GR PROPERTIES LIMITED
國銳地產有限公司

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board of directors (the "**Board**") of GR Properties Limited (the "**Company**") hereby presents the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2017, together with comparative figures for the six months ended 30 June 2016. The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017 (the "**Period**").

FINANCIAL HIGHLIGHTS

- The Group's revenue for the Period was approximately HK$74.2 million, representing an increase of approximately 20.6% from HK$61.5 million for the corresponding period in 2016.

- Gross profit for the Period was approximately HK$16.5 million, representing an increase of approximately 70.1% from approximately HK$9.7 million for the corresponding period in 2016.

- Loss before tax for the Period was approximately HK$2.9 million, representing a decrease of approximately 76.4% from approximately HK$12.3 million for the corresponding period in 2016.

- Loss for the period attributable to shareholders of the Company for the Period was approximately HK$3.8 million, representing a decrease of approximately 71.5% from HK$13.3 million for the corresponding period in 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended	
		30 June 2017	30 June 2016
		(Unaudited)	(Unaudited)
	Notes	***HK$000***	*HK$000*
REVENUE	5	**74,154**	61,489
Cost of sales		**(57,606)**	(51,758)
Gross profit		**16,548**	9,731
Loss on disposal of interests in subsidiaries	21	**—**	(1,587)
Other income and gain, net	5	**9,211**	1,528
Selling expenses		**—**	(36)
Administrative expenses		**(19,500)**	(18,088)
Other operating expenses, net		**(6,190)**	(3,875)
Finance costs	6	**(2,981)**	—
LOSS BEFORE TAX	7	**(2,912)**	(12,327)
Income tax	8	**(891)**	(1,016)
LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		**(3,803)**	(13,343)
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	9		
Basic and diluted (HK cents per share)		**(0.00)**	(0.02)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the six months ended 30 June 2017 (Unaudited) HK$000	30 June 2016 (Unaudited) HK$000
LOSS FOR THE PERIOD		**(3,803)**	(13,343)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
— Translation of foreign operations		**2,772**	(1,319)
— Reclassification adjustments upon disposal of subsidiaries included in profit or loss	21	**—**	15,942
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX OF NIL		**2,772**	14,623
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		**(1,031)**	1,280

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2017 (Unaudited) *HK$000***	31 December 2016 (Unaudited and restated) *HK$000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,129**	1,729
Investment properties	10	**451,455**	405,199
Intangible assets		**611**	541
Non-current deposits		**429**	429
Total non-current assets		**454,624**	407,898
CURRENT ASSETS			
Properties under development	11	**128,555**	104,716
Inventories		**382**	282
Trade receivables	12	**23,851**	20,316
Prepayments, deposits and other receivables		**7,552**	9,920
Other tax recoverables		**1,292**	—
Due from related companies	13	**7,083**	1,567
Pledged bank deposit		**38,800**	38,800
Cash and bank balances		**215,559**	247,495
Total current assets		**423,074**	423,096
CURRENT LIABILITIES			
Trade payables	14	**37,021**	23,447
Receipts in advance		**22,881**	30,888
Other payables and accruals	15	**42,645**	32,544
Due to a shareholder	16	**2,079**	1,376
Due to related companies	13	**11,472**	5,601
Bank borrowings	17	**140,740**	132,264
Income tax payables		**594**	2,036
Other taxes payables		**278**	2,022
Total current liabilities		**257,710**	230,178

	Notes	**30 June 2017** **(Unaudited)** ***HK$000***	31 December 2016 (Unaudited and restated) *HK$000*
NET CURRENT ASSETS		**165,364**	192,918
TOTAL ASSETS LESS CURRENT LIABILITIES		**619,988**	600,816
NON-CURRENT LIABILITIES			
Bank borrowings	17	**20,919**	5,268
Loan from a shareholder	18	**59,593**	61,458
Total non-current liabilities		**80,512**	66,726
Net assets		**539,476**	534,090
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	19	**1,226,382**	1,219,965
Reserves		**(686,906)**	(685,875)
Total equity		**539,476**	534,090

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

GR Properties Limited (the "Company") is a limited liability company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office and the principal place of business of the Company is located at Suite 1603, Wheelock House, 20 Pedder Street, Central, Hong Kong.

During the six months ended 30 June 2017 (the "Period"), the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

— property investment in the United Kingdom (the "UK")

— property development and investment in the United States of America (the "USA")

— provision of property management services in Beijing, the People's Republic of China (the "PRC")

At 30 June 2017, the immediate holding company of the Company is Wintime Company Limited ("Wintime"), which is incorporated in the British Virgin Islands with limited liability, and, in the opinion of the directors of the Company, the ultimate holding company of the Company is Winluck Global Limited, which is incorporated in the British Virgin Islands with limited liability.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are the same as those used in the annual financial statements for the year ended 31 December 2016 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which became effective for the first time for the current period's financial statements, as further detailed in note 3 below.

The financial information relating to the year ended 31 December 2016 that is included in the condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

These interim condensed consolidated financial statements have not been audited, but have been reviewed by the Company's audit committee.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's interim condensed consolidated financial statements:

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Annual Improvements 2014-2016 Cycle	Amendments to a number of HKFRSs

The adoption of these revised HKFRSs has had no significant financial effect on these unaudited interim condensed financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

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

(a) the property development and investment segment engages in (i) leasing of shops, storerooms and car parking spaces in Fujian Province, the PRC (disposed of in June 2016); (ii) property development for sale and property investment in the USA; and (iii) leasing of office units in the UK; and

(b) the property management segment engages in the provision of property management services for office buildings, residential properties and car parks in Beijing, the PRC.

