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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 31 December 2010 released to the SGX-ST an announcement (the “Announcement”) in relation to Discloseable Transaction – Acquisition of the Land Use Right of a Land Block in Pi County, Chengdu (成都郫縣). 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 December 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. Zhuo Fumin.

* For identification purpose only

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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.sj

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE LAND USE RIGHT OF A LAND BLOCK IN PI COUNTY, CHENGDU (成都郫縣)

ENTERING INTO LAND USE RIGHT TRANSFER AGREEMENT WITH CHENGDU PI COUNTY LAND BUREAU (成都市郫縣國土資源局)

On 31 December 2010, Chengdu Shanghai Real Estate Company Limited (a wholly-owned subsidiary of Shanghai Golden Luodian Development Ltd, which is in turn a company majority-owned by China New Town Development Company Limited), formally entered into a Land Use Right Transfer Agreement and a Supplementary Agreement with Chengdu Pi County Land Bureau, a subsidiary of Chengdu Land Bureau, in relation to the acquisition of the land use right for the land block comprising the 2nd, 3rd and 4th land parcels of the Sanguan Village, Hongguang Town in Pi County of Chengdu (郫縣紅光鎮三觀村二、三、四社地塊), serial number PX3-5-3, with a total consideration of RMB446.53 million. The land use right for the land block was acquired through a successful bid by Chengdu Shanghai Real Estate Company Limited in a public auction process.

The land block covers a site area of 90,981.84 sq.m., has a gross floor area of about 225,000 sq.m. and is for mixed use of residential property and public facilities.

HKEX LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Land Use Right Transfer Agreement and its Supplementary Agreement constitute a discloseable transaction for the Company under Chapter 14 of the HKEX Listing Rules.

BACKGROUND

On 31 December 2010, Chengdu Shanghai Real Estate, a wholly-owned subsidiary of SGLD, formally entered into a Land Use Right Transfer Agreement and a Supplementary Agreement with the Chengdu Pi County Land Bureau, a subsidiary of the Chengdu Land Bureau, in relation to the acquisition of the land use right of the land block, comprising the 2nd, 3rd and 4th land parcels of Sanguan Village, Hongguang Town in Pi County of Chengdu (郫縣紅光鎮三觀村二、三、四社地塊), with serial number PX3-5-3. The total consideration for the acquisition of the land block is RMB446.53 million. The land use right for the land block was acquired by Chengdu Shanghai Real Estate through its successful bid in a public auction process.

The land block covers an area of 90,981.84 sq.m., including (i) level 2 residential land 86,080.72 sq.m., with a plot ratio of no more than 2.5; and (ii) the public facilities area of 4,901.12 sq.m., with plot ratio between 0.8 and 2.0. The total gross floor area is about 225,000 sq.m..

The payment of land transfer price will be made as follows: (i) initial payment of RMB211.53 million; (ii) payment of RMB126.92 million before 22 February 2011; and (iii) payment of RMB84.61 million before 22 June 2011, the total sum of which will be RMB423.06 million. SGLD expects to finance the payment of land transfer price and future development costs using its internal resources and/ or bank borrowings.

THE LAND USE RIGHT TRANSFER AGREEMENT AND ITS SUPPLEMENTARY AGREEMENT

The principal terms of the Land Use Right Transfer Agreement and its Supplementary Agreement are as follows:

- Date:** 31 December 2010
- Parties:** (1) Chengdu Pi County Land Bureau, as the transferor
(2) Chengdu Shanghai Real Estate, as the transferee
- Subject matter:** Under the agreements, Chengdu Pi County Land Bureau agrees to transfer the land use right in respect of the land block comprising the 2nd, 3rd and 4th land parcels of Sanguan Village, Hongguang Town in Pi County of Chengdu (郫縣紅光鎮三觀村二、三、四社地塊) to Chengdu Shanghai Real Estate
- Terms:** The transfer of land use right to the land block is for a term of 70 years for the residential property portion and 50 years for the public facilities portion, commencing from the date of delivery of the land block.
- Total consideration:** The total consideration for the land use right to the land block is RMB466.53 million, including:
- (1) the land transfer price payable: RMB423.06 million
 - (2) margin for land sale quota: RMB20.47 million
 - (3) service charges: RMB3.00 million

Chengdu Shanghai Real Estate must settle all outstanding amounts for items (2) and (3) above before 22 June 2011. SGLD and Chengdu Shanghai Real Estate must use the land for the purpose specified by the Land Use Right Transfer Agreement and the Supplementary Agreement. The construction of the land block is expected to take place between 22 June 2011 and 22 June 2013. SGLD expects to finance the payment of land transfer price and future development costs using its internal resources and/ or bank borrowings.

INFORMATION ON THE COMPANY, SGLD AND CHENGDU SHANGHAI REAL ESTATE

The Company

The Company is incorporated in the British Virgin Islands with limited liability and its shares are dual-listed on the HKEX and the SGX-ST. The principal activity of the Company is investment holding, and its main subsidiaries are principally engaged in the planning and development of large new town projects in the suburban areas of several major cities in PRC.

The Group is an established non-state-owned new town developer in PRC. Its major projects currently under development include Shanghai Luodian, Wuxi and Shenyang, covering a total site area of 6 million sq.m.. The majority of the Group's revenue is from sharing a portion of the proceeds associated with the land sale in new towns developed by the Group, and such portion is agreed with and approved by the relevant government authorities. In addition, the Group owns, operates and manages a number of commercial properties in the new towns we develop.

SGLD

SGLD is a 72.63% owned subsidiary of the Company, and its development of Shanghai Luodian New Town (began in 2002) covering 6.8 square kilometers is a flagship project of the Company, and was one of the projects in the "One City, Nine Towns" development plan launched by the Shanghai City Government.

