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GR Life Style

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GR LIFE STYLE COMPANY LIMITED

國銳生活有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 108)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of GR Life Style Company Limited (the “**Company**”) hereby presents the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period in 2024. 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 information of the Group for the six months ended 30 June 2025 (the “**Period**”).

FINANCIAL HIGHLIGHTS

- The Group’s revenue for the Period was approximately HK\$170.7 million, representing a decrease of approximately 4.2% from approximately HK\$178.2 million for the corresponding period in 2024.
- Profit before tax for the Period was approximately HK\$4.0 million, representing an increase of approximately HK\$3.3 million from profit before tax of approximately HK\$0.7 million for the corresponding period in 2024.
- Profit for the Period attributable to shareholders of the Company was approximately HK\$2.1 million, as compared to the profit attributable to shareholders of the Company of approximately HK\$0.3 million for the corresponding period in 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
	Notes		
REVENUE	4	170,723	178,214
Other income and gains, net	5	11,581	19,384
Cost of inventories sold		–	(401)
Employee benefit expenses		(40,413)	(49,656)
Depreciation and amortisation		(503)	(1,314)
Utilities, repairs and maintenance and rental expenses		(50,085)	(57,572)
Other operating costs		(19,696)	(16,379)
Finance costs	6	(61,146)	(68,132)
Other expenses, net		–	(501)
Reversal of impairment/(impairment) of trade, lease and other receivables, net		1,179	(2,943)
Remeasurement gain upon transfer of certain properties held for sale to investment properties	10(c)	3,545	–
Fair value loss of investment properties	10	(11,171)	–
PROFIT BEFORE TAX	7	4,014	700
Income tax expense	8	(2,612)	(418)
PROFIT FOR THE PERIOD		1,402	282
Attributable to:			
Shareholders of the Company		2,091	282
Non-controlling interests		(689)	–
		1,402	282
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	9		
Basic and diluted (<i>HK cent per share</i>)		0.07	0.01

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2025*

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
PROFIT FOR THE PERIOD	1,402	282
OTHER COMPREHENSIVE INCOME/(LOSS) <i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	55,702	(62,809)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair value of equity investment at fair value through other comprehensive income	–	628
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	55,702	(62,181)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	57,104	(61,899)
Attributable to:		
Shareholders of the Company	57,793	(61,899)
Non-controlling interests	(689)	–
	57,104	(61,899)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		1,449	951
Investment properties	10	4,671,679	4,466,719
Right-of-use assets		861	1,063
Computer software		2,281	1,673
Total non-current assets		4,676,270	4,470,406
CURRENT ASSETS			
Properties held for sale		120,245	136,574
Inventories		1,077	906
Trade and lease receivables	11	167,806	145,641
Prepayments, deposits and other receivables		389,923	325,337
Other tax recoverables		31,797	33,301
Restricted cash		192,233	118,155
Cash and cash equivalents		99,422	193,151
Total current assets		1,002,503	953,065
CURRENT LIABILITIES			
Trade payables	12	53,030	71,016
Receipts in advance		63,432	79,985
Other payables and accruals		351,260	320,810
Bank and other borrowings		783,956	744,707
Income tax payables		30,553	28,253
Other tax payables		8,799	7,321
Total current liabilities		1,291,030	1,252,092
NET CURRENT LIABILITIES		(288,527)	(299,027)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,387,743	4,171,379

		(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Bank and other borrowings		2,010,857	1,860,779
Liability component of perpetual convertible bonds	13	49,152	47,838
Deferred tax liabilities		138,120	130,252
		<hr/>	<hr/>
Total non-current liabilities		2,198,129	2,038,869
		<hr/>	<hr/>
Net assets		2,189,614	2,132,510
		<hr/>	<hr/>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	14	3,168,384	3,152,571
Equity component of perpetual convertible bonds	13	1,156,431	1,172,244
Reserves		(2,135,213)	(2,193,006)
		<hr/>	<hr/>
		2,189,602	2,131,809
Non-controlling interests		12	701
		<hr/>	<hr/>
Total equity		2,189,614	2,132,510
		<hr/>	<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE AND GROUP INFORMATION

GR Life Style Company Limited (“**the Company**”) is a limited liability company incorporated in Hong Kong and 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 Unit 1802, 18/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.

During the six months ended 30 June 2025 (the “**Period**”), the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the following principal activities:

- property development and investment in the United Kingdom (the “**UK**”), the United States of America (the “**USA**”) and the mainland (“**Mainland China**”) of the People’s Republic of China (the “**PRC**”); and
- provision of property management and other services in Mainland China.

