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GR PROPERTIES LIMITED
國銳地產有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 108)

ANNOUNCEMENT OF FINAL RESULTS FOR THE ELEVEN MONTHS ENDED 31 DECEMBER 2014

The board of directors (the "Board") of GR Properties Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the eleven months ended 31 December 2014, which have been reviewed by the audit committee of the Company, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Eleven months ended 31 December 2014

	Notes	**Eleven months ended 31 December 2014** *HK$*	Year ended 31 January 2014 *HK$*
CONTINUING OPERATIONS			
REVENUE	5	**5,937,043**	5,892,008
Direct costs		**(1,233,538)**	(106,194)
Gross profit		**4,703,505**	5,785,814
Fair value gain on the derivative component of convertible bonds		**–**	55,446,680
Other income and gain, net	5	**45,566**	7,181,731
Administrative expenses		**(15,244,841)**	(16,580,746)
Other expenses		**(972,526)**	(34,110)
Finance costs	6	**(1,783,059)**	(85,899,785)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	7	**(13,251,355)**	(34,100,416)
Income tax	8	**(202,437)**	(205,516)

	Notes	**Eleven months ended 31 December 2014** *HK$*	Year ended 31 January 2014 *HK$*
LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS		**(13,453,792)**	(34,305,932)
DISCONTINUED OPERATION			
Profit for the period/year from a discontinued operation	11	**5,106,141**	1,090,626
LOSS FOR THE PERIOD/YEAR		**(8,347,651)**	(33,215,306)
Attributable to:			
Shareholders of the Company		**(8,347,651)**	(33,490,700)
Non-controlling interests		**–**	275,394
		(8,347,651)	(33,215,306)
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	10		
Basic and diluted:			
– For loss for the period/year		**0.016**	0.254
– For loss for the period/year from continuing operations		**0.026**	0.260

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Eleven months ended 31 December 2014

	Note	**Eleven months ended 31 December 2014**	Year ended 31 January 2014
		HK$	*HK$*
LOSS FOR THE PERIOD/YEAR		**(8,347,651)**	(33,215,306)
OTHER COMPREHENSIVE LOSS			
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Translation of foreign operations		**(2,644,869)**	(4,052,883)
Reclassification adjustments for gain on disposal of subsidiaries included in the consolidated statement of profit or loss	11	**(542,866)**	–
OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR, NET OF INCOME TAX OF NIL		**(3,187,735)**	(4,052,883)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		**(11,535,386)**	(37,268,189)
Attributable to:			
Shareholders of the Company		**(11,535,386)**	(37,679,351)
Non-controlling interests		**–**	411,162
		(11,535,386)	(37,268,189)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	**31 December 2014** *HK$*	31 January 2014 *HK$* (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,504,200**	4,811,456
Investment properties		**95,069,001**	97,512,431
Intangible assets		**19,573,396**	20,973,308
Deposits paid for purchase of items of property, plant and equipment		**–**	329,191
Total non-current assets		**119,146,597**	123,626,386
CURRENT ASSETS			
Prepayments, deposits and other receivables		**1,102,334**	375,176
Cash and bank balances		**41,395,142**	2,534,319
		42,497,476	2,909,495
Assets of a disposal group classified as held for sale	9	**–**	11,907,729
Total current assets		**42,497,476**	14,817,224
CURRENT LIABILITIES			
Other payables and accruals		**6,079,253**	9,332,924
Due to shareholders		**–**	233,785,077
Due to a director		**–**	3,200,000
Liability component of convertible bonds		**–**	271,216,941
Income tax payables		**1,086,123**	1,027,244
		7,165,376	518,562,186
Liabilities of a disposal group classified as held for sale	9	**–**	11,008,931
Total current liabilities		**7,165,376**	529,571,117
NET CURRENT ASSETS/(LIABILITIES)		**35,332,100**	(514,753,893)
TOTAL ASSETS LESS CURRENT LIABILITIES		**154,478,697**	(391,127,507)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**15,138,765**	15,395,747
Net assets/(liabilities)		**139,339,932**	(406,523,254)

