 12 of this circular.

A notice convening the SGM to be held at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Friday, 21 September 2012 is set out on pages 22 to 23 of this circular. A proxy form for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, you are recommended to complete the accompanying 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purpose only*

3 September 2012

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix – Financial Information of the CNTD Group	13
Notice of SGM	22

DEFINITIONS

Unless the context otherwise requires, the following terms in this circular shall have the meanings set out below:

“Board”	the board of directors of the Company
“CNTD”	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 SGX-ST
“CNTD Group”	CNTD and its subsidiaries
“CNTD Share(s)”	share(s) of no par value in CNTD
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Distributions”	the Sinopower Distribution and the SRE Distribution
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	31 August 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register on that date is(are) in a place outside of Hong Kong
“PRC”	the People’s Republic of China (excluding for the purpose of this circular Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Record Date”	28 September 2012

DEFINITIONS

“Relevant Shares”	2,658,781,817 CNTD Shares, representing approximately 59.20% of the total number of issued CNTD Shares as at the date of this circular
“Remaining Group”	the Group after completion of the SRE Distribution
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened and held at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 21 September 2012 at 10:00 a.m. for the purpose of considering, and if thought fit, approving the SRE Distribution
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Share(s)”	share(s) of HK\$0.10 each in the Company
“Shareholder(s)”	holder(s) of Shares
“Singapore Code”	The Singapore Code on Take-overs and Mergers
“Sinopower”	Sinopower Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sinopower Distribution”	the proposed distribution of a dividend by Sinopower to its sole shareholder, the Company, in the form of a distribution in specie of all the Relevant Shares held by Sinopower to the Company
“SRE Distribution”	the proposed distribution of a special dividend by the Company to the Shareholders in the form of a distribution in specie of all the Relevant Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date on a pro-rata basis in proportion to their respective shareholding interest in the Company
“SREI”	SRE Investment Holding Limited, the controlling shareholder of the Company holding approximately 55.23% of the issued share capital of the Company as at the date of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“%”

per cent

In this circular, RMB has been converted to HK\$ at the rate of RMB0.8176 = HK\$1 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

Executive Directors:

Mr. Shi Jian (*Chairman*)

Mr. Li Yao Min

Mr. Yu Hai Sheng

Mr. Jiang Xu Dong

Mr. Shi Pin Ren

Mr. Zhang Hongfei

Mr. Shi Lizhou

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Head Office and Principal Place of

Business in Hong Kong:

Room 2501, 25th Floor

Office Tower, Convention Plaza

1 Harbour Road, Wanchai

Hong Kong

Non-executive Directors:

Mr. Cheung Wing Yui

Mr. Jin Bing Rong

Independent non-executive Directors:

Mr. Jiang Xie Fu

Mr. Zhuo Fumin

Mr. Yuan Pu

Mr. Chan, Charles Sheung Wai

3 September 2012

To the Shareholders

Dear Sir or Madam,

DECLARATION OF SPECIAL DIVIDEND

DISTRIBUTION IN SPECIE OF SHARES IN CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

I. INTRODUCTION

The Company announced on 31 August 2012 that on 31 August 2012, the Board resolved to distribute a special dividend in the form of a distribution in specie of all the Relevant Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date on a pro-rata basis in proportion to their respective shareholding interest in the Company.

* For identification purpose only

LETTER FROM THE BOARD

The main purpose of this circular is to provide you with, among other things, details of the SRE Distribution; and a notice of the SGM.

II. THE SRE DISTRIBUTION

1. The SRE Distribution

On 31 August 2012, the Board resolved to distribute a special dividend in the form of a distribution in specie of all the Relevant Shares, being 2,658,781,817 CNTD Shares currently held by the Company's wholly-owned subsidiary Sinopower, to the Shareholders whose names appear on the register of members of the Company on the Record Date on a pro-rata basis in proportion to their respective shareholding interest in the Company on the following basis:-

for every 3 Shares held1.408075 CNTD Shares

The above basis of distribution is determined after taking into account the number of existing issued Shares and the number of Relevant Shares and that a Shareholder needs to hold at least three Shares in order that he can be distributed with at least one Relevant Share.