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 before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that loss on disposal of interests in subsidiaries as well as head office and corporate income and expenses are excluded from this measurement.

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

For the six months ended 30 June 2017

	Property development and investment		**Property management**		**Total**	
	Six months ended 30 June 2017 (Unaudited)	Six months ended 30 June 2016 (Unaudited)	**Six months ended 30 June 2017 (Unaudited)**	Six months ended 30 June 2016 (Unaudited)	**Six months ended 30 June 2017 (Unaudited)**	Six months ended 30 June 2016 (Unaudited)
	HK$000	*HK$000*	***HK$000***	*HK$000*	***HK$000***	*HK$000*
Segment revenue	**5,288**	3,211	**68,866**	58,278	**74,154**	61,489
Segment results	**771**	(2,575)	**(2,105)**	99	**(1,334)**	(2,476)
Reconciliation:						
Loss on disposal of interests in subsidiaries					**–**	(1,587)
Other unallocated gains					**8,453**	15
Corporate and other unallocated expenses					**(10,031)**	(8,279)
Loss before tax					**(2,912)**	(12,327)

As at 30 June 2017

	Property development and investment		Property management		Total	
	As at 30 June 2017 (Unaudited)	As at 31 December 2016 (Unaudited)	**As at 30 June 2017 (Unaudited)**	As at 31 December 2016 (Unaudited)	**As at 30 June 2017 (Unaudited)**	As at 31 December 2016 (Unaudited)
	HK$000	*HK$000*	***HK$000***	*HK$000*	***HK$000***	*HK$000*
Segment assets	**697,356**	630,409	**114,338**	121,626	**811,694**	752,035
Reconciliation:						
Corporate and other unallocated assets						
— Property, plant and equipment					**592**	168
— Deposits and other receivables					**1,622**	1,067
— Pledged bank deposit					**38,800**	38,800
— Cash and cash equivalents					**24,990**	38,924
Total assets					**877,698**	830,994
Segment liabilities	**255,664**	207,403	**81,816**	87,264	**337,480**	294,667
Reconciliation:						
Corporate and other unallocated liabilities						
— Other payables and accruals					**742**	1,841
— Income tax payables					**—**	396
Total liabilities					**338,222**	296,904

5. REVENUE, AND OTHER INCOME AND GAIN, NET

Revenue represents the value of property management services rendered, net of value added tax, business tax and government surcharges; and gross rental income received and receivable from the tenants of investment properties, net of value added tax, business tax and government surcharges.

An analysis of revenue, and other income and gain, net is as follows:

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
REVENUE		
Property management services	**68,866**	58,278
Gross rental income	**5,288**	3,211
	74,154	61,489
Other income and gain, net		
Bank interest income	**1,083**	302
Penalty income from tenants	**33**	58
Government grants*	**—**	654
Foreign exchange gain, net	**7,780**	—
Others	**315**	514
	9,211	1,528

* The government grants represent government subsidies which are unconditional.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Interest on loan from a shareholder	**613**	—
Interest on bank loans	**2,368**	—
	2,981	—

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Depreciation	**392**	691
Amortisation of intangible assets#	**40**	—
Impairment/(reversal of impairment) of trade receivables, net*	**6,183**	(22)

This item is included in "Administrative expenses" in the condensed consolidated statement of profit or loss.

* This item is included in "Other operating expenses, net" in the condensed consolidated statement of profit or loss.

8. INCOME TAX

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Current — Mainland China	**761**	894
Current — USA	**130**	—
Deferred	**—**	122
Total tax expenses for the period	**891**	1,016

No provision for Hong Kong and the UK profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong and the UK during the Period (Six months ended 30 June 2016: 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.

The USA corporate income tax provision included (i) income tax paid in respect of operations in the USA which is calculated at the applicable tax rates on the estimated assessable profits for the period; and (ii) withholding tax provision which is calculated at the applicable tax rate on interest income for the period in respect of certain intra-group advance to a subsidiary in the USA, based on the prevailing legislation, interpretations and practices in respect thereof.

9. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the following data:

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Loss for the period attributable to shareholders of the Company	**(3,803)**	(13,343)
Weighted average number of ordinary shares in issue during the period	**898,608,583**	822,007,231

In respect of the diluted loss per share amounts, no adjustment has been made to the basic loss per share amounts presented as the Group had no potentially dilutive ordinary shares in issue during each of the periods ended 30 June 2017 and 2016, respectively.

10. INVESTMENT PROPERTIES

	Completed	**Under construction**	**Total**
	HK$000	*HK$000*	*HK$000*
Carrying amount as at 1 January 2017	275,005	130,194	405,199
Additions	—	28,558	28,558
Exchange realignment	16,618	1,080	17,698
Carrying amount as at 30 June 2017	291,623	159,832	451,455

(a) The Group's completed investment properties as at 30 June 2017 represent an office building in London, the UK, which is leased to third parties under operating leases.

(b) The Group's investment properties under construction as at 30 June 2017 represent a portion of a commercial and residential complex (the "US Complex") currently being developed by the Group on a parcel of land located in Santa Monica, the County of Los Angeles, State of California, the USA, which would be leased out for rental income upon completion of the construction of the US Complex.

