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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

PROFIT WARNING

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 decrease in both unaudited net profit and profit attributable to the shareholders of the Company for the year ended 31 December 2018 (the “**Reporting Period**”) as compared to that for the year ended 31 December 2017, among which, the unaudited net profit recorded in the Reporting Period is expected to be RMB60 million to RMB110 million. Such decrease is mainly attributable to the decrease in gains from the Group’s exit from investments as a result of the regulation and control of domestic macro-economy and property industry in China during the Reporting Period. Despite the decrease in unaudited net profit and profit attributable to the shareholders of the Company mentioned above, as the Group strengthened its cost control during the Reporting Period, the Group is expected to record increase in unaudited gross profit from real estate development and decrease in unaudited administrative expenses during the Reporting Period as compared with that of the year ended 31 December 2017.

The Company is in the process of finalizing the annual results of the Group for the year ended 31 December 2018. 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 2018 in late March 2019.

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, 18 March 2019

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. Zhu Qiang, Ms. Qin Wenying and Mr. Jiang Qi; 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*