TM

Newtree Group Holdings Limited
友川集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1323)

POSITIVE PROFIT ALERT

This announcement is made by Newtree Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 (the "**Board**") of directors (the "**Director(s)**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Company and preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a profit for the period attributable to owners of the Company for the six months ended 30 September 2017 (the "**2017 Interim Period**") as compared to the loss attributable to owners of the Company of approximately HK$153.1 million for the corresponding period in 2016.

The expected turnaround from loss to profit for the 2017 Interim Period was mainly attributable to (i) the one-off gain on disposal of subsidiaries of approximately HK$65.2 million; (ii) the full period profit contribution of approximately HK$7.5 million from money lending business which was acquired in December 2016; and (iii) no impairment loss was recorded for the 2017 Interim Period, while impairment loss on goodwill and trade receivables of approximately HK$87.9 million and HK$27.1 million respectively was recorded for the corresponding period in 2016.

As the Company is still in the process of finalising the financial results of the Group for the 2017 Interim Period, the information contained in this announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group for the 2017 Interim Period, which have not been reviewed nor audited by the audit committee of the Company and the Company's auditor. Further details of the Group's financial information for the 2017 Interim Period will be disclosed in the unaudited interim results announcement, which are expected to be published in late November 2017.

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

By Order of the Board
Newtree Group Holdings Limited
Wong Wai Sing
Chairman and Executive Director

Hong Kong, 17 November 2017

As at the date of this announcement, the executive Directors are Mr. Wong Wai Sing, Mr. Chan Kin Lung, Mr. Lee Chi Shing, Caesar, Ms. Yick Mi Ching, Dawnibilly and Mr. Wong Jeffrey; the non-executive Director is Ms. Lin Fang; and the independent non-executive Directors are Mr. Kwok Kam Tim, Dr. Hui Chik Kwan and Mr. Tso Ping Cheong, Brian.