As at 30 June 2025, the immediate holding company of the Company was Wintime Company Limited, which is incorporated in the British Virgin Islands with limited liability. In the opinion of the directors of the Company, the ultimate holding company of the Company is Widewealth Company Limited, which is incorporated in the British Virgin Islands with limited liability.

2.1. BASIS OF PREPARATION

This unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 set out in this announcement has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). It does not include all the information and disclosures in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The accounting policies adopted in the preparation of this unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the changes in accounting policies made thereafter in adopting the amended HKFRS Accounting Standards as issued by the HKICPA, as detailed in note 2.2 below.

The financial information relating to the year ended 31 December 2024 that is included in this unaudited interim 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 consolidated financial statements. Further information relating to those statutory consolidated 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 consolidated financial statements for the year ended 31 December 2024 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 the consolidated financial statements for the year ended 31 December 2024. 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 407(3) of the Hong Kong Companies Ordinance.

2.2. BASIS OF PRESENTATION

Going Concern

As at 30 June 2025, the Group had net current liabilities of HK\$289 million, which includes bank and other borrowings repayable within one year of HK\$784 million and classified as current liabilities. In assessing the Group's ability to operate as a going concern, the management has considered the following factors:

- Regarding a bank loan of £61,155,000 for financing the operation of the Group's investment properties in the UK, the Group was required under the facility agreement to comply with a financial covenant relating to the ratio of the outstanding loan balance to the valuation of the investment properties. The management believes that, taking into account a deposit of £10,000,000 placed in a designated cure account with the bank in March 2025, the Group has been in compliance with this financial covenant since then and the bank loan shall be repaid according to the originally agreed schedule.
- Regarding loans from financial institutions with an aggregate amount of US\$58,000,000 for financing the construction of the Culver City project in the USA and the aforementioned bank loan of £61,155,000 for financing the operation of the Group's investment properties in the UK which will be matured in April 2026 and July 2026, respectively, the Group is currently negotiating with the relevant borrowers on facilities renewal and exploring other financing options. The management believes that the relevant loan facilities shall be refinanced before the existing loans mature.
- Regarding the shareholder loans of £18,000,000 obtained from Mr. Wei Chunxian ("**Mr. Wei**", the Chairman and the shareholder of the Company), the management considered that the repayment of these loans will not be made until the Group is in a position to repay without impairing its liquidity and financial position.
- The Group has obtained a shareholder loan facility from Gang Rui International Investment (HK) Limited ("**Gang Rui**", which holds a 25.21% shareholding in the Company as at 30 June 2025 and in which Mr. Wei and Mr. Sun Zhongmin have beneficial interests) of HK\$200,000,000, of which HK\$108,445,000 remains unutilised by the Group as at 30 June 2025.

The directors believe that, taking into account of the above factors, the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due for a period of not less than twelve months from 30 June 2025. Accordingly, the interim condensed consolidated financial information have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

This interim condensed consolidated financial information has not been audited, but has been reviewed by the Company's audit committee.

2.3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

These amendments have had no material effect on how the Group's results and financial position for the current or prior periods presented in this unaudited interim condensed consolidated financial information. The Group has not applied any other new standard or interpretation that has been issued but is not yet effective for the current accounting period.

3. 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 property development and investment in the UK, the USA and Mainland China; and
- (b) the property management segment engages in the provision of property management and other services for office buildings, residential properties and car parks in Mainland China.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 profit before tax except that 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.

	Property development and investment		Property management		Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Six months	Six months	Six months	Six months	Six months	Six months
	ended 30 June	ended 30 June	ended 30 June	ended 30 June	ended 30 June	ended 30 June
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue (note 4)	<u>76,091</u>	<u>84,146</u>	<u>94,632</u>	<u>94,068</u>	<u>170,723</u>	<u>178,214</u>
Segment results	<u>(1,428)</u>	<u>9,585</u>	<u>19,536</u>	<u>6,426</u>	<u>18,108</u>	<u>16,011</u>
<i>Reconciliation:</i>						
Other unallocated income and gains					1,787	5,385
Corporate and other unallocated expenses					<u>(15,881)</u>	<u>(20,696)</u>
Profit before tax					<u>4,014</u>	<u>700</u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2025 and 31 December 2024.

