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SG GROUP HOLDINGS LIMITED

樺欣控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8442)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of the Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of SG Group Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Group’s unaudited consolidated management accounts for the three months ended 31 July 2017 (the “**Management Accounts**”), the Group is expected to record a profit for the three months ended 31 July 2017 (the “**Period**”) as compared to a loss for the corresponding period of last year. The Board considers that the aforesaid turnaround from loss to profit was due to the growth in revenue and gross profit by HK\$7.6 million and HK\$2.7 million, respectively, and the fact that no recognition of non-recurrent listing expenses and foreign exchange losses as a result of the depreciation of Great British Pound during the Period. The Group recognised non-recurrent listing expenses and foreign exchange losses of HK\$5.8 million and HK\$2.0 million, respectively, for the three months ended 31 July 2016.

As the Group is still in the course of finalising its consolidated financial results for the Period, the information contained in this announcement is only based on the preliminary assessment by the Board of the information currently available to it including but not limited to the draft Management Accounts, which has not been audited by the auditors of the Company nor reviewed by the audit and risk management committee of the Board as at the date of this announcement and is subject to possible adjustments upon further review.

Further details of the Group's performance for the Period will be disclosed in the quarterly results announcement of the Company for the Period. Shareholders and potential investors are advised to read carefully the quarterly results announcement of the Company for the Period which is expected to be published on or around 8 September 2017.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
SG Group Holdings Limited
Choi King Ting, Charles
Executive Director and Chairman

Hong Kong, 4 September 2017

As at the date of this announcement, the executive Directors are Mr. Choi King Ting, Charles and Mr. Choi Ching Shing; and the independent non-executive Directors are Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of the publication. This announcement will also be published on the website of the Company at www.jcfash.com.