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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
CREDIT TRUST LOAN ARRANGEMENT TO FINANCE WUXI PROJECT**

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 68.18% owned subsidiary of SRE Group Limited, has on 26 October 2011 released to the SGX-ST an announcement (the “Announcement”) in relation to Credit Trust Loan Arrangement to Finance Wuxi Project. 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, 26 October 2011

As at the date hereof, the Board comprises five executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Shi Pin Ren; 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. E Hock Yap, Mr. Zhuo Fumin and Mr. Yuan Pu.

* 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.si

Credit Trust Loan Arrangement to Finance Wuxi Project

This announcement is made by China New Town Development Company Limited (the "**Company**") pursuant to Rule 703 of the Listing Manual of the Singapore Exchange Securities Trading Limited and the overseas regulatory disclosure requirement under the Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company is pleased to announce that China Credit Trust Company Limited ("**CCT**"), a PRC trust company approved and regulated by the China Banking Regulatory Commission, and an independent third party to the Company) has, at the request of the Company, originated and arranged a public credit trust scheme on behalf of the Company (the "**Credit Trust Scheme**"). The funds raised under the Credit Trust Scheme will be deployed to finance the infrastructure and ancillary facilities constructions in the Wuxi Hongshan New Town project currently developed and managed by the Company. With the completion of the fund raising process by CCT under the Credit Trust Scheme, an aggregate amount of RMB 751.4 million was successfully raised.

In connection with the Credit Trust Scheme, a loan agreement (the "**Loan Agreement**") was entered into on 25 October 2011 among Meeko Investment Limited ("**Meeko**", a wholly-owned subsidiary of the Company), Shanghai Jiatong Enterprises Co. Ltd. ("**Shanghai Jiatong**", a wholly-owned subsidiary of the Company), Shanghai Golden Luodian Development Co. Ltd. ("**SGLD**", a subsidiary of the Company), Wuxi Hongshan New Town Development Co. Ltd. ("**Wuxi Hongshan**", a subsidiary of the Company) as well as Wuxi Hongqing Real Estate Development Co. Ltd. ("**Wuxi Hongqing**", a subsidiary of the Company) and Mr Shi Jian, the Executive Chairman of the Company,

together with CCT. Meeko, Shanghai Jiatong, SGLD, Wuxi Hongshan and Wuxi Hongqing are collectively referred to as the “Borrowers” hereafter.

Out of the RMB 751.4 million raised pursuant to the Credit Trust Scheme, an amount of RMB 120 million had been contributed by the Borrowers as seed capital, with the remainder raised through cash subscription by eligible public investors. In addition, CCT has appointed the Bank of China as the Trustee for the Credit Trust Scheme, to be fully responsible for the custody of trust funds and future assets. According to the Loan Agreement, CCT will subsequently lend money that had been raised pursuant to the Credit Trust Scheme to the Borrowers.

As part of the Credit Trust Scheme and the Loan Agreement, the economic interest in the shares of SGLD (which primarily includes the right to dividends, if any) held by the Company through Meeko and Shanghai Jiatong will be temporarily transferred to CCT, and subsequently transferred back to the Company through Meeko and Shanghai Jiatong upon full repayment of the principal and interest at the expiry of the Loan Agreement, or such earlier time according to the repayment terms of the Loan Agreement. The funds raised through the trust scheme will be deployed to infrastructure and public ancillary facilities constructions in our Hongshan New Town Project in Wuxi.

The key terms of the Loan Agreement are set out below:

- Principal:** RMB 751.4 million, from which RMB 120 million had been contributed by the Borrowers as seed capital
- Term:** 2 years
- Effective date:** 25 October 2011
- Interest rate:** 12.65% per annum, payable in every 12-month

Repayment Arrangements:

1. Principal repayment of RMB 200 million shall be made in 12 months after the effective date. 18 months after the effective date, the Borrowers may elect to repay part of the principal, the amount of which shall not be less than RMB 200 million, if the Borrowers elect to do so. The remaining balance of the principal amount shall be fully repaid in 24 months from the effective date.
2. Any time upon the establishment of the Credit Trust Scheme and prior to expiry of the term of the Loan Agreement, the Borrowers have the right to, on informing CCT 10 working days in advance and fully repaying the outstanding balance of principal and interests, fully repurchase from CCT the economic interests in SGLD, and thus terminating the Loan Agreement. However, if the Borrowers do elect to prepay the loan as such, they still have to pay the entire interest at the agreed schedule.