	Property development and investment		Property management		Total	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	5,252,291	5,030,749	350,852	346,425	5,603,143	5,377,174
<i>Reconciliation:</i>						
Corporate and other unallocated assets						
– Property, plant and equipment					9	8
– Right-of-use assets					–	2
– Prepayments, deposits and other receivables					58,897	26,568
– Other tax recoverable					44	44
– Cash and cash equivalents					16,680	19,675
Total assets					5,678,773	5,423,471
Segment liabilities	2,837,281	2,899,233	259,362	223,257	3,096,643	3,122,490
<i>Reconciliation:</i>						
Corporate and other unallocated liabilities						
– Other payables and accruals					52,851	29,881
– Due to shareholders included in bank and other borrowings					290,513	90,752
– Liability component of perpetual convertible bonds					49,152	47,838
Total liabilities					3,489,159	3,290,961

4. REVENUE

An analysis of the Group's revenue is as follows:

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Revenue from contracts with customers	94,632	94,068
Revenue from another source		
– Gross rental income from investment property operating leases	76,091	84,146
	<u>170,723</u>	<u>178,214</u>

Notes:

Disaggregated revenue information

Six months ended 30 June 2025 (Unaudited)

Segments	Property development and investment HK\$'000	Property management HK\$'000	Total HK\$'000
Type of goods or services			
Rendering of property management and other services	–	94,632	94,632
Revenue from another source			
– Gross rental income from investment property operating leases	76,091	–	76,091
Total	<u>76,091</u>	<u>94,632</u>	<u>170,723</u>
Timing of revenue recognition			
Services transferred over time	–	94,632	94,632
Revenue from another source			
– Gross rental income from investment property operating leases	76,091	–	76,091
Total	<u>76,091</u>	<u>94,632</u>	<u>170,723</u>

Geographical market

All revenue from contracts with customers were generated in Mainland China.

Six months ended 30 June 2024 (Unaudited)

Segments	Property development and investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of goods or services			
Rendering of property management and other services	–	93,542	93,542
Revenue from restaurant operation	–	526	526
Total revenue from contracts with customers	–	94,068	94,068
Revenue from another source			
– Gross rental income from investment property operating leases	84,146	–	84,146
Total	84,146	94,068	178,214
Timing of revenue recognition			
Services transferred over time	–	93,542	93,542
Services transferred at a point in time	–	526	526
Total revenue from contracts with customers	–	94,068	94,068
Revenue from another source			
– Gross rental income from investment property operating leases	84,146	–	84,146
Total	84,146	94,068	178,214

Geographical market

All revenue from contracts with customers were generated in Mainland China.

5. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Other income		
Bank interest income	1,630	5,525
Interest income from loan receivables	1,424	2,015
Penalty income	77	89
Financial guarantee income	2,297	5,239
Others	6,153	6,516
	11,581	19,384

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

		(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
	<i>Note</i>		
Interest on loans from banks and financial institutions		66,409	76,752
Interest on loans from shareholders of the Company		5,666	809
Interest on loans from director-controlled entities		–	986
Imputed interest on a loan from a director-controlled entity		416	405
Interest on a loan from a former director-controlled entity		–	2,184
Imputed interest on a loan from a former director-controlled entity		959	933
Interest on perpetual convertible bonds	13	1,314	1,252
Interest on lease liabilities		76	141
		74,840	83,462
Total finance costs			
Less: Amount capitalised in investment property under construction		(13,694)	(15,330)
		61,146	68,132

7. PROFIT BEFORE TAX

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

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Depreciation of property, plant and equipment	166	383
Depreciation of right-of-use assets	207	847
Amortisation of computer software	130	84
Foreign exchange differences, net	(491)	501

8. INCOME TAX EXPENSE

An analysis of the Group's income tax charge is as follows:

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Current – Mainland China	711	418
Deferred	1,901	–
Total tax charge for the period	2,612	418

Note:

No provision for Hong Kong profits tax has been made for the Period as the Group did not generate any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2024: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in countries/ jurisdictions in which the Group operates, based on the prevailing legislation, interpretations and practices in respect thereof.

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the period.

In respect of the period ended 30 June 2025 and 2024, no adjustment has been made to the basic earnings per share amount presented in respect of a dilution as the impact of perpetual convertible bonds had an anti-dilutive effect and share options outstanding had no diluting effect on the earnings per share amount presented.

The calculations of the basic and diluted earnings per share attributable to shareholders of the Company are based on the following data:

	(Unaudited) Six months ended 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Earnings		
Profit for the period attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	<u>2,091</u>	<u>282</u>
	Number of shares Six months ended 30 June 2025	30 June 2024
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	<u>3,213,296,638</u>	<u>3,199,373,986</u>

10. INVESTMENT PROPERTIES

	Completed HK\$'000	Under construction HK\$'000	Total HK\$'000
Carrying amount as at 1 January 2025	3,931,107	535,612	4,466,719
Additions	26,653	50,162	76,815
Net loss from fair value adjustments	(11,171)	–	(11,171)
Transfer from properties held for sale (<i>note c</i>)	21,509	–	21,509
Exchange realignment	111,513	6,294	117,807
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Carrying amount as at 30 June 2025 (unaudited)	4,079,611	592,068	4,671,679
	<hr/>	<hr/>	<hr/>

