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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 4 March 2011 released to the SGX-ST an announcement (the “Announcement”) in relation to responses to SGX queries for unaudited full year financial statements for period ended 31 December 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, 4 March 2011

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)

Stock Code in Hong Kong: 1278

Stock Code in Singapore: D4N.sj

OVERSEAS REGULATORY ANNOUNCEMENT

RESPONSES TO SGX QUERIES FOR UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2010

This overseas regulatory announcement is made by China New Town Development Company Limited (the “**Company**”) in compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement published by the Company on Singapore Exchange Securities Trading Limited on March 4, 2011.

By order of the Board

**China New Town Development Company
Limited**
Shi Jian
Chairman

Hong Kong, March 4, 2011

As at the date of this announcement, the executive Directors of the Company 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 of the Company is Mr. Yue Wai Leung Stan, and the independent non-executive Directors of the Company are Mr. Henry Tan Song Kok, Mr. Loh Weng Whye, Mr. Lam Bing Lun Philip and Mr. Kong Siu Chee.



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 FULL YEAR FINANCIAL STATEMENTS
FOR PERIOD ENDED 31 DECEMBER 2010**

In response to The Singapore Exchange Limited's email dated 3 March 2011, 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 full year financial statements of the Company for year ended 31 December 2010 released on 27 February 2011.

Questions

1. We note that prepaid land lease payments increased by 101%, from RMB162.6 million as at 31 December 2009 to RMB326.2 million as at 31 December 2010. Please provide the reasons for the significant increase.
2. We note that prepayments increased by 4,029%, from RMB3.1 million as at 31 December 2009 to RMB254.2 million as at 31 December 2010. Please provide the reasons for the significant increase.
3. It is stated on page 11 of the announcement that selling and distributing costs decreased by RMB54.4 million compared to 2009, which is primarily due to the commission incurred for land sales decreasing from RMB78 million in 2009 to RMB18 million in 2010. Why did commission incurred for land sales decrease when revenue from land sales increased significantly in 2010?

Company's Replies

1. The increase in the current prepaid land lease payments was mainly due to the reclassification of land use right of Lake Malaren Silicon Valley Project from the non-current prepaid land lease payments by RMB150 million as this land is now designed to be developed as low-density commercial offices available for sale. For detailed information of the project, please refer to section 14 of the unaudited full year financial statements.
2. The increase was primary due to the prepayment of RMB214.5 million made for the purchase of a land plot in Chengdu in December 2010. The amount was recorded in the prepayments instead of the prepaid land lease payments since we have not received the land permit. The Company will receive the permit after a second payment RMB214.5 million, which will be paid in the 1st half of 2011. For detailed information of the Chengdu project, please refer to section 14 of the unaudited full year financial statements.
3. The commission incurred in 2009 and 2010 relates to a certain land plot.. General speaking, commission is calculated based on land auction price multiplying a certain percentage. The percentage can be different year to year depends on the negotiation. Usually this commission quantum would depending on the actual contribution made by the agency towards the sale. The percentage in 2009 was relatively higher than in 2010, which leads to the significant decrease and is a reflection of our negotiation as well.