Investment properties under construction are measured at cost as at 30 June 2017 as in the opinion of the directors, the fair value cannot be determined reliably with reference to latest available status of the construction.

(c) At 30 June 2017 and 31 December 2016, the Group's investment properties were pledged to secure bank facilities guanted to the Group (notes 17(a) and (b)).

11. PROPERTIES UNDER DEVELOPMENT

Properties under development of the Group as at 30 June 2017 represented a portion of the US Complex (as defined in note 10) that would be held for sale upon completion of the construction of the US Complex. At 30 June 2017, such properties were pledged to secure a bank loan facility granted to the Group (note 17(b)).

12. TRADE RECEIVABLES

	30 June 2017 (Unaudited) *HK$000*	31 December 2016 (Unaudited) *HK$000*
Trade receivables	**36,281**	26,266
Less: Impairment	**(12,430)**	(5,950)
	23,851	20,316

Notes:

(a) Trade receivables are non-interest bearing and arise from the provision of property management services and leasing of investment properties. Tenants of the Group's managed properties are required to pay a calendar year's property management services fees annually in advance.

(b) An aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	30 June 2017 (Unaudited) *HK$000*	31 December 2016 (Unaudited) *HK$000*
Past due but not impaired:		
Less than 1 year	**16,067**	15,165
1 year to 2 years	**6,423**	4,288
2 years to 3 years	**1,361**	863
	23,851	20,316

The Group's credit terms for its property management service fees and rental income are negotiated with and entered into under normal commercial terms with its tenants. Since the Group has a large number of tenants with individually insignificant trade receivables balances, impairment assessment of these trade receivables is based on a collective assessment of individual tenants with similar characteristics and credit history, which indicate that trade receivables which are less than one year past due are not considered impaired. At 30 June 2017, trade receivables of approximately HK$7,784,000 (31 December 2016: approximately HK$5,151,000), net of provision for impairment, were past due over one year but not impaired according to collective assessment policy adopted by the management. The Group does not hold any collateral or other credit enhancements over these balances.

(c) At 30 June 2017, trade receivables of approximately HK$175,000 (31 December 2016: approximately HK$315,000) in total were pledged to secure a bank facility granted to Group (note 17(a)).

13. BALANCES WITH RELATED COMPANIES

The balanced with related companies are unsecured, interest-free and have no fixed terms of repayment.

(a) Due from related companies

Two directors of the Company, namely Mr. Wei Chunxian ("Mr. Wei") and Mr. Sun Zhongmin, have beneficial interests in these related companies.

The natures of the amounts due from related companies are certain property management service fee income, car park management service fee income received on behalf of the Group by the related companies and certain miscellaneous expenses paid on behalf of the related companies by the Group.

(b) Due to related companies

Included in the balance as at 30 June 2017 are payables of approximately HK$11,472,000 (31 December 2016: approximately HK$5,601,000) due to owners of certain properties managed by the Group in respect of certain cost of property management services paid by the owners on behalf of the Group. Two directors of the Company, namely Mr. Wei and Mr. Sun, have beneficial interests in the owners of these properties.

14. TRADE PAYABLES

Trade payables are non-interest bearing and the average credit period is 30 days. An aged analysis of the Group's trade payables as at the end of current period, based on the invoice date, is as follows:

	30 June 2017 (Unaudited) *HK$000*	31 December 2016 (Unaudited) *HK$000*
Within 3 months	**31,401**	18,243
3 to 6 months	**269**	1,201
6 to 12 months	**1,948**	3,252
Over 1 year	**3,403**	751
	37,021	23,447

15. OTHER PAYABLES AND ACCRUALS

	30 June 2017 (Unaudited) *HK$000*	31 December 2016 (Unaudited) *HK$000*
Other payables	**34,256**	24,162
Accruals	**8,389**	8,382
	42,645	32,544

The Group's other payables and accruals as at 30 June 2017 included, inter alia, the following:

(i) amounts of approximately HK$12,320,000 (31 December 2016: approximately HK$7,611,000) in total payable to water, heating, electricity and maintenance suppliers in respect of utility fees collected on behalf of public utility fees suppliers; and

(ii) refundable decoration deposits and property management service fee deposits of approximately HK$18,593,000 (31 December 2016: approximately HK$13,203,000) in total received from tenants of a commercial building and residential properties.

16. DUE TO A SHAREHOLDER

The balance with a shareholder as at 30 June 2017 is unsecured, interest-free and has no fixed terms of repayment.

17. BANK BORROWINGS

	Notes	**Effective interest rate** (%)	**Maturity**	**30 June 2017 (Unaudited)** ***HK$000***	31 December 2016 (Unaudited) *HK$000*
Current					
Bank loan – secured	(a)	2.76%	October 2017	**140,740**	132,264
Non-current					
Bank loan – secured	(b)	4.75%	November 2018	**20,919**	5,268
				161,659	137,532
Analysed into amount repayable:					
Within one year or on demand				**140,740**	132,264
In the second year				**20,919**	5,268
				161,659	137,532

Notes:

(a) At 30 June 2017, the Group had a bank loan facility of US$20 million or its equivalent in other currencies, of which £13,875,000 had been utilised as at that date, for financing the purchase of an office building in London, the UK (completed investment properties). The bank loan facility is secured by the Group's completed investment properties (note 10(c)) and trade receivables of approximately HK$175,000 (31 December 2016: approximately HK$315,000) (note 12(c)). The bank loan facility contains a repayable on demand clause.