Notes:

- (a) The Group's completed investment properties as at 30 June 2025 and 31 December 2024 represented a commercial building located in London, the UK; a commercial and residential complex located in Santa Monica, the County of Los Angeles, State of California, the USA (the "US Complex"); and a commercial building located in Beijing, the PRC, which are leased to third parties under operating leases.
- (b) The Group's investment property under construction as at 30 June 2025 and 31 December 2024 represented a parcel of land located in Culver City, the USA.
- (c) During the six months period ended 30 June 2025, the use of certain units in the properties held for sale has been changed upon the inception of operating leases with external third parties. As a result, the leased portion of the properties held for sale was transferred to completed investment properties and a remeasurement gain of HK\$3,545,000 was recognised in profit or loss during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).
- (d) At 30 June 2025 and 31 December 2024, the Group's investment properties were all pledged to secure financial guarantee contracts, banking facilities granted to the Group and loans from financial institutions.

11. TRADE AND LEASE RECEIVABLES

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Trade receivables	132,848	115,846
Lease receivables	69,943	64,873
	<hr/>	<hr/>
Total gross trade and lease receivables	202,791	180,719
Less: Impairment	(34,985)	(35,078)
	<hr/>	<hr/>
	167,806	145,641

An ageing analysis of the trade and lease receivables, based on the invoice date and net of impairment, is as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Less than 1 year	110,583	104,334
1 year to 2 years	23,234	15,159
2 years to 3 years	33,989	26,148
	<hr/>	<hr/>
	167,806	145,641

An ageing analysis of the trade and lease receivables, based on the due date and net of impairment, is as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Current	98,745	86,833
Past due:		
Less than 1 year	34,601	33,185
1 year to 2 years	32,765	24,040
2 years to 3 years	1,695	1,583
	<hr/>	<hr/>
	167,806	145,641

12. TRADE PAYABLES

Trade payables are non-interest bearing and the average credit period is 60 days.

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Within 3 months	47,238	28,655
4 to 6 months	990	12,387
7 to 12 months	1,441	25,010
Over 1 year	3,361	4,964
	<hr/>	<hr/>
	53,030	71,016

13. PERPETUAL CONVERTIBLE BONDS

The Company had two batches of perpetual convertible bonds outstanding as at 30 June 2025 and 31 December 2024, the summary information of which is set out as follows:

	Batch one <i>(note (a))</i>	Batch two <i>(note (b))</i>
Issuance date	17 August 2018	31 December 2021
Maturity date	No maturity date	No maturity date
Original principal amount	HK\$1,102,993,200	HK\$77,066,000
Coupon rate	1% per annum and will cease to bear any coupon after the fifth anniversary of the date of issue	1% per annum and will cease to bear any coupon after the fifth anniversary of the date of issue
Conversion price per ordinary share of the Company (HK\$)	0.80	0.80

These perpetual convertible bonds were bifurcated into a liability component and an equity component for accounting purposes. The following tables summarise the movements in the principal amounts, the number of conversion rights outstanding, the liability and equity components of the Company's perpetual convertible bonds during the six months ended 30 June 2025:

Principal amount outstanding

	Batch one <i>HK\$'000</i> <i>(note (a))</i>	Batch two <i>HK\$'000</i> <i>(note (b))</i>	Total <i>HK\$'000</i>
At 1 January 2024, 31 December 2024 and 1 January 2025	1,090,993	77,066	1,168,059
Conversion into ordinary shares	(16,000)	–	(16,000)
At 30 June 2025 (unaudited)	<u>1,074,993</u>	<u>77,066</u>	<u>1,152,059</u>

Number of conversion rights outstanding

	Batch one <i>(note (a))</i>	Batch two <i>(note (b))</i>	Total
At 1 January 2024, 31 December 2024 and 1 January 2025	1,363,741,500	96,332,500	1,460,074,000
Conversion into ordinary share <i>(note 14)</i>	(20,000,000)	–	(20,000,000)
At 30 June 2025 (unaudited)	<u>1,343,741,500</u>	<u>96,332,500</u>	<u>1,440,074,000</u>

Liability component

	Batch one <i>HK\$'000</i> <i>(note (a))</i>	Batch two <i>HK\$'000</i> <i>(note (b))</i>	Total <i>HK\$'000</i>
At 1 January 2025	45,212	2,626	47,838
Interest expense <i>(note 6)</i>	1,242	72	1,314
At 30 June 2025 (unaudited)	<u>46,454</u>	<u>2,698</u>	<u>49,152</u>

