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REDCO PROPERTIES GROUP LIMITED

力高地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1622)

PROFIT WARNING

This announcement is made by Redco Properties Group Limited (the “**Company**”, together with its subsidiaries as 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 Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment of the information currently available to the Company and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”), the Group is expected to record a net profit ranging from approximately RMB150 million to RMB200 million for the Period as compared to the net profit of approximately RMB1,300 million for the six months ended 30 June 2021. The decrease is mainly attributable to : (1) the unfavorable macro market environment in the PRC and the downturn of the real estate industry, gross profit margin of the projects being recognized during the Period was relatively low; (2) a decrease in gains on disposals of subsidiaries; (3) a decrease in fair value of investment properties and an increase in provision for impairment for property inventories owing to the principle of prudence due to the overall weak performance of macro market in the PRC and the continued impact of the COVID-19 pandemic; and (4) the net exchange loss arising from the depreciation of the RMB against USD.

The Company is still in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is only based on the preliminary assessment of the information currently available to the Company and the unaudited consolidated management accounts of the Group, which has not been reviewed or audited by the Company's auditors and may be subject to adjustments. Shareholders and potential investors of the Company should read the announcement of the Company in relation to the interim results of the Group for the Period, which is expected to be published on 31 August 2022.

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

By Order of the Board
Redco Properties Group Limited
Wong Yeuk Hung
Chairman

Hong Kong , 23 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yeuk Hung JP, Mr. Huang Ruoqing and Mr. Tang Chengyong; and the independent non-executive directors of the Company are Mr. Chau On Ta Yuen SBS,BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.