(b) At 30 June 2017, the Group had another bank loan facility of US$18 million, of which approximately US$2,680,000 had been utilised as at that date, for financing the construction cost of the US Complex. The bank loan facility is guaranteed by the Company and secured by the Group's investment property under construction and properties under development with carrying amounts as at 30 June 2017 of approximately HK$159,832,000 and approximately HK$128,555,000, respectively.

(c) The bank borrowings as at 30 June 2017 were denominated in the following currencies:

	30 June 2017 (Unaudited) ***HK$000***	31 December 2016 (Unaudited) *HK$000*
£	**140,740**	132,264
US$	**20,919**	5,268
	161,659	137,532

18. LOAN FROM A SHAREHOLDER

Pursuant to a shareholder's loan agreement dated 28 July 2016 and a supplemental agreement dated 24 August 2016 entered into between the Company and Wintime, the immediate holding company, Wintime granted a shareholder's loan facility of HK$250,000,000 (or its equivalent in £) to the Company, of which £5,875,000 (equivalent to approximately HK$59,593,000) had been utilised as at 30 June 2017. The shareholder's loan bears interest at the rate of 2% per annum, and is repayable in 3 years from the date of drawndown of the shareholder's loan or such other date agreed between Wintime and the Company.

19. SHARE CAPITAL

	30 June 2017 (Unaudited) *HK$000*	31 December 2016 (Unaudited and restated) (note (b)) *HK$000*
Issued and fully paid:		
902,420,738 (31 December 2016: 897,420,738) ordinary shares	**1,226,382**	1,219,965

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital (Unaudited and restated) *HK$000*
At 1 January 2016	791,841,828	1,115,590
Placing of new shares *(note (a))*	105,578,910	105,579
Share issue expenses	—	(1,204)
At 31 December 2016 as restated *(note (b))*	897,420,738	1,219,965
At 1 January 2017:		
As previously reported	897,420,738	519,965
Adjustment as a result of ineffective capital reduction *(note (b))*	—	700,000
As restated	897,420,738	1,219,965
Issue of new shares upon exercise of share options *(note (c))*	5,000,000	6,417
At 30 June 2017	902,420,738	1,226,382

Notes:

(a) Pursuant to a placing agreement entered into with a placing agent on 21 April 2016, the Company issued a total of 105,578,910 ordinary shares at the placing price of HK$1.00 per share to independent third parties on 10 May 2016 for a total cash consideration, before expenses, of approximately HK$105,579,000. Further details of the placing are set out in the Company's announcements dated 21 April 2016 and 10 May 2016, respectively.

(b) An announcement on 5 October 2016 and a circular on 21 October 2016 were issued by the Company in relation to, among other things, a proposed reduction of the credit standing to the share capital account of the Company by the amount of HK$700,000,000, which was intended to be utilised to offset the accumulated losses of the Company of approximately HK$675,782,000 as at 30 June 2016 with the remaining balance of approximately HK$24,218,000 to be retained in the capital reduction reserve account of the Company (the "Capital Reduction").

In accordance with the Hong Kong Companies Ordinance, the Capital Reduction was subject to certain conditions including the passing of a special resolution by the shareholders of the Company in a general meeting of the Company approving the Capital Reduction and the registration of the relevant documents with the Registrar of Companies in Hong Kong ("Registration") within the prescribed timeframe in accordance with the Hong Kong Companies Ordinance.

In the preparation of the Company's consolidated financial statements for the year ended 31 December 2016, each of the share capital and the accumulated losses of the Company as at 31 December 2016 was reduced by an amount of approximately HK$675,782,000 and a capital reduction reserve of approximately HK$24,218,000 has been created for the unutilised amount of the Capital Reduction amount in the Company's consolidated financial statements for the year ended 31 December 2016, which was authorised for issue on 31 March 2017.

However, it has come to the attention of the Company during the Period that the Registration was not completed within prescribed timeframe due to inadvertent omission, and as a result, the Capital Reduction has not been effected.

As a result of the ineffectiveness of the Capital Reduction, the accounting entries related to Capital Reduction should not have been made and hence, at the board meeting held on 18 August 2017, the Company's directors resolved to reverse the accounting entries and restate the amounts of share capital, accumulated losses and the capital reduction reserve in the consolidated statement of financial position and the Company's statement of financial position as at 31 December 2016. Further details of the ineffective capital reduction are set out in the Company's announcement dated 18 August 2017.

(c) The subscription rights attaching to 5,000,000 share options issued under the share option scheme were exercised at subscription price of HK$1.05 per share, resulting in the issue of 5,000,000 ordinary shares of the Company for a total cash consideration of HK$5,250,000. An amount of approximately HK$1,167,000 was transferred from the share option reserve to the share capital account upon the exercise of the share options.

20. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 7 November 2016 for the primary purpose of incenting and rewarding those who have contributed or may contribute to the development of the Group and attracting and retaining skilled and experienced personnel ("Eligible Participants") and to motivate them to strive for the future development of the Group by providing them with an opportunity to acquire proprietary interests in the Company thereby linking their interest with that of the Group and will remain in force for a period of ten years commencing on the adoption date and shall expire on 6 November 2026 subject to early termination provisions contained in the Share Option Scheme. The board of directors of the Company may grant options to Eligible Participants to subscribe for shares in the Company subject to the terms of the Share Option Scheme.