Equity component

	Batch one HK\$'000 (note (a))	Batch two HK\$'000 (note (b))	Total HK\$'000
At 1 January 2025	1,078,217	94,027	1,172,244
Transfer to share capital upon conversion into ordinary shares (note (a))	(15,813)	–	(15,813)
At 30 June 2025 (unaudited)	<u>1,062,404</u>	<u>94,027</u>	<u>1,156,431</u>

Notes:

- (a) Pursuant to a sale and purchase agreement entered into with Winluck Global Limited and Silky Apex Limited (the “**Vendors**”) on 30 May 2018, the Company issued a total of 451,576,000 ordinary shares and a batch of perpetual convertible bonds to the Vendors on 17 August 2018 as partial consideration for the acquisition of 95% equity interest in Wise Expert Investment Limited (“**Wise Expert**”). Further details of the acquisition are set out in the Company’s announcements dated 30 May 2018 and 17 August 2018, and a circular dated 20 July 2018.

For accounting purpose, the fair value of the perpetual convertible bonds issued as consideration for the acquisition of Wise Expert as at the date of completion of the acquisition amounted to HK\$1,130,568,000.

Further details of the terms of these perpetual convertible bonds are set out in the Company’s circular dated 20 July 2018.

During the period ended 30 June 2025, certain of these perpetual convertible bonds with an aggregate principal amount of approximately HK\$16,000,000 were converted by bondholder into 20,000,000 ordinary shares of the Company at the conversion price of HK\$0.80 per share. The carrying amount of the equity component of these perpetual convertible bonds at the date of conversion, which amounted to HK\$15,813,000, was transferred to the share capital account of the Company.

- (b) Pursuant to a sale and purchase agreement entered into with the Vendors on 30 May 2018, the Company further issued a batch of perpetual convertible bonds to the Vendors on 31 December 2021 as consideration for the acquisition of a remaining 5% equity interest in Wise Expert. Further details of the acquisition are set out in the Company’s announcement dated 31 December 2021, and a circular dated 20 July 2018.

For accounting purposes, the fair value of the perpetual convertible bonds issued as consideration for the acquisition of Wise Expert as at the date of completion of the acquisition amounted to HK\$97,296,000.

Further details of the terms of these perpetual convertible bonds are set out in the Company’s circular dated 20 July 2018.

- (c) The conversion of the perpetual convertible bonds is subject to, amongst others, the condition that any conversion will not result in the public float of the Company’s shares being less than 25% of the total issued shares of the Company.

14. SHARE CAPITAL

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Issued and fully paid:		
3,219,373,986 ordinary shares		
(31 December 2024: 3,199,373,986 ordinary shares)	<u>3,168,384</u>	<u>3,152,571</u>

A summary of movements in the Company's share capital during the period ended 30 June 2025 and the year ended 31 December 2024 is as follows:

	Number of shares in issue	Share capital HK\$'000
At 1 January 2024, 31 December 2024 and 1 January 2025	3,199,373,986	3,152,571
Issue of shares upon conversion of perpetual convertible bonds (note 13(a))	<u>20,000,000</u>	<u>15,813</u>
At 30 June 2025	<u>3,219,373,986</u>	<u>3,168,384</u>

15. SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 7 November 2016 (the "**Adoption Date**") for the primary purpose of (i) incentivising and rewarding those who have contributed or may contribute to the development of the Group; and (ii) attracting and retaining skilled and experienced personnel ("**Eligible Participants**") and motivating 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. The Share Option Scheme 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 terms of 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.

30,000,000 share options were granted to an employee of the Company with 1 year vesting period on 28 April 2023 under the Share Option Scheme with an original exercise price of HK\$0.922 per share. The fair value of these share options on grant date was HK\$9,709,000 (HK\$0.3236 each).

16. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Period, the operations of the Group were organised into business units based on the nature of their products and services. There were two reportable operating segments, including (i) the property management segment; and (ii) the property development and investment segment. The first segment was carried out in the People's Republic of China (the "PRC") whereas the second segment was carried out in the PRC, the United States of America (the "USA") and the United Kingdom (the "UK").

Property management segment

Beijing AOCEAN Property Management Company Limited* (北京澳西物業管理有限公司), ("AOCEAN"), a wholly-owned subsidiary of the Company, provides property management and other services for office buildings, residential properties and car parks. As at 30 June 2025, AOCEAN managed 20 major residential and commercial property projects, which were in the PRC. The services provided by AOCEAN under the management agreements include, *inter alia*, (i) provision of heating 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 being human-oriented, and perceiving the market from the perspective of customers and market needs, AOCEAN has been improving and perfecting its management system and continues to provide professional services to its customers.

Property development and investment segment

During the Period, the Group carried on its property development and investment business in the USA, the UK and the PRC.