Based on the closing price of HK\$0.33 per CNTD Share as traded on the Stock Exchange on the Latest Practicable Date, the aggregate market value of the Relevant Shares to be distributed under the SRE Distribution as at the date of this circular is approximately HK\$877,397,999, which equates to a distribution of approximately HK\$0.154888 per Share assuming the number of issued Shares remains unchanged from the date of this circular until completion of the SRE Distribution.

The Relevant Shares represent approximately 59.20% of the total number of issued CNTD Shares as at the Latest Practicable Date. As the Relevant Shares are currently held by Sinopower, upon passing of the ordinary resolution at the SGM approving the SRE Distribution, Sinopower will first implement the Sinopower Distribution whereby all the Relevant Shares will be distributed to the Company. After the Relevant Shares have been transferred to the Company, the Company will then implement the SRE Distribution.

The Relevant Shares to be distributed pursuant to the SRE Distribution will rank pari passu in all respects with each other and with the remaining CNTD Shares then in issue, save for any dividends or distributions declared, paid or made by CNTD prior to the Record Date. Fractional entitlements to the Relevant Shares pursuant to the SRE Distribution will not be transferred under the SRE Distribution but will be retained by the Company for sale in the market. The proceeds derived therefrom will be retained for the benefit of the Company.

Subject to the passing of the ordinary resolution at the SGM approving the SRE Distribution, it is expected that certificates for the Relevant Shares distributed pursuant to the SRE Distribution will be despatched by ordinary post at the risk of those entitled thereto on or before 9 October 2012.

LETTER FROM THE BOARD

2. Rights of Overseas Shareholders

The Relevant Shares will not be transferred to Overseas Shareholders pursuant to the SRE Distribution in the event that the Board, based on legal advice, considers such exclusion to be necessary or expedient on account of either legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in those places. Accordingly, certain Overseas Shareholders (the “**Non-Qualifying Shareholders**”) will not receive the CNTD Shares pursuant to the SRE Distribution. Instead, arrangements will be made for the CNTD Shares which will otherwise have been transferred to such Non-Qualifying Shareholders to be sold in the market and any proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders except that any amount of less than HK\$100 will be retained for the benefit of the Company.

Based on the register of members of the Company as at the Latest Practicable Date, there were a total of two Overseas Shareholders with registered addresses in Macau (the “**Macau Shareholders**”).

The Board has made enquiries with the Company’s legal adviser on the laws of Macau regarding the feasibility of extending the SRE Distribution to the Macau Shareholders and the Company had been advised that there are no restrictions under the laws of Macau on making the SRE Distribution to the Macau Shareholders and Macau law does not place any limitations, restrictions or prohibitions on the offer of the SRE Distribution to the Macau Shareholders. In view of this, the Board has decided to extend the SRE Distribution to the Macau Shareholders, subject to such Macau Shareholders still being Shareholders on the Record Date.

LETTER FROM THE BOARD

3. Shareholding Structure of CNTD

The following table sets out the shareholding structure of CNTD (a) as at the Latest Practicable Date; (b) immediately after completion of the Sinopower Distribution and (c) immediately after completion of the SRE Distribution, assuming that the number of issued CNTD Shares remains unchanged during the entire period:–

	As of the Latest Practicable Date		Immediately after completion of the Sinopower Distribution		Immediately after completion of the SRE Distribution	
	<i>No. of CNTD Shares held</i>	<i>Approx. %</i>	<i>No. of CNTD Shares held</i>	<i>Approx. %</i>	<i>No. of CNTD Shares held</i>	<i>Approx. %</i>
Sinopower The Company	2,658,781,817	59.20	0	0	0	0
SREI	0	0	2,658,781,817	59.20	0	0
Directors of the Company					1,468,356,862	32.70
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
Yu Hai Sheng	0	0	0	0	2,926,961	0.06
Other shareholders of CNTD	1,827,911,859	40.71	1,827,911,859	40.71	3,006,877,241	66.95
					<i>(Note)</i>	
	<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>

Note: Of these 3,006,877,241 CNTD Shares, 1,090 CNTD Shares and 75,097 CNTD Shares representing approximately 0.000024% and 0.0017% of the total number of issued CNTD Shares respectively are held by Md. Si Xiao Dong, the spouse of Mr. Shi Jian, a Director, and Md. He Pei Pei, the spouse of Mr. Zhuo Fu Min, an independent non-executive Director.