	31 December 2014	31 January 2014
	HK$	*HK$*
		(Restated)
EQUITY		
Equity attributable to shareholders of the Company		
Share capital: nominal value	**–**	131,973,638
Share premium account	**–**	250,076,221
Share capital and statutory capital reserve	**777,970,773**	382,049,859
Other reserves	**(638,630,841)**	(788,130,532)
	139,339,932	(406,080,673)
Non-controlling interests	**–**	(442,581)
Total equity/(deficiency in assets)	**139,339,932**	(406,523,254)

Notes:

1. **CHANGE OF FINANCIAL YEAR END DATE**

Pursuant to a resolution of the directors of the Company (each a "Director" and collectively, the "Directors") passed during the period, the Company's financial year end date was changed from 31 January to 31 December. Accordingly, the current financial period end date of the Company shall be 31 December 2014 and the current financial period covers the eleven months ended 31 December 2014. The comparative figures cover an entire year from 1 February 2013 to 31 January 2014, which may not be comparable with the amounts shown for the current period.

2. **BASIS OF PRESENTATION AND PREPARATION**

<u>Basis of presentation</u>

Despite that the Group entered into various capital commitments of approximately HK$215 million in aggregate after the reporting period as detailed in note 12 to this announcement, the Directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group's profit forecast and cash flow projection which, inter alia, have taken into account the historical operating performance of the Group and a shareholder's loan in the principal amount of HK$194,000,000 advanced to the Company subsequently on 2 March 2015, as further detailed in note 12 to this announcement.

Accordingly, these financial statements have been prepared on a going concern basis which assumes, among other things, the realisation of assets and satisfaction of liabilities in the normal course of business. Should the Group and the Company be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effects of these adjustments have not been reflected in the consolidated financial statements.

<u>Basis of preparation</u>

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial period and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

The financial statements have been prepared under the historical cost convention, except for investment properties and the derivative component of convertible bonds which have been measured at fair value. A disposal group held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest dollar except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the eleven months ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits/accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Impact of new and revised HKFRSs

The Group has adopted the following revised standards and new interpretation for the first time for the current period's financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

The revised standards and new interpretation which are effective for the first time for the current period's financial statements have had no significant financial effects on these financial statements.

Change in functional currency of the Company

Pursuant to a resolution of the Directors passed on 29 August 2014, the Company changed its functional currency from Renminbi ("RMB") to HK$ effective from 1 February 2014. The resolution for the change in functional currency of the Company was reached after taking into consideration, inter alia, that the share subscription, settlement of amounts due to a Director and shareholders, and redemption of convertible bonds in February 2014 were all transacted in HK$. The change in functional currency was prospectively applied.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property investment segment which engages in the leasing of shops, storerooms and car parking spaces in Fujian Province, Mainland China;

(b) the hotel management segment which engages in the provision of hotel management services; and

(c) the sale of dye-sublimation printed products segment which engages in the manufacture and sale of dye-sublimation printed products (discontinued during the eleven months ended 31 December 2014 – note 9).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that imputed interest on convertible bonds, fair value gain on the derivative component of convertible bonds and gain on disposal of interests in subsidiaries, as well as head office and corporate income/(expenses) are excluded from this measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to shareholders, an amount due to a Director, convertible bonds and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Continuing operations						Discontinued operation			
	Property investment		Hotel management		Total		Sale of dye-sublimation printed products		Total	
	Eleven months ended 31 December 2014	Year ended 31 January 2014	**Eleven months ended 31 December 2014**	Year ended 31 January 2014	**Eleven months ended 31 December 2014**	Year ended 31 January 2014	**Eleven months ended 31 December 2014**	Year ended 31 January 2014	**Eleven months ended 31 December 2014**	Year ended 31 January 2014
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Segment revenue	**5,937,043**	5,892,008	**-**	–	**5,937,043**	5,892,008	**-**	35,892,769	**5,937,043**	41,784,777
Segment result	**(2,295,726)**	1,298,112	**(559,938)**	(727,592)	**(2,855,664)**	570,520	**-**	1,587,289	**(2,855,664)**	2,157,809
Reconciliation:										
Unallocated gains					**45,566**	7,185,570	**-**	182,550	**45,566**	7,368,120
Corporate and other unallocated expenses					**(8,658,198)**	(11,403,401)	**-**	(679,213)	**(8,658,198)**	(12,082,614)
Imputed interest on convertible bonds					**(1,783,059)**	(85,899,785)	**-**	–	**(1,783,059)**	(85,899,785)
Fair value gain on the derivative component of convertible bonds					**-**	55,446,680	**-**	–	**-**	55,446,680
Gain on disposal of interests in subsidiaries					**-**	–	**5,106,141**	–	**5,106,141**	–
Loss before tax					**(13,251,355)**	(34,100,416)	**5,106,141**	1,090,626	**(8,145,214)**	(33,009,790)