- ***Santa Monica project***

The Santa Monica project, located in Santa Monica, Los Angeles County, State of California, the USA, has a total site area of approximately 40,615 square feet (the "US Complex"). According to the land title, the development for the site is a mixed-use three stories development. Total rentable/saleable floor area is approximately 25,000 square feet for commercial use and 38,000 square feet for residential use and there are 190 on-site subterranean parking spaces. Approximate average of 91% of the commercial area and approximate average of 100% of the residential area have been leased out during the Period. The plan for the Santa Monica project is to lease out all the commercial units and the residential units.

- ***Culver City project***

Culver City project is a 36,319 square feet redevelopment site located at the south corner of Washington Boulevard and Motor Avenue in Culver City, Los Angeles County, California, the USA. The land title allows for the development of 139 residential units, of which 14 units would be income restricted for residents at the extremely low income level, and 1,969 square feet of ground floor would be commercial space. Its construction started since September 2021.

The Directors consider the Culver City Project to be an attractive investment opportunity to diversify the Group's property development operations in the USA, as this land is located within walking distance to the heart of Culver City, Los Angeles, which is the hub of a number of motion pictures and other production studios and is within well-established transportation network. Culver City Project is expected to further cement the Group's foothold in the western USA and enhance the Group's overall geographical diversification of business.

- ***Juxon House***

Juxon House is located at 100 St Paul's Churchyard, London, the UK. It is situated in a prominent location on the northwest side of St Paul's Cathedral, with St Paul's Churchyard at its south, Ave Maria Lane at its west, and Paternoster Square to the east, which is a prime professional and financial district with the London Stock Exchange and some multinational organisations having offices in the near vicinity. Juxon House is a grade A commercial building with a net lettable floor area of approximately 123,781 square feet, among which the office accommodation, the retail accommodation, and the ancillary and storage area have a net lettable floor area of 100,774 square feet, 20,083 square feet and 2,924 square feet respectively. Juxon House comprises a lower ground floor, a ground floor and five upper floors, basement storage and 20 car park spaces. Juxon House was let to 2 office tenants and 3 retail tenants, which contributed approximately £2.5 million rental income to the Group for the Period.

- ***Guorui Square Block B***

The Group holds all units with a gross floor area of approximately 68,685 square meters in Building No. 2 of Kingdom Guorui (國銳•金嶺), No. 1 Ronghua South Road, Daxing District, Beijing, the PRC ("**Guorui Square Block B**"), which are for office use.

The Company planned to sell or lease certain units of Guorui Square Block B, subject to market conditions in Yizhuang (亦莊), Beijing, the PRC. Currently, certain units were leased out to tenants under medium or long term leases.

FINANCIAL REVIEW

	Six months ended 30 June 2025 HK\$'000	Six months ended 30 June 2024 HK\$'000
Revenue	170,723	178,214
Profit for the Period	1,402	282
	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Total assets	5,678,773	5,423,471
Total liabilities	3,489,159	3,290,961
Net assets	2,189,614	2,132,510
Net debts [^]	2,695,391	2,412,335
Capital liquidity ratio ^{**}	0.08	0.15
Gearing ratio [#]	120.4%	110.7%

[^] The amount represented bank and other borrowings less cash and cash equivalents

^{**} The ratio represented cash and cash equivalents divided by current liabilities

[#] The ratio represented net debts divided by equity attributable to shareholders of the Company and liability component of perpetual convertible bonds

Financial analysis

During the Period, the Group generated revenue of approximately HK\$170,723,000 (six months ended 30 June 2024: approximately HK\$178,214,000). The property management segment reported segment revenue of approximately HK\$94,632,000 (six months ended 30 June 2024: approximately HK\$94,068,000). The property development and investment segment reported segment revenue of approximately HK\$76,091,000 (six months ended 30 June 2024: approximately HK\$84,146,000), contributed by the rental income from the operating leases of certain portion of units in the US Complex, Juxon House and Guorui Square Block B. The Group recorded a profit for the Period of approximately HK\$1,402,000 (six months ended 30 June 2024: approximately HK\$282,000). The increase in profit was mainly attributable to (i) decrease in employee benefit expenses; (ii) decrease in utilities, repairs and maintenance and rental expenses; and (iii) decrease in finance costs during the Period.

As at 30 June 2025, the outstanding balance of bank and other borrowings was approximately HK\$2,794,813,000 (31 December 2024: approximately HK\$2,605,486,000), of which the balance mainly consisted of (i) six bank loans of approximately HK\$1,514,146,000 (31 December 2024: two bank loans of approximately HK\$1,523,803,000) secured by Juxon House, certain portion of Guorui Square Block B and lease receivables; (ii) other loans of approximately HK\$1,279,569,000 (31 December 2024: approximately HK\$1,080,382,000) secured by the US Complex and its lease receivables and rights to future lease receivables over the Culver City project; and (iii) lease liabilities balances of approximately HK\$1,098,000 (31 December 2024: approximately HK\$1,301,000). Approximately HK\$783,476,000 will mature within one year, and approximately HK\$2,010,239,000 will mature after one year. Approximately HK\$1,813,237,000 of the borrowings was bearing at fixed interest rates, and approximately HK\$980,478,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality features.