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

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

LETTER FROM THE BOARD

III. REASONS FOR AND BENEFITS OF THE SRE DISTRIBUTION

The following matters had been considered by the Board when deciding to implement the SRE Distribution:–

1. The Company had not declared dividends to the Shareholders for over a year as the last time dividends were declared by the Company was for the year ended 31 December 2010. As such, the Board is of the view that the SRE Distribution will allow the Company to show appreciation to and reward the Shareholders for their continuous support of the Company and through the SRE Distribution, the Company will be able to return value to the Shareholders while retaining cash that would otherwise be distributed if a cash dividend were to be declared.
2. The CNTD Group's financial results have been quite volatile and have been loss making for the financial year of 2011 and the 1st half of 2012. After completion of the SRE Distribution, CNTD Group's financial results will no longer be consolidated into the Company's financial statements and will to a less extent affect the Company's financial results.
3. CNTD was listed on the SGX-ST in 2007 and was listed on the Main Board of the Stock Exchange by way of introduction in October 2010. Since the listing of CNTD on the Stock Exchange, the trading volume of CNTD Shares had not been volatile since most of the public shareholders of CNTD did not move their CNTD Shares to the Hong Kong branch register and continued to trade their CNTD Shares on the SGX-ST. After completion of the SRE Distribution, the Relevant Shares will be directly held by the Shareholders. With the increase in the number of Hong Kong public shareholders of CNTD, it is hoped that the trading volume of the CNTD Shares on the Stock Exchange will increase.
4. Since CNTD is also listed on the Stock Exchange, the Board is of the view that it would be to the benefit of the Shareholders if they are allowed to directly hold the listed shares of both companies, rather than for the Shareholders to just have an indirect interest in CNTD through their shareholding interest in the Company. Upon completion of the SRE Distribution, the Shareholders will directly hold CNTD Shares, thereby enabling them to participate in the ownership of, and enjoy returns from, the shares of two separate listed companies with different businesses without incurring any extra investment costs on the part of the Shareholders.

In light of the above, the Board considered that the SRE Distribution is in the interests of both the Company and the Shareholders.

LETTER FROM THE BOARD

IV. FINANCIAL EFFECTS OF THE SRE DISTRIBUTION ON THE GROUP

Financial effects of the SRE Distribution

Earnings

The SRE Distribution will be accounted for as a distribution in specie at carrying value. As such, the Company does not expect any gain or loss to be recognized as a result of the SRE Distribution.

CNTD will, upon completion of the SRE Distribution, cease to be a subsidiary of the Company and the Group will no longer have any interest therein. The financial results of the CNTD Group will cease to be consolidated into the financial statements of the Group. For the half year ended 30 June 2012, the consolidated net profit after tax of the Company amounted to approximately HK\$212,595,000 while CNTD recorded consolidated net loss after tax of approximately RMB32,620,000 (approximately HK\$40,000,000). On the assumption that the SRE Distribution had taken place at the beginning of the said financial period ended 30 June 2012, the consolidated net profit of the Company for the period then ended would increase by the amount of the consolidated net loss of CNTD.

Assets and liabilities

As mentioned above, CNTD's financial results will cease to be consolidated into the Group's financial statements after completion of the SRE Distribution. As such, upon completion of the SRE Distribution, both the total assets and the total liabilities of the Group will be reduced by the respective amounts of the total assets and the total liabilities of the CNTD Group. As at 30 June 2012, the consolidated total assets and consolidated total liabilities of CNTD were approximately RMB11,234,260,000 (approximately HK\$13,741,000,000) and RMB8,237,850,000 (approximately HK\$10,076,000,000) respectively.