	Continuing operations						Discontinued operation			
							Sale of dye-sublimation printed products			
	Property investment		Hotel management		Total				Total	
	31 December 2014	31 January 2014	**31 December 2014**	31 January 2014	**31 December 2014**	31 January 2014	**31 December 2014**	31 January 2014	**31 December 2014**	31 January 2014
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Segment assets	**111,754,125**	116,598,024	**5,496,960**	5,820,593	**117,251,085**	122,418,617	**–**	11,907,729	**117,251,085**	134,326,346
Reconciliation:										
Corporate and other unallocated assets										
– Property, plant and equipment					**3,801,605**	3,917,927	**–**	–	**3,801,605**	3,917,927
– Deposits and other receivables					**847,329**	807	**–**	–	**847,329**	807
– Cash and bank balances					**39,744,054**	198,530	**–**	–	**39,744,054**	198,530
Total assets					**161,644,073**	126,535,881	**–**	11,907,729	**161,644,073**	138,443,610
Segment liabilities	**19,307,524**	19,263,541	**37**	38	**19,307,561**	19,263,579	**–**	11,008,931	**19,307,561**	30,272,510
Reconciliation:										
Corporate and other unallocated liabilities										
– Other payables and accruals					**2,996,580**	6,492,336	**–**	–	**2,996,580**	6,492,336
– Due to shareholders					**–**	233,785,077	**–**	–	**–**	233,785,077
– Due to a director					**–**	3,200,000	**–**	–	**–**	3,200,000
– Convertible bonds					**–**	271,216,941	**–**	–	**–**	271,216,941
Total liabilities					**22,304,141**	533,957,933	**–**	11,008,931	**22,304,141**	544,966,864

Geographical information

(a) Revenue from external customers

	Eleven months ended 31 December 2014	Year ended 31 January 2014
	HK$	*HK$*
Japan	**–**	35,892,769
Mainland China	**5,937,043**	5,892,008
	5,937,043	41,784,777

(b) Non-current assets

	31 December 2014	31 January 2014
	HK$	*HK$*
Hong Kong	**376,847**	3,070
Japan	**–**	3,588,205
Mainland China	**118,769,750**	123,623,316
	119,146,597	127,214,591

Information about major customers

During the eleven months ended 31 December 2014, three external customers from the property investment segment contributed over 10% of the Group's total revenue for the period (Year ended 31 January 2014: one external customer from the sale of dye-sublimation printed products segment).

A summary of revenue earned from each of these major external customers is set out below:

	Eleven months ended 31 December 2014	Year ended 31 January 2014
	HK$	*HK$*
Customer 1	**N/A***	18,010,274
Customer 2	**1,356,524**	N/A*
Customer 3	**877,941**	N/A*
Customer 4	**779,548**	N/A*

* The corresponding revenue of these customers is not disclosed as they individually did not contribute over 10% of the Group's total revenue for the relevant period/year.

5. REVENUE, OTHER INCOME AND GAIN, NET

Revenue, which is also the Group's turnover, represents gross rental income received from investment properties, net of business tax and government surcharges.

An analysis of the Group's other income and gain, net from continuing operations is as follows:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Bank interest income	**45,566**	37,365
Foreign exchange differences, net	**–**	7,144,366
Other income and gain, net	**45,566**	7,181,731

6. FINANCE COSTS

Finance costs for the current period and the prior year represented imputed interest on convertible bonds.

7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Depreciation	**805,596**	1,468,914
Loss on disposal of items of property, plant and equipment	**7,902**	3,839
Minimum lease payments under operating leases in respect of land and buildings	**940,251**	–
Impairment of other receivables, net*	**55**	34,110
Impairment of intangible assets*	**881,020**	–
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	**5,208,221**	5,199,031
Pension scheme contributions	**378,237**	235,421
	5,586,458	5,434,452
Net rental income on investment properties less direct operating expenses of HK$1,233,538 (Year ended 31 January 2014: HK$106,194)	**4,730,505**	5,785,814

* These items are included in "Other expenses" on the face of the consolidated statement of profit or loss.

