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(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 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 six months ended 30 June 2022 (the “**2022 Interim Period**”), the Group is expected to record an unaudited loss attributable to the owners of the Company of an amount between RMB120 million to RMB180 million, as compared with a loss attributable to the owners of the Company of RMB116 million for the corresponding period in 2021.

The expected increase in the loss of the Group for the 2022 Interim Period was mainly attributable to (1) a lower revenue and profit recognized from property sales, rentals and operations due to the resurgence of the COVID-19 pandemic and the corresponding preventive and control measures imposed by the local government in the People’s Republic of China, especially the COVID-19 lockdowns in Shanghai during the second quarter in 2022; and (2) foreign exchange translation loss attributable to a 5.3% depreciation of Renminbi against the United States dollar in the 2022 Interim Period.

The Company is still in the process of finalising the results of the Group for the 2022 Interim 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 that have been audited or reviewed by the auditors of the Company, and therefore may be subject to amendments and adjustments. The Company expects to publish an announcement on the unaudited interim results of the Group for the 2022 Interim Period before the end of August 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, 16 August 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. Pan Pan; and three independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai and Mr. Ma Lishan.

** For identification purpose only*