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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 62.36% owned subsidiary of SRE Group Limited, has on 18 May 2010 released to the SGX-ST announcement (the “Announcement”) in relation to responses to SGX queries for unaudited first quarter financial statements for period ended 31 March 2010. The following is reproduction of the Announcement for information purpose only.

On behalf of the Board of Directors of
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 18 May 2010

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. 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 business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

**RESPONSES TO SGX QUERIES FOR
UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR PERIOD ENDED 31 MARCH 2010**

In response to The Singapore Exchange Limited's email dated 17 May 2010, the Directors of China New Town Development Company Limited (the "Company") wish to provide the following additional information in relation to the unaudited first quarter financial statements of the Company for period ended 31 March 2010 released on 12 May 2010.

Question 1

We note that property under development for long-term investment increased by 27%, from RMB170.7 million as at 31 December 2009 to RMB216.9 million as at 31 March 2010. In respect of this, please provide details on the specific properties under development.

Company's Reply

The increase is attributable to the shopping mall under construction in the transportation junction of Metro line 7 station.

Question 2

We note that prepayments increased by 997%, from RMB6.2 million as at 31 December 2009 to RMB67.5 million as at 31 March 2010. In respect of this, please provide a breakdown of the major items and the reasons for the significant increase.

Company's Reply

Major items include around RMB49 million prepayment for the land construction, and around RMB8 million prepayment for the shopping mall in the transportation junction of Metro line 7 station.

Question 3

It is stated in paragraph 8 of the announcement that the increase in administrative expenses was partly due to the reversal of unspent expenses in Q1 2009. In respect of this, please provide the following information:

- a. Details and breakdown of this expense item; and
- b. Reasons for booking the expense in previous period when the expense was not incurred.

Company's Reply

The unspent expenses in Q1 2009 refers to the over accrued transaction fee for CB2 accrued in year 2008, amounting to RMB2.9 million. The Company engaged an agent to conduct the convertible bond repurchase, and accrued the transaction fee based on the estimation at year 2008.

By order of the Board

Song YiQing

Chief Financial Officer / Executive Director

18 May 2010