5,000,000 share options were granted on 20 April 2017 under the Share Option Scheme, and were exercised on 19 May 2017. Further details of the share options exercised are set out in note 19(c) to the interim condensed consolidated financial statements. There was no outstanding option under the Share Option Scheme as at 30 June 2017.

21. DISPOSAL OF SUBSIDIARIES

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Net assets disposed of:		
Investment properties	—	73,678
Property, plant and equipment	—	3,366
Trade and other receivables	—	1,417
Cash and bank balances	—	924
Other payables and accruals	—	(7,548)
Receipts in advance	—	(521)
Income tax payables	—	(1,188)
Other taxes payables	—	(233)
Deferred tax liabilities	—	(11,854)
	—	58,041
Exchange fluctuation reserve realised	—	15,942
Loss on disposal of interests in subsidiaries	—	(1,587)
	—	72,396
Satisfied by cash	—	72,396

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

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Cash consideration	—	72,396
Cash and bank balances disposed of	—	(924)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	—	71,472

On 15 June 2016, the Company entered into a sale and purchase agreement with Huge Spread Limited, an independent third party, to dispose of the Company's 100% equity interest in Faith Stand (China) Limited and 福建佳成置業發展有限公司 (Jincheng (Fujian) Investments Company Limited*).

Details of this transaction are set out in the Company's announcement dated 15 June 2016. The cash consideration for the transaction was HK$72,396,000 in aggregate, and the transaction was completed on 30 June 2016.

* The English name is an unofficial translation for identification purpose only.

22. RELATED PARTY DISCLOSURES

(a) The Group had the following material transactions during the six months ended 30 June 2017:

The Group provides property management services to landlords, in which two directors of the Company, namely Mr. Wei and Mr. Sun have beneficial interests. In return, the Group receives property management service fee which was charged at rates mutually agreed between the Group and landlords. During the Period, the property management services fees received by the Group from the landlords amounted to approximately HK$3,378,000 (six months ended 30 June 2016: approximately HK$3,926,000).

Save as disclosed above and the transactions and balances detailed in notes 6, 12, 13, 16 and 18, the Group had no material transactions and outstanding balances with related parties during the periods ended 30 June 2017 and 2016.

(b) Compensation of key management personnel of the Group

	For the six months ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
	HK$000	*HK$000*
Short-term employee benefits	**548**	710
Pension scheme contributions	**17**	16
Total compensation paid to key management personnel	**565**	726

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values, and accordingly, no disclosure of the fair values of these financial instruments is made.

For other non-current financial assets and liabilites, the carrying amount is not significantly different from its respective fair value, no disclosure of the fair value of the financial instrument is made.

24. EVENT AFTER THE REPORTING PERIOD

Proposed acquisition of a leisure and lifestyle experience centre in Beijing, the PRC

On 7 July 2017, the Company as purchaser has entered into a sale and purchase agreement with Winluck Global Limited ("Vendor A") and Silky Apex Limited ("Vendor B") as vendors and Mr. Wei and Mr. Sun as guarantors, for the sale and purchase of the entire issued share capital of Wholly Express Limited (the "Target Company"), a company incorporated in the British Virgin Islands with limited liability, at a total consideration of HK$673,364,000, which shall be satisfied by the Company allotting and issuing a total of 540,000,000 new shares at the price of HK$0.91 per share, and issuing convertible bonds in the aggregate principal amount of HK$181,964,000, entitling the holders thereof to convert into a maximum of 199,960,440 new shares at the initial conversion price of HK$0.91 per share (subject to adjustment) (the "Acquisition"). Details of the Acquisition are set out in the announcement of the Company dated 7 July 2017 and the circular of the Company dated 8 August 2017.

The Target Company and its subsidiaries are principally engaged in the operation and management of leisure and lifestyle experience centre located at a self-owned property in Beijing, the PRC, including but not limited to provision of catering, banquet, fitness and sport facilities services.

Vendor A is wholly-owned by Mr. Wei and Vendor B is wholly-owned by Mr. Sun, each is a Director and therefore each of Vendor A and Vendor B is a connected person of the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Acquisition is therefore a connected transaction and is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further details are set out in the announcement of the Company dated 7 July 2017 and the circular of the Company dated 8 August 2017.

25. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Year 2017 is a challenging, yet notable year for GR Properties Limited (the "Company", together with its subsidiaries, the "Group"). The board of directors (the "Board") of the Company is pleased to share with our supportive shareholders that further to the Group's expansion into the property market in the United States of America (the "USA") in 2015 and the property market in the United Kingdom (the "UK"), the Group has further extended its footprint into the property market in the People's Republic of China (the "PRC") this year.

Acquisition of a leisure and lifestyle experience centre in Beijing, the PRC

In July 2017, the Group entered into agreement with Winluck Global Limited, a company wholly owned by Mr. Wei Chunxian ("Mr. Wei"), chairman and director of the Company and Silky Apex Limited, a company wholly owned by Mr. Sun Zhongmin ("Mr. Sun"), director of the Company (collectively defined as the "Vendors") and Mr. Wei and Mr. Sun as the guarantors, in relation to the acquisition of the entire issued share capital of Wholly Express Limited ("Wholly Express"), pursuant to which the Vendors have conditionally agreed to sell and the Company has conditionally agreed to purchase the entire issued share capital of Wholly Express at the consideration of HK$673,364,000.