8. INCOME TAX

An analysis of the Group's income tax from continuing operations is as follows:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Current – Mainland China	**72,659**	74,976
Deferred	**129,778**	130,540
Total tax expense for the period/year	**202,437**	205,516

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (Year ended 31 January 2014: Nil).

The PRC corporate income tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the period based on the prevailing legislation, interpretations and practices in respect thereof.

9. DISCONTINUED OPERATION

On 29 October 2013, the Group entered into a sale and purchase agreement with Huge Spread Limited, which was owned as to 50% by a shareholder and the remaining 50% by an independent third party, respectively, to dispose of the Group's 72.13% equity interest in Viswell International Limited ("Viswell") and an amount due from Viswell to Huge Spread Limited for a cash consideration of HK$5,904,654. The transaction was completed on 17 February 2014.

Details of this transaction were set out in the Company's circular dated 24 January 2014.

Viswell and its subsidiary (the "Viswell Group") are principally engaged in the manufacture and sale of dye-sublimation printed products, which is considered as a separate major line of business of the Group. Since the Group's dye-sublimation printed products operation was solely undertaken by the Viswell Group, it was discontinued upon the completion of the disposal transaction and it was presented as a discontinued operation in these financial statements in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(a) The results of the discontinued operation for the period dealt with in these financial statements are set out below:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Revenue	**–**	35,892,769
Expenses	**–**	(34,910,872)
Other income	**–**	182,550
Finance costs	**–**	(73,821)
Profit before tax from the discontinued operation	**–**	1,090,626
Income tax	**–**	–
Profit from the discontinued operation	**–**	1,090,626
Gain on disposal of the discontinued operation, net of income tax of nil	**5,106,141**	–
Profit for the period/year from the discontinued operation	**5,106,141**	1,090,626
Attributable to:		
Shareholders of the Company	**5,106,141**	815,232
Non-controlling interests	**–**	275,394
Profit from the discontinued operation	**5,106,141**	1,090,626

(b) The net cash flows of the discontinued operation for the period/year are as follows:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Operating activities	**–**	1,217,094
Investing activities	**–**	(782,831)
Financing activities	**–**	(589,617)
Net cash outflow incurred by the discontinued operation	**–**	(155,354)

(c) Earnings per share from the discontinued operation are as follows:

	Eleven months ended 31 December 2014 *HK$*	Year ended 31 January 2014 *HK$*
Basic and diluted	**0.010**	0.006

The calculations of the basic and diluted earnings per share amounts from the discontinued operation are based on the following data:

	Eleven months ended 31 December 2014	Year ended 31 January 2014
Profit for the period/year from the discontinued operation attributable to shareholders of the Company	**HK$5,106,141**	HK$815,232
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculations (note 10)	**507,742,889**	131,973,638

(d) The major class of assets and liabilities of the disposal group classified as held for sale as at 31 January 2014 are as follows:

	31 January 2014 *HK$*
Assets	
Property, plant and equipment	3,554,986
Intangible assets	33,219
Inventories	2,333,483
Trade receivables	3,770,746
Other receivables	1,326,828
Cash and bank balances	888,467
Assets of a disposal group classified as held for sale	11,907,729
Liabilities	
Trade payables	(3,637,628)
Other payables and accruals	(2,501,993)
Due to a shareholder	(957,977)
Finance lease payables	(1,833,161)
Bank borrowings	(2,078,172)
Liabilities of a disposal group classified as held for sale	(11,008,931)
Net assets directly associated with the disposal group	898,798

10. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period and the loss for the period from continuing operations attributable to the shareholders of the Company of HK$8,347,651 (Year ended 31 January 2014: HK$33,490,700) and HK$13,453,792 (Year ended 31 January 2014: HK$34,305,932), respectively, and the weighted average number of 507,742,889 (Year ended 31 January 2014: 131,973,638) ordinary shares in issue during the period.

In respect of the diluted loss per share amounts, no adjustment has been made to the basic loss per share amounts presented for the current period and the prior year, as the impact of the convertible bonds outstanding during these periods had no-dilutive effect on the basic loss per share amount presented.

