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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, it is expected that the Group’s unaudited revenue and unaudited gross profit for the six months ended 30 June 2020 (the “**Reporting Period**”) will decrease by approximately 76% and 35%, respectively, as compared to that for the same period last year. Such decrease in revenue and gross profit was primarily attributable to the reduction in the delivered area of properties sold by Group and the termination of tenancies by tenants of the commercial properties held by the Group due to reduction in customer flow as a result of the COVID-19 epidemic. However, it is expected that the Group’s unaudited net loss and unaudited loss attributable to shareholders of the Company for the Reporting Period will also significantly decrease as compared to that for the same period last year. The unaudited net loss is expected to be in the range of RMB45 million to RMB75 million. Such decrease in loss was mainly due to gain from disposal of investment of the Group and the reduction in various expenses of the Group as a result of the implementation of a series of effective cost reduction measures during the Reporting Period.

The Company is in the process of finalizing the results of the Group for the Reporting Period. 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 unaudited interim results of the Group for the Reporting Period before the end of August 2020.

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

On behalf of the Board
SRE GROUP LIMITED
Lei Dechao
Chairman

Hong Kong, 13 August 2020

As at the date of this announcement, the Board comprises five executive directors of the Company, namely Mr. Lei Dechao, Mr. Zhu Qiang, Ms. Qin Wenyong, Mr. Jiang Qi and Ms. Jiang Chuming; and four independent non-executive directors of the Company, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Ma Lishan and Mr. Han Gensheng.

** For identification purpose only*