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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

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 listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and a 61.54% owned subsidiary of SRE Group Limited, has on 12 November 2010 released to the SGX-ST an announcement (the “Announcement”) in relation to responses to SGX queries for unaudited third quarter financial statements for period ended 30 September 2010. 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, 12 November 2010

As at the date hereof, the Board comprises six executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren and Mr. Yue Wai Leung, Stan; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and three independent non-executive directors, namely Mr. Jiang Xie Fu, Mr. E Hock Yap and Mr. Pan Long Qing.

* For identification purpose only



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中国新城镇发展有限公司

(Incorporated as a company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

**RESPONSES TO SGX QUERIES FOR
UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS
FOR PERIOD ENDED 31 SEPTEMBER 2010**

In response to The Singapore Exchange Limited's email dated 12 November 2010, the Board of Directors of China New Town Development Company Limited (the "**Company**") wishes to provide the following additional information in relation to the unaudited second quarter financial statements of the Company for period ended 30 September 2010 released on 8 November 2010.

Question

We note that Trade receivables increased by 314% to RMB 1.4 billion as at 30 September 2010. In this respect, please provide the following information:

- i. A breakdown of the major items contributing to the increase;
- ii. The reasons for the significant increase;
- iii. Trade receivables turnover days for the current period as compared to the previous corresponding period and elaborate on the material variances, if any; and
- iv. The directors' views on whether any provision for doubtful debt is required and the basis for their views.

Company's Reply

- i.&ii. The increase of RMB 1.1 billion to an account receivable balance of RMB 1.4 billion is mainly due to the land sale in 3Q2010 amounted to RMB1,075.8 million (For details, please refer to section "Operating Results"), which hasn't been collected by the end of 30 September 2010.
- iii. The turnover days for the 9 months end September 30 2010 is 187 days, which is kept stable as compared with the 159 days of same period last year .
- iv. As can be seen from the previous paragraph, this balance is contributed by sales transaction in this quarter. Given the reasonable aging of this account receivable and the fact that this land sale is pursuant to public auction by government, there is no indication of the non collectability and hence no provision for doubtful debts is considered necessary.

By order of the Board

China New Town Development Company Limited

Shi Jian

Chairman

November 12, 2010