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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 net loss and loss attributable to the shareholders of the Company will decrease significantly for the year ended 31 December 2020 (the “**Reporting Year**”), as compared to the net loss of RMB2,281 million and loss attributable to the shareholders of the Company of RMB2,257 million for the year ended 31 December 2019. The unaudited net loss recorded for the Reporting Year is expected to be in the range of RMB850 million to RMB1,000 million. The loss was primarily attributable to (1) a decrease in revenue and gross profit generated from real estate development as a result of a reduction in the delivered area of properties sold by the Group during the Reporting Year; (2) unrealised revaluation loss recorded on investment properties of the Group due to the COVID-19 epidemic and economic slowdown; and (3) certain amount of impairment loss provided for individual investments after the Group carefully evaluated investment in real estate under different market conditions and it is expected that the impairment loss will fall within the range from RMB700 million to RMB900 million.

The Company is in the process of finalising the results of the Group for the Reporting Year. 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 annual results of the Group for the year ended 31 December 2020 before the end of March 2021.

**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**  
**Hong Zhihua**  
*Chairman*

Hong Kong, 12 March 2021

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hong Zhihua, Mr. Kong Yong, Ms. Qin Wenyong and Mr. Jiang Qi; two non-executive directors, namely Ms. Cheng Liang and Mr. Luo Guorong; and three independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai and Mr. Ma Lishan.*

\* *For identification purpose only*