Chengdu Shanghai Real Estate

Chengdu Shanghai Real Estate is the wholly-owned subsidiary of SGLD. It is a company incorporated on 20 December, 2010, and the registered share capital was RMB20 million.

INFORMATION ON CHENGDU PI COUNTY LAND BUREAU AND CHENGDU LAND BUREAU

The Directors have been informed that Chengdu Pi County Land Bureau is an agent of Chengdu Land Bureau, a government entity. It is responsible for organising and holding the public auctions for the land use rights to the lands in Pi County. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR ENTERING INTO THE LAND USE RIGHT TRANSFER AGREEMENT

The Group is principally engaged in the business of property development in the PRC. While the Group's main focus is on primary land development, it also engages in the business of real estate development including two projects in Shanghai Luodian previously disclosed, namely (i) the SOHO with mixed commercial and residential use besides the transportation hub; and (ii) the Office Headquarters of Lake Malaren Village, as well as the residential and hotel projects in our Wuxi Hongshan New Town. Therefore, the current transaction in respect of

the acquisition of the land use right for the land block is considered to be within the Company's ordinary course of business.

Chengdu is the capital of Sichuan Province and the Directors understand it to be the political, economic and cultural center of the province. Owing to the location of the city in the very centre of southwest China, it is a headquarter residence of many PRC institutions, state-owned enterprises, as well as foreign enterprises in the west and southwest. In addition, according to Chengdu Statistical Yearbook 2009, the regional GDP growth in 2009 was 14.1% year-on-year, and the per capita GDP reached RMB35,215 in 2009, underscoring Chengdu's economic strength and growth potential as among the first tier PRC cities. The land is located in Pi County, one of the six major city ancillary blocks of Chengdu with a good location and excellent development prospects, and has thus attracted many well-known real estate developers seeking business opportunities in the region.

The business model of new town development is a capital-intensive one typically with long investment cycles. The Directors believe that if the Group can selectively participate in real estate development projects with short and highly-visible payback periods, this will help balance the Group's revenue and improve the predictability and stability of the business and return. The Board further believes that the acquisition and development of the project will enable the Group to strategically set up its business base in Chengdu and in central and western China, which will be a favorable long-term development in the future. In addition, the Board is of the view that the total consideration and the terms of the Land Use Right Transfer Agreement and Supplementary Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

HKEX LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Land Transfer Contract and the Reimbursement Agreements constitute a discloseable transaction for the Company under Chapter 14 of the HKEX Listing Rules.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, controlling shareholders of the Company or any of their respective associates has any interest, direct or indirect, in the acquisition of the land use right for the land block under the Land Use Right Agreement and Supplementary Agreement, save through their shareholdings (if any) in the Company.

DOCUMENTS FOR INSPECTION

For a period of three (3) months from the date of this announcement, a copy of the Land Use Right Agreement and Supplementary Agreement will be available for inspection during normal business hours at the Company's registered office at 2/F Palm Grove House P.O. Box 3340, Road Town, Tortola, British Virgin Islands.

DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the HKEX Listing Rules
“Board”	the board of Directors

“Chengdu Land Bureau”	Chengdu State-owned Land Resources Bureau, Sichuan Province
“Chengdu Pi County Land Bureau”	Chengdu Pi County State-owned Land Resources Bureau, Sichuan Province
“Chengdu Shanghai Real Estate”	Chengdu Shanghai Real Estate Company Limited, a company incorporated in PRC with limited liability and whose shares are wholly owned by SGLD
“Company”	China New Town Development Company Limited, a company incorporated in the British Virgin Islands with limited liability and whose shares are dual-listed on the HKEX and the SGX-ST
“connected person(s)”	has the meaning ascribed to it under the HKEX Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the HKEX Listing Rules
“Director(s)”	the director(s) of the Company
“GDP”	Gross Domestic Product, the commonly used indicator for measuring market activities
"Group"	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong dollar, the lawful currency of the PRC
“HKEX”	The Stock Exchange of Hong Kong Limited
“HKEX Listing Rules”	the Rules Governing the Listing of Securities on HKEX
“land transfer price”	RMB423.06 million, being part of the total consideration for the transfer of the land use right to the land block under the Land Use Right Transfer Agreement and the Supplementary Agreement

“Land Use Right Transfer Agreement”	the agreement for the transfer of the land use right of the land block, dated 31 December 2010 and formally entered into between Chengdu Shanghai Real Estate and Chengdu Pi County Land Bureau
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“primary land development”	the primary development of the land, which includes planning, relocation of existing residents and business enterprises, leveling and clearing land and building infrastructure and public facilities
“RMB”	Renminbi, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGLD”	Shanghai Golden Luodian Development Company Limited, being the joint venture vehicle for the Luodian project incorporated in PRC with limited liability and which is a 72.63% owned subsidiary of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the HKEX Listing Rules
"sq.m."	square meter
“Supplementary Agreement”	the agreement to supplement the Land Use Right Transfer Agreement, dated 31 December 2010 and formally entered into between Chengdu Shanghai Real Estate Company Limited and Chengdu Pi Country Land Bureau
“the land block”	the land comprising the 2 nd , 3 rd and 4 th land parcel of Sanguan Village, Hongguang Town in Chengdu Pi County of Sichuan Province (serial code: PX3-5-3)
“total consideration”	RMB446.53 million including land transfer price RMB423.06 million, margin for land sale quota RMB20.47 million and service charges RMB3.00 million

By order of the Board
China New Town Development Company Limited
Shi Jian
Chairman

Hong Kong, December 31, 2010

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