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(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

POSITIVE PROFIT ALERT

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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (“**FY2021**”), the Group expects a turnaround to profit and records net profit of not less than RMB5 million in FY2021 as compared to the net loss of RMB936 million and the loss attributable to Shareholders of RMB919 million for the corresponding period in 2020 (“**FY2020**”).

The performance of the Group is expected to have a turnaround to profit in FY2021, mainly attributable to (1) an increase in revenue and gross profit from real estate development as a result of the increase in delivered area of properties sold by the Group during the FY2021; (2) the absence of significant impairment charge on real estate investments in FY2021 following the Group’s prudent assessment of real estate investments under various market environments, compared to larger impairment losses on individual investments in FY2020.

The Company is in the process of finalising the results of the Group for the FY2021. 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 that 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 FY2021 before the end of March 2022.

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, 15 March 2022

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hong Zhihua, Mr. Kong Yong, Mr. Xu Ming and Mr. Jiang Qi; two non-executive directors, namely Mr. Lu Jianhua 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*