The consideration shall be paid to the Vendors in the following manners:

(i) as to HK$491,400,000, by the allotment and issue of the consideration shares at the issue price of HK$0.91 per share, being 491,400,000 new shares to Winluck Global Limited and 48,600,000 new shares to Silky Apex Limited or their respective nominees, by the Company upon completion; and

(ii) as to the balance of the consideration of HK$181,964,000, by the issue of the convertible bonds in the principal amount of HK$165,587,240 to Winluck Global Limited and HK$16,376,760 to Silky Apex Limited or their respective nominees, by the Company upon completion.

Wholly Express and its subsidiaries (the "Wholly Group") is principally engaged in the operation and management of leisure and lifestyle experience centre located at a property (the "Property") self-owned by the Wholly Group, including but not limited to provision of catering, banquet, fitness and sport facilities services.

The Property is located at Ronghua South Road, Economic-Technological Development Area, Beijing, the PRC with a gross floor area of approximately 28,056.88 square meters, which is for commercial use. The Property is located in Economic Technological Development Area located in Yizhuang (亦莊) at the southeast of Beijing, the PRC, which is surrounded by an area of large construction side under development. The construction site is estimated to be approximately 118,974.90 square meters with hotel, offices, residential and retail properties. The development of the remaining area is estimated to be completed gradually from 2018 to 2022. The Directors considered that although the Wholly Group incurred net loss in previous years which was mainly due to the surrounding area under development, the Company expects that the operation of leisure and lifestyle experience centre by the Wholly Group will gradually improve with the effect of increasing population and flow of people in surrounding area upon the completion of the construction site.

The Group is principally engaged in the property development and investments in the PRC, the USA and the UK, and the provision of property management services in Beijing, the PRC. The Board considers the acquisition of the Wholly Group allows the Group to strengthen its asset base and further develop its existing property management business, and enjoy the capital appreciation of the Property. And the Directors believe that the expertise and experience of Mr. Wei Chunxian of more than 10 years of management experience in the real estate sector and property development industry in the PRC would be beneficial to the Group's business expansion into the property investment and operation of leisure and lifestyle experience centre in the PRC, which will provide stable cash flows and income to the Group in the future.

For the details of the acquisition of the Wholly Group, please refer to the Company's announcement dated 7 July 2017 and circular dated 8 August 2017. The acquisition is expected to complete on or about 31 August 2017 when all conditions precedent are met.

With reference to the annual report of the Company for the year 2016, the Group has attained stable business growth during the past year through conventional property management as well as investment in different properties, including the Group's acquisition of freehold property known as Boundary House which was completed in August 2016. The Directors believe that the Acquisition will be another strategic expansion to fuel the Group's business growth. It is the Group's intention to continue leverage on the PRC property development and investment experience of its existing management team to explore projects with good potential in the PRC.

BUSINESS REVIEW

During the six months ended 30 June 2017 (the "Period"), the Group's operations were organised into business units based on the nature of their operations. There were two reportable operating segments, including (i) the property management segment; and (ii) the property development and investment segment. The first segment is located in the PRC whereas the second segment is located in the USA, UK and the PRC.

Property management segment

Subsequent to the completion of the acquisition of 北京澳西商業管理有限公司 (Beijing AOCEAN Business Management Company Limited*, or "AOCEAN Business Management") in May 2015, the Group has successfully engaged in the property management segment.

As at 30 June 2017, AOCEAN Business Management managed nine major residential and commercial property projects, all of which were located in Beijing, the PRC. The services provided by AOCEAN Business Management under the management agreements thereof include, inter alia (i) provision of heat supply and maintenance services of heat exchange stations and pipeline network; (ii) provision of management services to car parks such as maintenance of various facilities and equipment in the car parks; and (iii) provision of property management services to vacant properties and general management services such as repair and maintenance of buildings and fire safety equipment and facilities for residential and commercial property projects.

Adhering to the principle of human-oriented, and perceiving the market from the perspective of customers and market needs, AOCEAN Business Management has been improving and perfecting its management system and services and providing quality services wholeheartedly. AOCEAN Business Management will be dedicated to establishing community service networks, enhancing Online to Online ("O2O") development for the community and providing attentive services in order to improve customer satisfaction.

Property development and investment segment

During the Period, operations of the property development and investment segment were located in the USA, UK and the PRC.

Santa Monica Project

In August 2015, the Group acquired a parcel of land located in Santa Monica, the County of Los Angeles, State of California, the USA. The parcel of land has a total site area of approximately 40,615 square feet. According to the current entitlement of the parcel of land, the proposed development for the site is a mixed-use three stories development. The total floor area is estimated to be approximately 30,083 square feet for commercial use, approximately 39,395 square feet for residential use and approximately 75,000 square feet for parking. Total rentable/saleable floor area is estimated to be approximately 25,000 square feet for commercial use and 38,000 square feet for residential use and 190 on-site subterranean parking spaces upon completion of the development. The development cost of the land will be funded by way of construction loan from banks in the USA and internal resources of the Company.

The construction of Santa Monica Project has started during the second half of 2016 and is expected to complete in 2018 for sale or for lease.