As at 30 June 2025, the Group had available cash and bank balances of approximately HK\$99,422,000 (31 December 2024: approximately HK\$193,151,000).

Foreign currency exposure

During the Period, the Group's business operations were principally located in the PRC, the UK and the USA and the main operational currencies are Hong Kong dollars ("HK\$"), Renminbi ("RMB"), Pound sterling ("£") and United States dollars ("US\$"). The Group's transactions were mainly denominated in RMB, £ and US\$. Approximately HK\$2,702,160,000 of the borrowings was denominated in currencies other than the functional currencies of the Group's related entities, of which the equivalents of approximately HK\$92,653,000, HK\$1,091,905,000, HK\$849,800,000 and HK\$760,455,000 are denominated in HK\$, RMB, £ and US\$ respectively.

The Group's cash and cash equivalents and restricted cash are mainly denominated in HK\$, RMB, £ and US\$ respectively.

As of 30 June 2025, the Group's total amount of cash and cash equivalents and restricted cash denominated in currencies other than the functional currencies was approximately HK\$283,067,000, of which approximately HK\$56,808,000 was denominated in RMB, approximately HK\$147,116,000 was denominated in £, approximately HK\$79,143,000 was denominated in US\$. Any significant exchange rate fluctuations of foreign currencies against HK\$ may have financial impact to the Group. The Group does not have a foreign currency hedging policy at present and has not used any financial instrument for hedging purpose. However, the Group will closely monitor the exchange rate movement trend and take corresponding measures in a timely manner to reduce foreign currency exchange risk and exposure.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained an appropriate liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial condition of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Human resources and remuneration policy

As at 30 June 2025, the total number of employees of the Group (excluding Directors) was 487 (30 June 2024: 468). Most of them were located in the PRC.

The total remuneration of the employees of the Group for the Period was approximately HK\$40,413,000 (six months ended 30 June 2024: approximately HK\$49,656,000).

The emolument of each of the Directors and the employees of the Group is determined on the basis of their merit, qualification, competence and experience in the industry, the profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

Interim dividend

The Board resolved not to declare any interim dividend for the Period (six months ended 30 June 2024: Nil).

Pledge of assets

As at 30 June 2025, investment properties and properties held for sale amounting to approximately HK\$4,791,924,000 in total (31 December 2024: approximately HK\$4,603,293,000) are pledged to secure banks and other borrowings or are pledged under financial guarantee contracts. Such bank and other borrowings comprise of loans presented in the section headed "Financial analysis" of this interim results announcement.

As at 30 June 2025, certain trade and lease receivables of approximately HK\$61,394,000 (31 December 2024: approximately HK\$61,324,000) in total was pledged to secure bank and other borrowings granted to the Group.

To secure a bank loan and a loan from a financial institution granted to the Group, bank deposits amounting to approximately HK\$10,279,000 (31 December 2024: approximately HK\$14,996,000) has been classified as restricted cash.

Capital and other development related commitment and contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities (31 December 2024: Nil). As at 30 June 2025, the Group had contracted but not provided for commitments for construction in progress for an investment property amounting to approximately HK\$61,656,000 (31 December 2024: approximately HK\$59,439,000).

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

The Group had not made any significant investments, or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

Share options

30,000,000 share options were granted to an employee on 28 April 2023 under the Company's share option scheme (the "**Share Option Scheme**"), which was vested on 28 April 2024 and can be exercised within 3 years by 27 April 2026. The exercise price of the share options is HK\$0.922 per share. Further details are set out in the Company's announcement dated 28 April 2023.

As at 30 June 2025, the total number of outstanding share options under the Share Option Scheme is 30,000,000, representing approximately 0.9% of the total number of issued shares of the Company. The total number of shares that may be issued in respect of share options granted under all schemes of the Company during the Period divided by the weighted average number of Shares in issue for the Period was approximately 0.9%. The total number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025, 30 June 2025 and 29 August 2025 were 289,937,398, 289,937,398 and 289,937,398, respectively.

During the period ended 30 June 2025, no share option was exercised or cancelled that, as at 1 January 2025, 30 June 2025 and 29 August 2025, the total number of shares available for issue under the Share Option Scheme (i.e. the 10% limit of shares to be issued less shares exercised or cancelled under the Share Option Scheme) were 319,937,398, 319,937,398 and 319,937,398, respectively, representing 10% of the total number of issued shares of the Company.

