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SRE GROUP LIMITED
上置集團有限公司*
(Incorporated in Bermuda with limited liability)

(Stock Code : 1207)

POSITIVE PROFIT ALERT

This announcement is made by SRE Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a substantial increase in its unaudited net profit and profit attributable to the Company’s shareholders for the year ended 31 December 2017 (the “**Reporting Period**”) as compared to that for the year ended 31 December 2016, and the unaudited net profit for the Reporting Period is expected to be RMB650 to 750 million. The increase was mainly attributable to gains arising from disposal of part of the Group’s investments (including the disposals which have already been mentioned in the interim positive profit alert announcement of the Company dated 14 August 2017) at a premium during the steady progress towards the Group’s strategic positioning as a financial real estate platform. During the Reporting Period, the Group has reduced its reliance on the traditional business model of real estate development by land acquisitions and building constructions, while expanding its investment businesses and accelerating the exit from investments to realize gains, which resulted in a decrease in gross profit from traditional business model mentioned above and increase in gains from disposal of investments as compared with

that of the year ended 31 December 2016.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2017. The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group currently available and is not based on any figures or information which have been audited or reviewed by the auditors of the Company. The Company expects to publish an announcement on the annual results of the Group for the year ended 31 December 2017 in late March 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
SRE Group Limited
Peng Xinkuang
Chairman

Hong Kong, 16 March 2018

As at the date of this announcement, the Board comprises seven executive directors, namely Mr. Peng Xinkuang, Mr. Liu Feng, Mr. Chen Donghui, Mr. Chen Chao, Mr. Shi Janson Bing, Mr. Zhu Qiang and Ms. Qin Wenying; and four independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Ma Lishan and Mr. Han Gensheng.

** For identification purpose only*