The Board is of the opinion that leveraging on the Company's profound knowledge of and experience in the real estate sector and in accordance with our future development strategy, it is a good time to seize the opportunity to explore the property market in the USA. The property market in the USA is one with great development potential for the property development business. Santa Monica in the State of California, the USA, is a city of booming tourism. It is situated in a prime location and the purchase price of the subject land of the Santa Monica Development Project is reasonable. The Board believes that the acquisition will strengthen the Company's current core business and enhance its competitiveness and sustainability in driving profits in the long run.

Please refer to the announcements of the Company dated 9 March 2015, 1 April 2015 and 20 August 2015 and the circular of the Company dated 14 May 2015 for details of acquisition of the parcel of land located in Santa Monica.

Boundary House

In August 2016, the Group acquired an office building, Boundary House, in London, UK. Boundary House is located at the crossover between the increasingly vibrant Aldgate district popular with technology media telecommunications occupiers and the established city of London financial and insurance heartland. Boundary House is also close to numerous mainline and underground stations with convenient access of rail transportation, including the new Crossrail, which is a high speed train expected to be delivered and in service in 2018 connecting the East-West of London. Boundary House is an office building with a net internal floor area of approximately 45,062 square feet, which comprises a ground floor and seven upper floors, basement storage and seven car park spaces. Boundary House is fully occupied and is currently let to 12 office tenants under 14 subsisting leases with term expiring between September 2018 and May 2023 ("Leases"). The car parking spaces, roof and basement are also let to five licensees under six licences with term either expiring before 2021 or on a term until determined by either party. The Leases can contribute approximately £1,300,000 rental income to the Group annually, disregarding the rent free period provided to tenants.

The Board considers that the acquisition of Boundary House could be a good investment opportunity for the Group to explore and invest in the UK property market. The Group currently intends to hold the property for investment purpose to receive rental income and engaged a local professional property manager to manage the property and the Leases. Taking into account the prime location of the property and the existing Leases, the Board believes that Boundary House could generate stable cash flow and income to the Company and may enjoy potential capital appreciation in the future. The Company will from time to time explore different options to enhance and maximise the value of Boundary House, including renewing the Leases upon expiry, rebalancing its tenant portfolio and property re-development.

Please refer to the announcements of the Company dated 11 July 2016 and 30 August 2016 and circular of the Company dated1 August 2016 for details of acquisition of Boundary House.

Fuzhou Properties

Previously, the Group's property investment in the PRC was conducted through its wholly-owned subsidiaries, namely Faith Stand (China) Limited ("Faith Stand China") and 福建佳成置業發展有限公司 (Jiacheng (Fujian) Investments Company Limited*, "Jiacheng Fujian") by leasing out investment properties held by Faith Stand China and Jiacheng Fujian comprising shops, storerooms and car parking spaces located in two residential property development projects in Gulou District, Fuzhou, Fujian Province in the PRC (the "Fuzhou Properties"). During the six months ended 30 June 2016, in view of the downturn of the property rental market in Fuzhou over the last few years where the Fuzhou Properties are located and the loss-making position of Faith Stand China and Jiacheng Fujian in prior years, the Group had disposed of the Fuzhou Properties by way of disposal of its entire equity interests in Faith Stand China and Jiacheng Fujian to an independent third party at a cash consideration of HK$72,396,000. As a result of the disposal, the Group recorded a loss on disposal of interests in subsidiaries of approximately HK$1,587,000. Details of the disposals are set out in the announcement of the Company dated 15 June 2016 and note 19 to the interim condensed consolidated financial statements in this interim report.

FINANCIAL REVIEW

Financial analysis

During the Period, the Group generated a revenue of approximately HK$74,154,000 (Six months ended 30 June 2016: approximately HK$61,489,000). The property management segment reported segment revenue of approximately HK$68,866,000 (Six months ended 30 June 2016: approximately HK$58,278,000). The property development and investment segment reported segment revenue of approximately HK$5,288,000 (Six months ended 30 June 2016: approximately HK$3,211,000), which was contributed from the rental income from the lease of Boundary House acquired in August 2016. The revenue in last period was contributed from the lease of Fuzhou Properties which was disposed by the Group in June 2016.

* *The English name is an unofficial translation for identification purpose only*

The Group recorded a loss for the Period of approximately HK$3,803,000 (Six months ended 30 June 2016: loss of approximately HK$13,343,000). The decrease in loss was due to:

(i) the contribution of rental income from the lease of Boundary House acquired in August 2016 of approximately HK$5,288,000 during the Period; and

(ii) the exchange gain recognised during the Period of approximately HK$7,780,000 arising from the appreciation of Sterling Pounds ("£") due to the gradual recovery of £ after the sudden substantial depreciation of £ upon the exit of UK from the European Union last year.

As at 30 June 2017, the Group had a construction loan for Santa Monica Project and complete the drawndown of loan of approximately HK$20,919,000 as at 30 June 2017 (31 December 2016: approximately HK$5,268,000). In addition, as at 30 June 2017, the Group has borrowed a loan of £13,875,000 (equivalent to approximately HK$140,740,000) with Boundary House being charged as security for the loan.

During the year ended 31 December 2016, the Company and Wintime Company Limited, an immediate holding company of the Company which is ultimate wholly owned by Mr. Wei Chunxian, chairman and director of the Company, entered into a shareholder loan facility agreement, pursuant to which Wintime Company Limited agrees to provide a facility with amount up to HK$250,000,000 to the Company. This shareholder's loan is unsecured, interest bearing at 2% per annum and repayable on 36 months after drawdown.