LETTER FROM THE BOARD

V. EXPECTED TIMETABLE FOR THE SRE DISTRIBUTION

The expected timetable for the implementation of the SRE Distribution is as follows:–

Date of SGM Friday, 21 September 2012

Last day of dealing in the Shares on a cum entitlement
basis to the SRE Distribution Monday, 24 September 2012

Commencement of dealing in the Shares on
an ex-entitlement basis to the SRE Distribution Tuesday, 25 September 2012

Latest time for lodging transfer of the Shares
for entitlements to the SRE Distribution Wednesday 4:30 p.m., 26 September 2012

Closure of register of members of the Company Thursday, 27 September 2012 to
Friday, 28 September 2012

Record Date Friday, 28 September 2012

Register of members of the Company re-opens Wednesday, 3 October 2012

Despatch of certificates in relation to the Relevant Shares
distributed pursuant to the SRE Distribution to
Shareholders on or before Tuesday, 9 October 2012

VI. SGM

Set out on pages 22 to 23 of this circular is a notice convening the SGM to be held at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Friday, 21 September 2012 at which an ordinary resolution will be proposed for the Shareholders to consider, and if thought fit, to approve the SRE Distribution. No Shareholders or their associates are required to abstain from voting in respect of the ordinary resolution to be proposed at the SGM to approve the SRE Distribution.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on the ordinary resolution to be proposed at the SGM must be taken by a poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Whether or not you are able to attend the SGM, you are recommended to complete the accompanying 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, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time scheduled for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

VII. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Thursday, 27 September 2012 to Friday, 28 September 2012, both days inclusive, during which period no transfer of Shares will be effected.

All transfers, accompanied by the relevant certificates of the Shares, must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 26 September 2012 in order to qualify for the SRE Distribution.

VIII. INFORMATION ON CNTD AND THE GROUP

CNTD is a limited liability company incorporated in the British Virgin Islands which shares are listed on both the Main Board of the Stock Exchange and the SGX-ST. The principal business of the CNTD Group is the planning and development of large scale new town projects in Shanghai, Wuxi and Shenyang, the PRC.

The audited consolidated net profit before and after taxation of CNTD for the year ended 31 December 2010 was RMB550,157,000 (approximately HK\$673,000,000) and RMB361,582,000 (approximately HK\$442,000,000) respectively and the audited consolidated net loss before and after taxation of CNTD for the year ended 31 December 2011 was RMB239,656,000 (approximately HK\$293,000,000) and RMB223,180,000 (approximately HK\$285,000,000) respectively. Please refer to the Appendix for further financial information on the CNTD Group.

The Group is mainly engaged in real estate development, large-scale new towns planning and development, property leasing and hotel operations in the PRC. After completion of the SRE Distribution, the Remaining Group will continue to be mainly engaged in real estate development, property leasing and hotel operations in the PRC.

In the recent years, the Group has continued to strengthen its market position as an integrated real estate developer specializing in property development business. With Shanghai remaining to be the base for its real estate business, the Group will continue to be extending its property portfolio to other high-growth markets, including Shenyang and Haikou, which have strong economic development potential. While the Group continues to be a real estate developer focusing on medium and high-end residential properties, it targets to build more high-quality commercial properties such as office buildings, hotels and shopping malls, aiming to become a fully integrated trans-regional real estate developer.

LETTER FROM THE BOARD

IX. IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE SINGAPORE CODE

The Securities and Futures Commission has granted a waiver from the obligation of SREI to make a general offer for the CNTD Shares as a result of the Distributions. The Securities Industry Council has also confirmed that upon the completion of the Distributions, both the Company and SREI and their respective concert parties will not be required to undertake a general offer for the issued share capital of CNTD pursuant to Rule 14.1 of the Singapore Code.

X. RECOMMENDATION

The Directors consider that the SRE Distribution is in the interests of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favor of the ordinary resolution to be proposed at the SGM.

XI. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular. 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.

XII. ADDITIONAL INFORMATION

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

By order of the Board
SRE GROUP LIMITED
SHI JIAN
Chairman

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

1. SUMMARY OF FINANCIAL INFORMATION OF THE CNTD GROUP

The following is a summary of the consolidated statements of comprehensive income and the statements of financial position of the CNTD Group for the financial year ended 31 December 2011, which has been extracted from the Annual Report 2011 of CNTD, which was published on 27 March 2012.