Events after the reporting period

On 20 March 2025 (after trading hours), Beijing Guo Rui Real Estate Development Co. Limited (北京國銳房地產開發有限公司) as borrower (the “**Borrower**”) entered into a facility agreement (the “**Facility Agreement**”) with Shengjing Bank, pursuant to which Shengjing Bank agreed to grant a facility of up to RMB700 million for a term of ten years commencing from 20 March 2025 to 19 March 2035 at the interest rate of 4.0% per annum (the “**Shengjing Facility**”). As security for the Facility Agreement, the Group was required to enter into a guarantee agreement and mortgage agreement with Shengjing Bank. On 11 April 2025, Beijing Kaipeng Technology Development Co., Ltd.* (北京凱朋科技發展有限公司) (“**Kaipeng Technology**”), a wholly-owned subsidiary of the Company, entered into a guarantee agreement and mortgage agreement with Shengjing Bank, pursuant to which Kaipeng Technology agreed to (i) bear joint liability to the repayment obligations of the Borrower under the Shengjing Facility pursuant to the mortgage agreement (the “**Mortgage Agreement**”) and (ii) mortgage Units 710–712, Units 801–812, Units 901–912, Units 1001–1012, Units 1101–1112, Units 1201–1203, Basement units 101–102, Basement units 201–209 and Basement units 301–307 of Building No. 2 of Kingdom Guorui (國銳•金嶺), No. 1 Ronghua South Road, Beijing Economic and Technological Development Area, Beijing, the PRC in favour of Shengjing Bank to facilitate the Borrower to obtain the Shengjing Facility pursuant to the guarantee agreement (the “**Guarantee Agreement**”). In return, the Borrower shall pay Kaipeng Technology a guarantee fee of 1% per annum of the amount of actual drawdown by the Borrower under the Facility Agreement.

The entering into of the Mortgage Agreement and the Guarantee Agreement was approved by the Shareholders on 15 August 2025. For further details, please refer to the announcements of the Company dated 11 April 2025, 2 May 2025, 30 May 2025, 16 June 2025, 23 June 2025, 8 July 2025, 14 July 2025 and 15 August 2025 and the circular dated 28 July 2025.

FUTURE PROSPECTS

Looking ahead, the Group will continue to focus on property development and investment, as well as relevant asset management services and value-added services, to create value for the shareholders. As in the past, when considering investments in the international markets such as the USA and Europe, the Group will continue to follow the development blueprint and maintain a prudent approach in evaluating investment opportunities and actively expanding overseas operation so as to enhance return to the shareholders. In the past few years, the Group has successfully established presence in the property market in Los Angeles and London for income generating real estates with potential for capital appreciation in the long term and re-development in the future. In parallel, the Group remains dedicated to the execution of existing projects, achieving goals including but not limited to enhancement of operating performance as well as facilitation of project development.

Besides, the Group will not rule out any possibilities to divest its investment with decent return. The Directors believe that after the acquisitions in the past few years and execution of existing projects, the Group is well-positioned to broaden its income base through the stable rental incomes generated from the properties.

In addition to the Group's property investments in the PRC, the USA and the UK, the Group seeks to further increase its investment in property management and other services in core cities around the world in the future. The Group will fully utilise its core strengths in asset management, property management and community operation to build an integrated ecosystem that encompasses "intelligent real estate and digital healthcare". The Group will focus on family doctor services, inhome elderly care, chronic disease management and community healthcare services, aiming to develop healthy living solutions for families.

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.

During the Period and as at the date of this interim results announcement, the Company does not have any treasury shares.

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 C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the Period except for the following deviations:

According to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

During the Period, Mr. Wei Chunxian acted as the chairman and the chief executive officer of the Company. Given all major decisions are reserved to the Board, the Company considers that there is an adequate balance of power and authority in place between the Board and the management of the Company.

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**") contained in the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The audit committee 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 Period have been reviewed by the audit committee.

As at 30 June 2025, the audit committee comprised three independent non-executive Directors, namely Mr. Tung Woon Cheung Eric (chairman of the audit committee), Ms. To Tsz Wan Vivien and Mr. Leung Louis Ho Ming.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this interim results announcement, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company maintained sufficient public float as required under the Listing Rules throughout the Period.

PUBLICATION OF RESULTS ON WEBSITES

Pursuant to the Listing Rules, the results of the Company are published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.grlifestyle.com.hk).

By Order of the Board
GR Life Style Company Limited
Wei Chunxian
Chairman

Hong Kong, 29 August 2025

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

* *For identification purposes only*