As at 30 June 2017, the Group had available cash and bank balances of approximately HK$215,559,000 (31 December 2016: approximately HK$247,495,000, representing a capital liquidity ratio (cash and bank balances divided by current liabilities) of 0.84 (31 December 2016: 1.08). As at 30 June 2017, the gearing ratio of the Company (total debts divided by total equity) was 0.30 (31 December 2016: 0.26).

Foreign currency exposure

During the Period, the Group's business operations were principally in the PRC, UK and the USA and the main operational currencies were HK$, RMB, £ and US$. The Group's transactions were mainly denominated in RMB, £ and US$. The majority of assets and liabilities were denominated in HK$, RMB, £ and US$. Any significant exchange rate fluctuations of foreign currencies against HK$ may have financial impact to the Group. The Group will closely monitor the exchange rate movement trend and take corresponding measures in a timely manner to reduce the foreign currency exchange risk and exposure.

Human resources and remuneration policy

As at 30 June 2017, the total number of employees of the Group (excluding directors) was approximately 349 (31 December 2016: approximately 347). Most of them were located in the PRC.

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

Interim dividend

The Board resolved not to declare any interim dividend for the six months ended 30 June 2017 (Six months ended 30 June 2016: Nil).

Pledge of assets

As at 30 June 2017, the Group had investment properties with an amount of approximately HK$451,455,000 (31 December 2016: approximately HK$405,199,000) and properties held for sale with an amount of approximately HK$128,555,000 (31 December 2016: approximately HK$104,716,000) to secure bank borrowings of approximately HK$161,659,000 (31 December 2016: approximately HK$137,532,000). Such bank borrowings comprise of the construction loan for Santa Monica Project and the loan with Boundary House being charged as security. As at 30 June 2017, trade receivables of approximately HK$175,000 (31 December 2016: approximately HK$315,000) in total was pledged to secure a bank loan granted to the Group. As at 30 June 2017 and 31 December 2016, deposits amounting to HK$38,800,000 have been pledged to secure standby letter of credit issued to the general contractor for Santa Monica Project.

Capital and other development related commitment and contingent liabilities

As at 30 June 2017 and 31 December 2016, the Group had no material contingent liabilities. As at 30 June 2017, the Group had contracted but not provided for commitments for development costs and capital expenditure in amount of approximately HK$163,011,000 (31 December 2016: approximately HK$186,243,000).

Significant investments and material acquisitions and disposals of subsidiaries, associates and joint ventures

For material acquisition of subsidiaries and significant investments held, their performance during the year and their future prospects, please refer to sections "Overview" and "Business Review" on pages 20 to 24 in this announcement. Save as disclosed, the Group had no other significant investments, acquisitions and disposals during the Period.

Events after the reporting period

Events after the reporting period are more particularly delineated in note 24 in this announcement.

Share options

For details of share options, please refer to notes 19(c) and 20 in this announcement.

Save as disclosed herein, there has been no material change to information disclosed in the Company's annual financial statements for the year ended 31 December 2016 which necessitates additional disclosure to be made in this section.

FUTURE PROSPECT

In accordance with the future development strategy of the Group, the Group would like to tap into international markets such as the USA and Europe. This should give diversification and a hedge against our future domestic businesses, in order to bring good returns to the Shareholders. During the year ended 31 December 2015, the Group has expanded into the property market in the USA and acquired a parcel of land located in Santa Monica, State of California, the USA for the purpose of property development. And during the year ended 31 December 2016, the Group has completed the acquisition of Boundary House in the UK which allows the Group to capture the opportunity to establish its position and engage in the property market in London, the UK and for the Group to invest in income generating real estate with the potential of capital appreciation of properties in the long term and re-development potential in the future. The Directors consider that the acquisition of Wholly Group allows the Group to strengthen its asset base and further develop its existing property management business in the PRC, enjoy the capital appreciation of the Property and provide stable cash flows and income to the Group.

The Group will continue to seek investment opportunities in the market in the USA, UK and the PRC to diversify the risk of the Group and optimize the return to the Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE CODE

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 Listing Rules throughout the Period.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in information of the Director since the date of the Company's annual report for the year ended 31 December 2016 and up to the date of this announcement.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry to all directors of the Company, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company is responsible for reviewing and supervising the financial reporting process, internal control and risk management procedures of the Group. The Group's interim results for the six months ended 30 June 2017 have been reviewed by the Audit Committee.

During the Period, the Audit Committee comprised of three independent non-executive directors, namely Mr. Tung Woon Cheung Eric ("Mr. Tung"), Mr. Chui Tsan Kit and Mr. Guan Zheng Michael. As at the date of reviewing the Group's interim results for the six months ended 30 June 2017, the Audit Committee of the Company comprises of three independent non-executive directors, namely, Mr. Tung, Mr. Chui Tsan Kit and Mr. Au Yeung Po Fung with Mr. Tung as the Chairman.

SUFFICIENCY OF PUBLIC FLOAT

At the latest practicable date prior to the issue of this report, based on the information that is publicly available to the Company and within the knowledge of its directors, the Company maintained sufficient public float as required under the Listing Rules throughout the Period.

PUBLICATION OF RESULTS ON WEBSITES

Pursuant to Appendix 16 to the Listing Rules, the results of the Company will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.grproperties.com.hk) in due course.

By order of the Board
GR Properties Limited
Wei Chunxian
Chairman

Hong Kong, 31 August 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. Chui Tsan Kit and Mr. Au Yeung Po Fung.