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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of SRE Group Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board hereby announces that Ernst & Young will retire as auditor of the Company at the forthcoming annual general meeting of the Company (the “**2016 AGM**”) and will not offer themselves for re-appointment due to the Company’s requirement to align its appointment of auditor with that of its controlling shareholder.

The Board has resolved, with the recommendation from the audit committee of the Company, to propose the appointment of PricewaterhouseCoopers, Certified Public Accountants (“**PwC**”) as the new auditor of the Company (the “**Proposed Appointment**”) for the financial year ending 31 December 2016 and to hold office from the conclusion of the 2016 AGM until the conclusion of the next annual general meeting of the Company, subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the 2016 AGM.

The Board is of the view that the Proposed Appointment would align the audit arrangements between the Company and its controlling shareholder with a view to enhancing the efficiency of the audit services which would be in the best interest of the Company as well as the Shareholders as a whole.

A circular containing, among other things, details of the Proposed Appointment together with the notice convening the 2016 AGM will be despatched to the Shareholders in due course.

The Company has received a confirmation from Ernst & Young that there are no matters which Ernst & Young needs to bring to the attention of the Shareholders in relation to its retirement. The Board has also confirmed that there is no disagreement between Ernst & Young and the Company, and there are no other matters in respect of the Proposed Appointment that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for its professional and quality services rendered to the Group over the past years.

By Order of the Board
SRE Group Limited
He Binwu
Chairman

Hong Kong, 18 April 2016

As at the date of this announcement, the Board comprises seven executive directors, namely Mr. He Binwu, Mr. Wang Zi Xiong, Mr. Peng Xinkuang, Mr. Shi Janson Bing, Mr. Chen Chao, Mr. Zhu Qiang and Mr. Zhao Xiaodong; and four independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Guoping and Mr. Ma Lishan.

* *For identification purpose only*