Consolidated Statement of Comprehensive Income*For the financial year ended 31 December 2011**(All amounts expressed in RMB'000 unless otherwise specified)*

	Year ended 31 December 2011	Year ended 31 December 2010
Revenue	640,532	1,479,889
Cost of sales	<u>(303,665)</u>	<u>(567,278)</u>
Gross profit	336,867	912,611
Other income	26,355	13,130
Selling and distribution costs	(161,369)	(65,223)
Administrative expenses	(136,055)	(178,224)
Other expenses	(222,544)	(44,544)
Loss on the repurchase of Senior Notes	–	(4,177)
Fair value (loss)/gain on completed investment properties	(24,107)	16,168
Fair value loss on investment properties under construction	<u>(9,264)</u>	<u>(1,723)</u>
Operating (loss)/profit	(190,117)	648,018
Finance costs	(48,648)	(97,861)
Share of losses from jointly-controlled entities	<u>(891)</u>	<u>–</u>
(Loss)/profit before tax	(239,656)	550,157
Income tax	<u>6,476</u>	<u>(188,575)</u>
(Loss)/profit after tax	(233,180)	361,582
Other comprehensive income	<u>–</u>	<u>–</u>
Total comprehensive income	<u><u>(233,180)</u></u>	<u><u>361,582</u></u>

	Year ended 31 December 2011	Year ended 31 December 2010
(Loss)/profit attributable to:		
Owners of the parent	(200,727)	246,794
Non-controlling interests	<u>(32,453)</u>	<u>114,788</u>
	<u>(233,180)</u>	<u>361,582</u>
Total comprehensive income attributable to:		
Owners of the parent	(200,727)	246,794
Non-controlling interests	<u>(32,453)</u>	<u>114,788</u>
	<u>(233,180)</u>	<u>361,582</u>
(Loss)/earnings per share attributable to ordinary equity holders of the parent (RMB per share):		
Basic (loss)/earnings per share	(0.0514)	0.0678
Diluted (loss)/earnings per share	<u>(0.0514)</u>	<u>0.0644</u>

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

Statements of Financial Position
As at 31 December 2011
(All amounts expressed in RMB'000 unless otherwise specified)

	Group		Company	
	31	31	31	31
	December	December	December	December
	2011	2010	2011	2010
Assets				
Non-current assets				
Investments in subsidiaries	–	–	2,591,259	2,617,549
Investment in an associate	200	200	–	–
Investments in jointly-controlled entities	39,109	–	–	–
Property, plant and equipment	1,324,933	1,175,322	134	198
Completed investment properties	684,000	679,000	–	–
Investment properties under construction	100,000	95,000	–	–
Prepaid land lease payments	239,555	236,285	–	–
Non-current prepayments	510,000	–	–	–
Non-current trade receivables	69,903	93,257	–	–
Deferred tax assets	131,823	120,010	–	–
Other assets	47,475	48,476	–	–
Total non-current assets	<u>3,146,998</u>	<u>2,447,550</u>	<u>2,591,393</u>	<u>2,617,747</u>
Current assets				
Land development for sale	4,998,936	3,590,414	–	–
Properties under development for sale	994,202	74,094	–	–
Prepaid land lease payments	796,890	326,232	–	–
Inventories	4,922	4,032	–	–
Amounts due from subsidiaries	–	–	398,545	496,312
Prepayments	38,668	254,155	–	–
Other receivables	32,595	368,434	2	4
Trade receivables	65,432	485,890	–	26
Cash and bank balances	537,387	1,381,049	9,349	102,730
Total current assets	<u>7,469,032</u>	<u>6,484,300</u>	<u>407,896</u>	<u>599,072</u>
Total assets	<u><u>10,616,030</u></u>	<u><u>8,931,850</u></u>	<u><u>2,999,289</u></u>	<u><u>3,216,819</u></u>

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

	Group		Company	
	31	31	31	31
	December	December	December	December
	2011	2010	2011	2010
Equity and liabilities				
Equity				
Equity attributable to owners of the parent:				
Share capital	2,801,180	2,778,853	2,801,180	2,778,853
Other reserves	591,731	608,807	1,925,144	1,942,220
Accumulated losses	<u>(904,340)</u>	<u>(641,653)</u>	<u>(1,937,702)</u>	<u>(1,679,381)</u>
	2,488,571	2,746,007	2,788,622	3,041,692
Non-controlling interests	<u>537,075</u>	<u>551,519</u>	—	—
Total equity	<u>3,025,646</u>	<u>3,297,526</u>	<u>2,788,622</u>	<u>3,041,692</u>
Non-current liabilities				
Interest-bearing bank and other borrowings	2,383,100	1,698,300	—	—
Deferred income from sale of golf club membership	521,885	538,176	—	—
Deferred tax liabilities	<u>21,151</u>	<u>19,625</u>	—	—
Total non-current liabilities	<u>2,926,136</u>	<u>2,256,101</u>	—	—
Current liabilities				
Interest-bearing bank and other borrowings	757,243	470,289	162,253	170,299
Trade payables	2,086,912	917,806	—	—
Other payables and accruals	602,570	569,771	3,704	4,828
Amounts due to related parties	53,548	—	44,710	—
Advances from customers	46,906	5,523	—	—
Deferred income arising from land development	594,968	895,670	—	—
Current income tax liabilities	<u>522,101</u>	<u>519,164</u>	—	—
Total current liabilities	<u>4,664,248</u>	<u>3,378,223</u>	<u>210,667</u>	<u>175,127</u>