In addition, the Loan Agreement also includes the following security arrangements:

1. Meeko agrees to pledge its 45.26% shareholding in SGLD to CCT;
2. Shanghai Jiatong agrees to pledge its 27.37% shareholding in SGLD to CCT;
3. Mr. Shi Jian will provide an irrevocable guarantee for the Borrowers' obligations under the Loan Agreement.
4. Wuxi Hongqing, agrees to pledge the land use right under the "State-owned Land Use Certificate" (國有土地證) with serial number "Xi Xin (2011) No. 022" (錫新國用(2011)第022號) as a security for the loan; and
5. Wuxi Hongshan also agrees to pledge the land use right, as well as the title to the properties thereon, under the "State-owned Land Use Certificate" with serial number "Xi Xin (2008) No.2" (錫新國用(2008)第2號) as a security for the loan.

In addition, CCT will appoint four out of nine directors as its nominees on the Board of SGLD. However, according to the Loan Agreement, the directors nominated by the Company will still have majority control over the SGLD Board given that it has five out of nine directors as its nominees. It also holds the veto right over any board resolutions. The Borrowers are required to set aside revenue from certain projects for the purpose of meeting their obligations under the Loan Agreement. Except in the case of a breach by the Borrowers of any term of the Loan Agreement, CCT cannot transfer the rights and obligations related to the economic interest of SGLD involved, to any third parties other than to Wuxi Hongshan.

Save for Mr Shi Jian, who is providing a personal guarantee to CCT for the obligations of the Borrowers under the Loan Agreement, none of the Directors and/or substantial shareholders of the Company has an interest (directly or indirectly) in the arrangements under the Loan Agreement.

Information on Meeko and Shanghai Jiatong

Meeko Investment is a limited company established in the British Virgin Islands. It is a wholly-owned subsidiary of the Company, and holds approximately 45.26% interests of SGLD.

Shanghai Jiatong is a wholly foreign funded enterprise established in China. It is an indirect wholly-owned subsidiary and holds approximately 27.37% interests of SGLD.

Information on Shanghai Golden Luodian

SGLD is a subsidiary of the Company, with effective interest of 72.63%. It is the flagship project of the Company in developing the Luodian New Town in Shanghai since 2002, covering a total site area of 6.8 sq.km.. The Luodian New Town is also one of the projects in "One City Nine Towns" implemented by Shanghai Government.

Information on Wuxi Hongshan and Wuxi Hongqing

Wuxi Hongshan is a joint venture company established by the Company and the Wuxi New District Investment and Development Co. Ltd, a local government entity in 2007 for the development and

management of the Wuxi Hongshan New Town Project. The Company holds 90% interests of the joint venture. The joint venture is set to operate for 50 years. Its land parcel, under “State-owned Land Use Certificate” with serial number “Xi Xin (2008) No.2” (錫新國用(2008)第2號), has a site area of 69,212 sq.m. and is for residential use.

Wuxi Hongqing was established in April of 2010 and is a wholly-owned subsidiary of Wuxi Hongshan. Its principal business is real estate development and management. Its land parcel, under “State-owned Land Use Certificate” with serial number “Xi Xin (2011) No.22” (錫新國用(2011)第2號), has a site area of 88,903 sq.m. and is for residential use.

Information on China Credit Trust Co. Ltd

China Credit Trust is a trust company established in 1995 with the approval for its establishment and the legal right to perform trustee business by the China Banking Regulatory Commission, and an independent third party to the Company. CCT is currently one of the three PRC trust investment companies endorsed by the Central Government. It specializes in trust investment, asset management and investment banking. Trust-related services and products provided by CCT include trust funds, trusts on current and non-current assets, and other trust / fund related investment, management, and financial consultancy services.

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

Singapore and Hong Kong, October 26, 2011

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. Loh Weng Whye, Mr. Lam Bing Lun Philip and Mr. Kong Siu Chee.