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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
RESPONSES TO SGX'S QUERY REGARDING THE UNAUDITED 2012
SECOND QUARTER RESULTS 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 59.20% owned subsidiary of SRE Group Limited, has on 17 August 2012 released to the SGX-ST an announcement (the "Announcement") in relation to responses to SGX's query regarding the unaudited 2012 second quarter results announcement. 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, 17 August 2012

As at the date hereof, the Board 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.

* 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

OVERSEAS REGULATORY ANNOUNCEMENT

RESPONSES TO SGX'S QUERY REGARDING THE UNAUDITED 2012 SECOND QUARTER RESULTS ANNOUNCEMENT

This announcement is made by China New Town Development Company Limited (the "**Company**") in compliance with the item 3.4 of Practice Note 7.2 under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") 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 board of directors of China New Town Development Company Limited (the "**Company**") would like to respond to the following queries raised by the SGX-ST dated 17 August 2012 ("**SGX Query**") as follows:

SGX Query 1:

We note that fair value gain on completed investment properties amounted to RMB62.2 million for the second quarter of 2012. Please provide a breakdown of the material items underlying this fair value gain.

Company's Response to SGX Query 1:

Please refer to below breakdown of the material items underlying the fair value gain of completed investment properties.

Investment properties	Fair value gain (RMB 'million)
European-styled retail street within Shanghai Luodian project	9.54
Shanghai shopping mall within Shanghai Luodian project	52.66
Total	62.20

SGX Query 2:

The Company has indicated “Not applicable” in paragraph 9 of the results announcement. Please comment whether the results for the current quarter are in line with the Company’s commentary in paragraph 10 of the results announcement dated 14 May 2012.

Company's Response to SGX Query 2:

In the Company’s unaudited financial results for the first quarter ended 31 March 2012 released on 14 May 2012 (“Q1 results”), the Company made the following statements in relation to the second quarter performance:

“During the first quarter, a parcel of land located in Wuxi Project was auctioned for the construction of the Wuxi Branch of Ruijin Hospital, whereas the remaining land parcels in the pipeline are expected to be launched in an orderly manner in the later half of this year in line with the schedule and land sales quotas granted by the government.”

“On the financial side, through the sponsorship of BMW, the title sponsor, the Company expects the expenses of hosting the annual event at Lake Malaren will be effectively reduced as compared to the expenses incurred in previous years.”

The Company confirms that, as is evident from the second quarter results announced, there is no significant variance between results for the current quarter and prospect statement made in the Company’s commentary in paragraph 10 of the Q1 results. The Company considered that the market conditions remain similar to that were expected in the first quarter.

By order of the Board
China New Town Development Company Limited
Cai Lijun
Chief Financial Officer

Singapore & Hong Kong, 17 August 2012

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. Lam Bing Lun Philip, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.