GR PROPERTIES LIMITED
國銳地產有限公司

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

PROFIT WARNING

This announcement is made by GR Properties Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 in 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 holders of the Company's shares (the "**Shareholders**") and potential investors that based on the management's preliminary assessment of the Group's unaudited consolidated management accounts, the loss attributable to Shareholders for the year ended 31 December 2016 is expected to substantially increase by approximately 100% as compared to the loss attributable to Shareholders for the year ended 31 December 2015. The increase in loss was mainly due to;

(i) the recognition of fair value loss of investment property. The Group acquired an office building in London, United Kingdom (the "**UK**") in August 2016 with consideration of £27,780,000. The fair value loss recognised, in which the excess of cost over the fair value, was solely due to the capitalised stamp duty and direct legal and transaction costs incurred; and

(ii) the exchange loss recognised during the year ended 31 December 2016 related to the office building acquired in London, UK. Such exchange loss was mainly caused by the significant depreciation of Sterling Pounds ("**£**") after the exit of UK from the European Union ("**Brexit**") on 23 June 2016. The Board currently intends to hold this office building for long term investment purpose and therefore considers that Brexit and short term fluctuation of £ would not have material impact to the Group as a whole in long run.

The Board believes that the increase in loss for the year is due to aforementioned non-cash items and no material adverse effect on the Group's cash flows is expected.

The Company is still in the process of finalising the final results for the year ended 31 December 2016. This profit warning announcement is based on the information currently available to the Group and the preliminary assessment by the management of the Company of the unaudited consolidated management accounts of the Group, which have neither been reviewed nor audited by the Company's auditors. The final results of the Group for the year ended 31 December 2016 are expected to be released in March 2017. Shareholders and potential investors are advised to read the final results of the Company when it is published.

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

By order of the Board of
GR Properties Limited
Wei Chunxian
Chairman

Hong Kong, 16 March 2017

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