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**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a break even for the year ended 31 December 2020, as compared to the profit attributable to Shareholders of approximately HK$98.6 million in the corresponding period in 2019. The decrease of profitability is mainly attributable to i) increase in finance costs for the year ended 31 December 2020 as a result of additional interest expense incurred on a quasi-loan equity contributed by a joint venture partner of a subsidiary, which was acquired in the second half year of 2019; and ii) decrease in the remeasurement gain upon transfer of certain properties held for sale to investment properties as compared to that recorded in 2019 as a result of less number of additional properties transferred to investment properties for rental purposes in the People's Republic of China during the year ended 31 December 2020 under negative impact of outbreak of COVID-19.

The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group and the information currently available to the Board, and such information has not been reviewed by the auditors or audit committee of the Company. The Company is still in the process of preparing and finalising the results of the Group for the year ended 31 December 2020, which are subject to further adjustments. Shareholders and potential investors are advised to read carefully the financial results announcement of the Group for the year ended 31 December 2020 which is expected to be published in late March 2021.

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

By Order of the Board
GR Properties Limited
Wei Chunxian
Chairman

Hong Kong, 26 March 2021

As at the date of this announcement, the executive Directors are Mr. Wei Chunxian, Mr. Sun Zhongmin, Ms. Liu Shuhua, Ms. Huang Fei and Ms. Li Bing; and the independent non-executive Directors are Mr. Tung Woon Cheung Eric, Ms. To Tsz Wan Vivien and Mr. Leung Louis Ho Ming.