11. DISPOSAL OF SUBSIDIARIES

	Note	**Eleven months ended 31 December 2014** *HK$*	Year ended 31 January 2014 *HK$*
Net assets disposed of:			
Property, plant and equipment		**3,554,986**	–
Intangible assets		**33,219**	–
Inventories		**2,333,483**	–
Trade receivables		**3,770,746**	–
Other receivables		**1,326,828**	–
Cash and bank balances		**888,467**	–
Trade payables		**(3,637,628)**	–
Other payables and accruals		**(2,501,993)**	–
Due to a shareholder		**(957,977)**	–
Finance lease payables		**(1,833,161)**	–
Bank and other borrowings		**(2,078,172)**	–
		898,798	–
Non-controlling interest derecognised		**442,581**	–
Exchange fluctuation reserve realised		**(542,866)**	–
Gain on disposal of subsidiaries	9	**5,106,141**	–
		5,904,654	–
Satisfied by cash		**5,904,654**	–

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Note	**Eleven months ended 31 December 2014** *HK$*	Year ended 31 January 2014 *HK$*
Cash consideration		**5,904,654**	–
Cash and bank balances disposed of		**(888,467)**	–
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries		**5,016,187**	–

Further details of the disposal of subsidiaries are set out in note 9 above.

12. EVENTS AFTER THE REPORTING PERIOD

(a) Proposed acquisition of 100% equity interest in 北京澳西商業管理有限公司 (Beijing AOCEAN Business Management Company Limited*, or "AOCEAN Business Management")

On 8 January 2015, Rui Cheng Investment Company Limited as the purchaser, a wholly-owned subsidiary of the Company, entered into a purchase agreement with 北京澳西控股有限公司 (Beijing AOCEAN Holdings Company Limited*, or "AOCEAN Holding") as the vendor, pursuant to which AOCEAN Holding agreed to sell its entire equity interest in AOCEAN Business Management to the Group for a consideration of RMB17,000,000 (equivalent to approximately HK$21,431,560). The transaction would constitute a very substantial acquisition under the Listing Rules and is subject to approval by shareholders of the Company at a general meeting to be convened by the Company. As at the date of this announcement, the transaction has not been completed. Further details of the acquisition are set out in the Company's announcement and circular dated 20 January 2015 and 27 March 2015, respectively.

(b) Proposed acquisition of a piece of land

On 26 February 2015, East Pacific Properties LLC as the purchaser, an indirect wholly-owned subsidiary of the Company, entered into a purchase agreement with Wilshire West Car Wash, LLC ("Wilshire") as the vendor, pursuant to which Wilshire agreed to transfer a land located at Santa Monica, in the County of Los Angeles, State of California, the United States of America, to the Group for a consideration of US$25,000,000 (equivalent to approximately HK$194,000,000). The transaction would constitute a very substantial acquisition under the Listing Rules and is subject to approval by shareholders of the Company at a general meeting to be convened by the Company. As at the date of this announcement, the transaction has not been completed. Further details of the acquisition are set out in the Company's announcement dated 9 March 2015.

* *For identification purpose only*

(c) **Shareholder's loan granted by Wintime Company Limited ("Wintime")**

Pursuant to a shareholder's loan agreement dated 2 March 2015, Wintime, the immediate holding company, granted a shareholder's loan of HK$194,000,000 to the Company. The shareholder's loan bears interest at the rate of 3% per annum and is repayable in 3 years from the date of drawdown of the shareholder's loan or such other date as agreed between Wintime and the Company. Further details of the shareholder's loan are set out in the Company's announcement dated 9 March 2015.

13. COMPARATIVE AMOUNTS

As at 31 January 2014, included in the Group's consolidated statement of financial position were "other financial assets" amounting to HK$15,617,876 which represented the Group's investments in two private entities established in the PRC. Under the terms of the investment agreements, the Group is entitled to occupy, use or obtain income derived from certain properties held by these two private entities. In prior years, the investments were designated as financial assets at fair value through profit or loss in accordance with HKAS 39 *Financial Instruments: Recognition and Measurement.*

During the eleven months ended 31 December 2014, the Director reassessed the accounting treatment of the two investments and determined that they do not meet the definition of a financial assets as defined in HKAS 32 *Financial Instruments: Presentation.* Since the investments, in substance, convey the right of use of certain properties to the Group, the management believes that it is more appropriate to classify these assets as intangible assets which are measured initially at cost and subsequently amortised in accordance with HKAS 38 *Intangible Assets.* Accordingly, the directors have reclassified the assets from "other financial assets" to "intangible assets" in the consolidated statement of financial position as at 31 December 2014. In the opinion of the management, the reclassification was not material and hence no prior period adjustments have been made to the comparative amounts. Certain comparative amounts have been reclassified to conform to the current period's presentation and accounting treatment.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE YEAR

The year of 2014 is a milestone of the Company.