	Group		Company	
	31	31	31	31
	December	December	December	December
	2011	2010	2011	2010
Total liabilities	<u>7,590,384</u>	<u>5,634,324</u>	<u>210,667</u>	<u>175,127</u>
Total equity and liabilities	<u>10,616,030</u>	<u>8,931,850</u>	<u>2,999,289</u>	<u>3,216,819</u>
Net current assets	<u>2,804,784</u>	<u>3,106,077</u>	<u>197,229</u>	<u>423,945</u>
Total assets less current liabilities	<u>5,951,782</u>	<u>5,553,627</u>	<u>2,788,622</u>	<u>3,041,692</u>

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

The following is a summary of the consolidated statements of comprehensive income and the statements of financial position of the CNTD Group for the six months ended 30 June 2012, which has been extracted from the interim results announcement of CNTD, which was published on 13 August 2012.

Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

(Amount expressed in thousands of Renminbi unless otherwise stated)

	Six months ended	
	30 June	
	2012	2011
Revenue	124,280	314,833
Cost of sales	<u>(92,510)</u>	<u>(135,801)</u>
Gross profit	31,770	179,032
Other income	4,453	8,938
Selling and distribution costs	(38,796)	(38,226)
Administrative expenses	(60,855)	(76,284)
Other expenses	(2,676)	(1,066)
Fair value gain/(loss) on completed investment properties	62,198	(12,518)
Fair value loss on investment properties under construction	<u>—</u>	<u>(4,856)</u>
Operating profit	(3,906)	55,020
Finance costs	(35,276)	(28,717)
Share of gain from jointly-controlled entities	<u>285</u>	<u>—</u>
Profit/(Loss) before tax	(38,897)	26,303
Income tax	<u>6,274</u>	<u>(8,985)</u>
Profit/(Loss) after tax	(32,623)	17,318
Other comprehensive income	<u>—</u>	<u>—</u>
Total comprehensive income	<u><u>(32,623)</u></u>	<u><u>17,318</u></u>
Profit attributable to:		
Owners of the parent	(30,690)	5,120
Non-controlling interests	<u>(1,933)</u>	<u>12,198</u>
	<u><u>(32,623)</u></u>	<u><u>17,318</u></u>

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

	Six months ended	
	30 June	
	2012	2011
Total comprehensive income attributable to:		
Owners of the parent	(30,690)	5,120
Non-controlling interests	<u>(1,933)</u>	<u>12,198</u>
	<u>(32,623)</u>	<u>17,318</u>
Earnings/(loss) per share attributable to ordinary equity holders of the parent:		
Basic earnings/(loss) per share	(0.0079)	0.0013
Diluted earnings/(loss) per share	<u>(0.0079)</u>	<u>0.0013</u>

