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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

(1) SUSPENSION OF DUTIES AND POWERS OF EXECUTIVE DIRECTORS; (2) APPOINTMENT OF EXECUTIVE DIRECTOR; AND (3) CHANGE OF CHAIRMAN OF THE BOARD, CHAIRMAN OF NOMINATION COMMITTEE AND INVESTMENT COMMITTEE, PROCESS AGENT AND AUTHORISED REPRESENTATIVE

The Board announces that with effect from 28 February 2020:

- (1) all administrative and executive duties and powers of Mr. Peng Xinkuang and Mr. Chen Donghui in the Company have been suspended until further notice; and
- (2) Mr. Lei Dechao has been appointed as an executive Director, and Mr. Lei has been appointed as the chairman of the Board, the chairman of the Nomination Committee and the Investment Committee of the Company, the authorised representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong and the authorised representative of the Company under Rule 3.05 of the Listing Rules in replacement of Mr. Peng.

The board (“**Board**”) of directors (“**Directors**”, each a “**Director**”) of SRE Group Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company of the following changes in the composition of the Board and the administrative and executive duties and powers of certain Directors.

SUSPENSION OF DUTIES AND POWERS OF EXECUTIVE DIRECTORS

Reference is made to the announcements of the Company dated 20 January 2020 and 20 February 2020 respectively whereby the Company announced that the Public Security Bureau (“**PSB**”) of the People’s Republic of China (“**PRC**”) had imposed restrictive measures upon Mr. Peng Xinkuang (“**Mr. Peng**”) and that the Shanghai Huangpu People’s Procuratorate (上海市黃浦區人民檢察院) has approved the arrest of Mr. Peng for suspected embezzlement (職務侵佔罪) (“**Arrest**”).

Reference is also made to the announcement of the Company dated 20 February 2020 whereby the Company announced that Mr. Chen Donghui (“**Mr. Chen**”) was summoned and detained by the PSB according to PRC laws for suspected embezzlement (職務侵佔罪) (“**Detention**”).

After careful discussions, in view of the Arrest and the Detention and in order to alleviate any concerns that the management, the shareholders or the potential investors of the Company may have as regards the discharge of duties of Mr. Peng and Mr. Chen, the Board has resolved that with effect from 28 February 2020, all administrative and executive duties and powers of Mr. Peng and Mr. Chen in the Company as executive Directors have been suspended until further notice.

APPOINTMENT OF EXECUTIVE DIRECTOR, AND CHANGE OF CHAIRMAN OF THE BOARD, CHAIRMAN OF THE NOMINATION COMMITTEE AND THE INVESTMENT COMMITTEE, PROCESS AGENT AND AUTHORISED REPRESENTATIVE

The Board also resolved that with effect from 28 February 2020, Mr. Lei Dechao (“**Mr. Lei**”) has been appointed as an executive Director, and Mr. Lei has also been appointed as the chairman of the Board, the chairman of the Nomination Committee and the Investment Committee of the Company, the authorised representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong (“**Process Agent**”) and the authorised representative of the Company (“**Authorised Representative**”) under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) in replacement of Mr. Peng. All these positions and duties were previously performed by Mr. Peng.

Biographical details and other information of Mr. Lei are set out below.

Mr. Lei, aged 55, obtained a bachelor’s degree in finance profession from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Finance and Economics) in 1987 and a master’s degree in economics from the same university in 1999. He worked in various positions in the Finance Bureau of Wuhan from 1987 to 1999. From 1999 to 2004, he worked in the general office of the Wuhan government. He then worked in the financial management office of the Wuhan government from 2004 to 2008. He served as a general manager of Wuhan Economic Development Investment Group Co., Ltd. (now known as Wuhan Financial Holding Group Co., Ltd.), an independent director of Hankou Bank, the chairman of Wuhan Urban Construction Investment Development Group Co., Ltd. and a general manager of Wuhan Port Aviation Development Group Co., Ltd. from 2008 to 2017. From 2017 to 2018, he served as the general manager of CMIG Huazhong Investment Co., Ltd.* (中民投華中投資有限公司). He was the executive director and vice president of 卓爾控股有限公司 (Zall Holdings Limited), from March 2018 until September 2019. He was the non-executive director and the vice chairman of the board of China Infrastructure & Logistics Group Ltd., a listed company in Hong Kong (Stock Code: 1719), from December 2018 until December 2019. At present, Mr. Lei is the chairman (董事長) of China Minsheng Jiaye Investment Co., Ltd* (中民嘉業投資有限公司) (“**China Minsheng Jiaye**”) and a director of various group companies of China Minsheng Jiaye. China Minsheng Jiaye is the controlling shareholder of the Company. Mr. Lei has extensive experience in urban construction, corporate management and operations.

Save as disclosed above, as at the date of this announcement, Mr. Lei does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as the directorship mentioned above, Mr. Lei has not held any other directorships in listed public companies in the last three years. Mr. Lei is currently a director or supervisor of certain subsidiaries of the Group. Save as the directorship and the position disclosed above, Mr. Lei does not hold any other positions with the Group.

As at the date of this announcement, Mr. Lei is not interested in and does not hold any shares of the Company or underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to the service agreement made between Mr. Lei and the Company, Mr. Lei has been appointed for a fixed term of three years commencing on 28 February 2020 to 27 February 2023 (both days inclusive), subject to retirement by rotation and re-election and other applicable rules and laws, unless otherwise terminated by either party by giving not less than 6 months' written notice to the other or otherwise in accordance with the other terms of the service agreement. Pursuant to his service agreement, Mr. Lei is entitled to a remuneration of HK\$2,800,000 per annum, which was determined with reference to his qualifications, experience and level of responsibilities undertaken and the prevailing market conditions.

Save as disclosed above, Mr. Lei has confirmed that there are no other matters in connection with his appointment that need to be brought to the attention of the shareholders of the Company and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend its warmest welcome to Mr. Lei for joining the Board.

By Order of the Board
SRE Group Limited
Lei Dechao
Chairman

Hong Kong, 28 February 2020

As at the date of this announcement, the Board comprises eight executive Directors, namely Mr. Lei Dechao, Mr. Zhu Qiang, Ms. Qin Wenyong, Mr. Jiang Qi, Ms. Jiang Chuming; Mr. Zong Shihua, Mr. Peng Xinkuang (suspended) and Mr. Chen Donghui (suspended); 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*