The Subscription, the Redemption, the Repayment and Waiver and the Disposal

On 29 October 2013, the Company entered into a subscription agreement (the "Subscription Agreement") with Wintime Company Limited as subscriber ("Wintime" or the "Subscriber") pursuant to which the Subscriber conditionally agreed to subscribe in cash for and the Company conditionally agreed to allot and issue a total of 395,920,914 subscription shares at the subscription price of HK$1.00 per subscription share (the "Subscription"). The aggregate cash consideration for the Subscription is HK$395,920,914.

Pursuant to and as conditions of the Subscription Agreement, the Company has taken the following steps:

- On 29 October 2013, the Group entered into a repayment and waiver agreement (the "Repayment and Waiver Agreement") with two shareholders and a then Director. Pursuant to which the Group conditionally agreed to repay the amounts due to the two shareholders in the aggregate amount of HK$78,800,000 and one of the two shareholders conditionally agreed to waive the remaining portion of the outstanding loans in the amount of HK$153,485,077 owed by the Group after the repayment (the "Repayment and Waiver"). Pursuant to the Repayment and Waiver Agreement, the Company conditionally agreed to repay in full the outstanding loans owed by the Company to a then Director in the aggregate amount of HK$3,200,000.

- On 29 October 2013, the Group entered into a sale and purchase agreement (the "Disposal Agreement") to dispose of approximately 72.1% equity interest in Viswell International Limited ("Viswell") and Viswell's wholly owned subsidiary, Rakupuri Inc ("Rakupuri", together with Viswell, the "Viswell Group") (the "Disposal"). Pursuant to the Disposal Agreement, the purchaser conditionally agreed to acquire and the Group conditionally agreed to dispose of the Group's 72.1% equity interest in the Viswell Group and an amount due from the Viswell Group at a total consideration of HK$5,904,654.

- On 12 February 2014, the shareholders passed a resolution at the extraordinary general meeting in approving the Subscription Agreement, the Repayment and Waiver Agreement, the Disposal Agreement and the Redemption.

- On 17 February 2014, the Company fully redeemed the aggregate outstanding principal amount of the convertible bonds amounted to HK$273,000,000 funded by the proceeds from the Subscription (the "Redemption"). The Subscription, the Redemption, the Repayment and Waiver and the Disposal were completed.

Accordingly, the Company allotted 395,920,914 shares at HK$1.00 per share to the Subscriber, i.e. Wintime Company Limited, fully redeemed the convertible bonds in the aggregate outstanding principal amount of HK$273,000,000 and settled the amounts due to two shareholders in the aggregate amount of HK$78,800,000 (among them, HK$6,050,000 has been waived by the relevant shareholder) and to a then Director in the amount of HK$3,200,000 respectively.

The Subscription, the Redemption, the Repayment and Waiver and the Disposal were completed on 17 February 2014, which significantly reduced the Group's indebtedness by approximately HK$508,000,000 and restored the Group to a positive net assets position.

FINANCIAL HIGHLIGHTS

	Eleven months ended December 2014 *HK$'000*	Year ended 31 January 2014 *HK$'000*
Turnover	**5,937**	5,892
(Loss)/profit for the period/year		
Attributable to:		
– Shareholders of the Company	**(8,347)**	(33,491)
– Non-controlling interests	**–**	275

BUSINESS REVIEW

During the eleven months ended 31 December 2014, the Group's operations are organised into business units based on their products and services. There are three reportable operating segments, including the property investment segment, the hotel management segment and the sale of dye-sublimation printed products segment. The first two segments are located in Fujian Province, the People's Republic of China . The operation of the last segment was discontinued during the period. For details, please refer to note 9 of this announcement.