APPENDIX FINANCIAL INFORMATION OF THE CNTD GROUP

Statement of Financial Position
For the six months ended 30 June 2012
(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Non-current assets				
Investment in subsidiaries	–	–	2,591,259	2,591,259
Investment in an associate	200	200	–	–
Investments in jointly-controlled entities	58,894	39,109	–	–
Property, plant and equipment	1,368,063	1,324,933	104	134
Completed investment properties	747,031	684,000	–	–
Investment properties under construction	100,030	100,000	–	–
Prepaid land lease payments	258,114	239,555	–	–
Non-current prepayments	500,000	510,000	–	–
Non-current trade receivables	54,417	69,903	–	–
Deferred tax assets	138,110	131,823	–	–
Other assets	46,536	47,475	–	–
Total non-current assets	<u>3,271,395</u>	<u>3,146,998</u>	<u>2,591,363</u>	<u>2,591,393</u>
Current assets				
Land development for sale	5,017,013	4,998,936	–	–
Properties under development for sale	1,528,025	994,202	–	–
Prepaid land lease payments	787,567	796,890	–	–
Inventories	5,338	4,922	–	–
Amounts due from subsidiaries	–	–	398,545	398,545
Prepayments	53,715	38,668	–	–
Other receivables	50,981	32,595	3	2
Trade receivables	78,340	65,432	–	–
Cash and bank balances	441,882	537,387	10,159	9,349
Total current assets	<u>7,962,861</u>	<u>7,469,032</u>	<u>408,707</u>	<u>407,896</u>
Total assets	<u><u>11,234,256</u></u>	<u><u>10,616,030</u></u>	<u><u>3,000,070</u></u>	<u><u>2,999,289</u></u>

	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Equity				
Equity attributable to owners of the parent				
Share capital	2,801,180	2,801,180	2,801,180	2,801,180
Other reserves	593,113	591,731	1,926,526	1,925,144
Accumulated losses	<u>(935,030)</u>	<u>(904,340)</u>	<u>(1,950,872)</u>	<u>(1,937,702)</u>
	2,459,263	2,488,571	2,776,834	2,788,622
Non-controlling interests	<u>537,142</u>	<u>537,075</u>	<u>—</u>	<u>—</u>
Total equity	<u>2,996,405</u>	<u>3,025,646</u>	<u>2,776,834</u>	<u>2,788,622</u>
Non-current liabilities				
Interest-bearing bank and other borrowings	2,450,750	2,383,100	—	—
Deferred income from sale of golf club membership	513,842	521,885	—	—
Deferred tax liabilities	<u>21,151</u>	<u>21,151</u>	<u>—</u>	<u>—</u>
Total non-current liabilities	<u>2,985,743</u>	<u>2,926,136</u>	<u>—</u>	<u>—</u>
Current liabilities				
Interest-bearing bank and other borrowings	971,353	757,243	166,963	162,253
Trade payables	2,311,998	2,086,912	—	—
Other payables and accruals	647,708	602,570	1,832	3,704
Amounts due to related parties	42,680	53,548	54,441	44,710
Advances from customers	155,590	46,906	—	—
Deferred income arising from land development	603,478	594,968	—	—
Current income tax liabilities	<u>519,301</u>	<u>522,101</u>	<u>—</u>	<u>—</u>
Total current liabilities	5,252,108	4,664,248	223,236	210,667
Total liabilities	<u>8,237,851</u>	<u>7,590,384</u>	<u>223,236</u>	<u>210,667</u>
Total equity and liabilities	<u>11,234,256</u>	<u>10,616,030</u>	<u>3,000,070</u>	<u>2,999,289</u>
Net current assets	<u>2,710,753</u>	<u>2,804,784</u>	<u>185,471</u>	<u>197,229</u>
Total assets less current liabilities	<u>5,982,148</u>	<u>5,951,782</u>	<u>2,776,834</u>	<u>2,788,622</u>

NOTICE OF SGM



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

NOTICE IS HEREBY GIVEN that a special general meeting of SRE Group Limited (the “**Company**”) will be held at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Friday, 21 September 2012 for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“THAT:

- (a) a special dividend in the form of a distribution in specie of 2,658,781,817 shares of no par value in China New Town Development Company Limited be distributed to the shareholders of the Company whose names appear on the register of members of the Company on 28 September 2012 on a pro-rata basis in proportion to their respective shareholding interest in the Company (the “SRE Distribution”) and otherwise on the terms and conditions described in the circular of the Company dated 3 September 2012 (a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) be and is hereby approved; and
- (b) the directors of the Company be and are hereby authorised generally to do all acts and things, and to approve, sign and execute all documents, which in their opinion may be necessary, desirable, appropriate or expedient to implement or to give effect to the SRE Distribution.”

By order of the board of directors of
SRE GROUP LIMITED
SHI JIAN
Chairman

Hong Kong, 3 September 2012

* For identification purpose only

NOTICE OF SGM

Notes:

1. A member of the Company entitled to attend and vote at the 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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. As at the date of this notice, the board of directors of the Company 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.