Property investment

In respect of the property investment division, the Group has generated its revenue mainly by leasing out properties held in Fuzhou City, PRC to independent tenants through福建佳成置業發展有限公司(Jiacheng (Fujian) Investments Co., Ltd.*) ("Jiacheng Fujian") and Faith Stand (China) Limited ("Faith Stand China"), two wholly-owned subsidiaries of the Company. The property leasing business of Jiacheng Fujian and Faith Stand China remained stable throughout the period.

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Jiacheng Fujian also made investments in 福建中青創業投資有限公司 (Fujian Channel Capital Co., Ltd.*) and 佳信(福建)光電科技有限公司 (Jiaxin (Fujian) Opto-Electronic Technology Co., Ltd.*). Both companies are private entities incorporated in the PRC and engage in property development in 海西高新技術產業園區 (New & High Technology Industry Zone*) located in Fuzhou City of Fujian Province. The Central People's Government of the PRC (the "Central People's Government") had laid down concrete measures to promote the construction and encourage the development of this economic zone.

Hotel management

保成(福建)酒店管理有限公司 (Vast Glory (Fujian) Hotel Management Limited*) ("Vast Glory Fujian"), concluded a hotel management contract with an independent third party to provide hotel management service for a hotel in 2011. This subject hotel, which is under construction, is located in Pingtan Island, Fujian, the fifth largest island in the PRC.

As an update, the expected commencement date of operation of the subject hotel has been rescheduled to the third quarter of 2016. This is mainly attributed to the fact that the fire systems engineering was only approved in January 2015, notwithstanding that the approval procedure initially started in the first quarter of 2014. Upon approval of the fire systems engineering, it will then proceed to the final stage of renovation and decoration. When the construction of the ancillary infrastructure of the surrounding area of the subject hotel completes, it is expected to commence operation and generate steady revenue for the Group by then.

As the Central People's Government has laid down concrete development plans for the coastal area in Fujian Province, Fujian Province ushers in better development opportunities, this will certainly be beneficial to the development of real estate industry and hotel industry in Fujian Province.

FUTURE PROSPECT

Upon completion of the Subscription, the Redemption, the Disposal and the Repayment and Waiver, the liquidity position of the Group has improved significantly.

Looking ahead, year 2015 is a new page for the Company. As a result of rationalization of business operations, it is the intention of the management to continue the existing property investment and hotel management business of the Group. The Company will review the existing businesses, operations and/or directions of the Group from time to time and may implement changes with regard to such review when appropriate. In addition, the management of the Group will closely monitor the market and seize the opportunities to adopt appropriate measures and strategies to strive for the best returns to the shareholders.

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As more particularly delineated in note 12 above, the Group proposed to acquire 100% equity interest in 北京澳西商業管理有限公司 (Beijing AOCEAN Business Management Company Limited*) and a property located at Santa Monica, in the County of Los Angeles, State of California, the United States of America. Leveraging on the profound knowledge and experience in the real estate sector, it is the Company's strategy to further expand in the property development business, which would supplement the Company's current core business.

LIQUIDITY AND FINANCIAL RESOURCES

For the eleven months ended 31 December 2014, the Group recorded a loss attributable to shareholders of the Company of approximately HK$8,348,000 from continuing operations (Year ended 31 December 2014: a loss of approximately HK$33,491,000). The substantial decrease is mainly attributed to the fact that in the prior year, there was a recognition of a fair value gain on the derivate component of convertible bonds of approximately HK$55,447,000, which was offset by the recognition of imputed interest expense on convertible bonds of approximately HK$85,900,000. As the convertible bonds were fully redeemed in February 2014, the imputed interest expense recognised during the eleven months ended 31 December 2014 was approximately HK$1,783,000.

As at 31 December 2014, the Group had available bank balances and cash of approximately HK$39,809,000 and RMB1,270,000 (31 January 2014: approximately HK$209,000 and RMB1,815,000), representing a capital liquidity ratio (bank balances and cash divided by current liabilities) of 5.78 (31 January 2014: 0.006).

As at 31 December 2014, the Group's debts to assets ratio was zero (31 January 2014: 4.02). The debts to assets ratio is calculated by dividing the aggregate amount of debts which included amounts due to shareholders of nil (31 January 2014: approximately HK$233,785,000), an amount due to a Director of nil (31 January 2014: approximately HK$3,200,000), and the liability component of the convertible bonds of nil (31 January 2014: approximately HK$271,217,000) over the amount of total assets of approximately HK$161,644,000 (31 January 2014: approximately HK$126,536,000).

During the eleven months ended 31 December 2014, the Group's business operations were principally in the PRC and the main operational currencies are HK$ and RMB. The exchange rate fluctuations between RMB and HK$ has no material adverse impact to the Group throughout the period. The Group will closely monitor the exchange rate trend and take corresponding measures in a timely manner to reduce foreign currency exchange risk and exposure.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2014, the total number of employees of the Group (excluding Directors) was 30 (31 January 2014: 44). Most of them were located in the PRC.

* *For identification purpose only*

Remuneration offered by the Group was determined in accordance with the relevant policies in Hong Kong and the PRC and with reference to market trend, as well as individual competence and performance of the staff. Other related benefits included contributions to Mandatory Provident Fund Schemes, social insurance and medical insurance funds.

CHANGE OF COMPANY NAME

On 24 March 2014, pursuant to a special resolution of an extraordinary general meeting, the name of the Company was changed from "Buildmore International Limited 建懋國際有限公司" to "GR Properties Limited 國銳地產有限公司". The change of name was registered with the Registrar of Companies of Hong Kong on 7 April 2014.

The trading in securities of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under the new name was effected on 15 April 2014.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to a resolution of the Directors passed during the period, the Board resolved to change the financial year end date of the Company from 31 January to 31 December.

The reason for such a change is to align the Company's financial year end date with those of the Company's principal subsidiaries which are the Group's substantial investments.

ADOPTION OF THE NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to a special resolution passed at the annual general meeting of the Company held on 27 June 2014, the adoption of the new articles of association of the Company in substitution for, and to the exclusion of, the then articles of association of the Company was approved.

The new articles of the Company is published in the websites of the Company and the Stock Exchange.

CHANGE IN FUNCTIONAL CURRENCY OF THE COMPANY

Pursuant to a resolution of the Directors passed on 29 August 2014, the Company changed its functional currency from RMB to HK$ effective from 1 February 2014. The resolution for the change in functional currency of the Company was reached after taking into consideration, inter alia, that the share subscription, settlement of amounts due to a Director and shareholders, and redemption of convertible bonds in February 2014 were all transacted in HK$. The change in functional currency was prospectively applied.

COMPARATIVE AMOUNTS

Certain figures have been restated. The details are set out in note 13 to this announcement.

EVENTS AFTER THE REPORTING PERIOD

For details of events after the reporting period, please refer to note 12 of this announcement.

CAPITAL COMMITMENTS

At 31 December 2014, neither the Group nor the Company had any significant capital commitments (31 January 2014: Nil).

FINAL DIVIDEND

The board of the Company resolved not to declare any dividend for the eleven months ended 31 December 2014 (Year ended 31 January 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities during the eleven months ended 31 December 2014.

CORPORATE GOVERNANCE PRACTICES

The board of the Company is committed to maintain and ensure high standards of corporate governance practice. The Company stresses the importance of maintaining the quality of the board by ensuring that the Directors possess a wide range of expertise and the effective implementation of an accountability system, so as to ensure that business activities and decision making processes are regulated in a proper manner.

Save as disclosed below, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the eleven months ended 31 December 2014.

In respect of code provision A.6.7, one of the Independent Non-executive Directors did not attend the annual general meeting of the Company held on 27 June 2014 due to his other business commitments.

The Company will seek to improve its management and raise its control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, the Company is not aware of any non-compliance with the Model Code regarding the trading of the Company's securities for the eleven months ended 31 December 2014.

AUDIT COMMITTEE

The audit committee has reviewed with the annual results and has no dissenting view on the accounting policies adopted by the Group and on the Group's internal controls and risk management, accounting and financial reporting functions.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company will be posted at the website of the Company (http://www.capitalfp.com.hk/eng/index.jsp?co=108) and the website of the Stock Exchange (http://www.hkexnews.hk). Annual Report for the eleven months ended 31 December 2014 of the Company containing all information as required by the Listing Rules will be despatched to the shareholders of the Company later and posted at the above websites.

By order of the Board
GR Properties Limited
Wei Chunxian
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Wei Chunxian, Mr. Sun Zhongmin and Ms. Liu Shuhua; and the independent non-executive Directors of the Company are Mr. Tung Woon Cheung Eric, Mr. Mak Kwong Yiu and Mr. Chui Tsan Kit.