

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

HIGHLIGHTS

- Underlying profit* increased by 42.4% to HK\$171.3 million (2017: HK\$120.3 million). Underlying earnings per share* was 24.1 HK cents (2017: 16.9 HK cents as adjusted for the bonus issue in August 2017)
- Profit for the year amounted to HK\$ 171.8 million (2017: HK\$203.0 million), inclusive of the increase in fair value of investment properties of HK\$ 0.5 million (2017: HK\$82.7 million). Earnings per share was 24.2 HK cents (2017: 28.6 HK cents as adjusted for the bonus issue in August 2017)
- Final dividend of 5.8 HK cents per share (2017: 4.0 HK cents per share) is recommended
- Net assets as at 31 March 2018 amounted to HK\$2,765 million

* *Underlying profit and underlying earnings per share are arrived at by excluding the effect of changes in fair value of investment properties from the profit for the year and earnings per share respectively*

The board (the “Board”) of directors (the “Directors”) of Grand Ming Group Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2018 together with the comparative figures for the corresponding period in 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2018

		2018	2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	1,423,933	1,055,741
Direct costs		<u>(1,154,665)</u>	<u>(873,692)</u>
Gross profit		269,268	182,049
Other income and gain/(loss), net	4	3,759	4,936
Selling expenses		(9,217)	-
General and administrative expenses		(29,346)	(21,047)
Increase in fair value of investment properties	9(a)	<u>495</u>	<u>82,723</u>
Profit from operations		234,959	248,661
Finance costs	5(a)	<u>(29,564)</u>	<u>(21,343)</u>
Profit before taxation	5	205,395	227,318
Income tax expenses	6	<u>(33,608)</u>	<u>(24,298)</u>
Profit for the year		<u>171,787</u>	<u>203,020</u>
		<i>HK cents</i>	<i>HK cents</i> (Restated)
Earnings per share (reported earnings per share)			
- Basic and Diluted	8(a)	<u>24.2</u>	<u>28.6</u>
Earnings per share (underlying earnings per share)			
- Basic and Diluted	8(b)	<u>24.1</u>	<u>16.9</u>

Details of the dividends payable to owners of the Company attributable to the profit for the year are disclosed in note 7 to the financial statements in this announcement.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 March 2018

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>171,787</u>	<u>203,020</u>
Other comprehensive income for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Cash flow hedges:		
Change in fair value, net of tax	12,565	1,175
Realisation of cash flow hedging reserve	<u>-</u>	<u>6,305</u>
	<u>12,565</u>	<u>7,480</u>
Other comprehensive income for the year, net of tax	<u>12,565</u>	<u>7,480</u>
Total comprehensive income for the year	<u>184,352</u>	<u>210,500</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current assets			
Fixed assets			
- Investment properties	9	3,627,300	3,586,600
- Property, plant and equipment		<u>253,858</u>	<u>260,844</u>
		3,881,158	3,847,444
Deposit for acquisition of subsidiaries		42,000	-
Deferred tax assets		6,425	2,549
Derivative financial instruments		15,821	571
Intangible assets		500	-
Other financial assets		<u>13,540</u>	<u>13,884</u>
		3,959,444	3,864,448
Current assets			
Inventories of properties		1,994,145	992,697
Gross amount due from customers for contract work		32,861	49,397
Trade and other receivables	10	360,608	184,781
Tax recoverable		92	-
Restricted and pledged deposits		66,144	59,158
Cash and bank balances		<u>312,063</u>	<u>390,300</u>
		2,765,913	1,676,333
Current liabilities			
Gross amount due to customers for contract work		1,187	-
Trade and other payables	11	308,302	218,172
Bank loans	12	403,703	118,016
Tax payable		<u>16,565</u>	<u>6,932</u>
		729,757	343,120
Net current assets		2,036,156	1,333,213
Total assets less current liabilities		5,995,600	5,197,661
Non-current liabilities			
Bank loans	12	3,181,642	2,520,010
Deferred tax liabilities		48,510	42,556
Derivative financial instruments		<u>344</u>	<u>142</u>
		3,230,496	2,562,708
NET ASSETS		2,765,104	2,634,953
CAPITAL AND RESERVES			
Share capital		7,098	6,452
Reserves		<u>2,758,006</u>	<u>2,628,501</u>
TOTAL EQUITY		2,765,104	2,634,953

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 August 2012. The registered office and principal place of business are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 19/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company is an investment holding company and the shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9 August 2013.

The Group is principally engaged in the business of building construction, property leasing and property development.

The consolidated annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 March 2018 but are extracted from these financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

2. ADOPTION OF HKFRSs

(a) Adoption of new or amended HKFRSs – effective 1 April 2017

In the current year, the Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on or after 1 April 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The adoption of these amendments has no material effect on the Group’s financial statements except that additional disclosure is required to be made in the consolidated financial statements to satisfy the new disclosure requirements introduced by the amendments to HKAS7 – Statement of Cash Flow: Disclosure Initiative.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 40	Transfer of Investment Property ¹
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures ¹
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKAS 19	Employee Benefits ²
Amendments to HKAS 28	Investments in Associates and Joint Ventures ²
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to : HKFRS 3, Business Combinations; HKFRS 11, Joint Arrangements; HKAS 12, Income Taxes; HKAS 23, Borrowing Costs ²
HKFRS 16	Leases ²
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted

The Group anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first time beginning after the effective date of the pronouncement. The Group is in the process of making an assessment of the impact of these new and amended HKFRSs upon initial application. So far, except for HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers, the Group considers that other new and amended HKFRSs do not have material impact on the Group's results of operations and financial position.

3. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Construction: contracting of construction of residential buildings, commercial buildings and data centres for external customers and group companies
- Property leasing: leasing of data centres and office premises
- Property development: development and sale of properties

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segment's profit that is used by the chief operating decision-makers for assessment of segment performance.

(a) Segment revenue and results

	Construction		Property leasing		Property development		Total	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue from external customers	1,274,528	912,789	149,405	142,952	—	—	1,423,933	1,055,741
Inter-segment revenue	28,565	63,200	21,975	10,189	—	—	50,540	73,389
Segment revenue	1,303,093	975,989	171,380	153,141	—	—	1,474,473	1,129,130
Segment results	172,882	88,536	89,013	86,679	(15,884)	(3,484)	246,011	171,731
Unallocated net income							4,102	2,752
Unallocated expenses							(15,305)	(10,730)
Net gain on derivative financial instruments							—	1,110
(Impairment)/reversal of impairment on available-for-sale securities							(344)	1,075
Increase in fair value of investment properties							495	82,723
Finance costs							(29,564)	(21,343)
Profit before taxation							205,395	227,318

(b) Other segment information

	Construction		Property leasing		Property development		Unallocated		Total	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Additions to non-current segment assets	21	618	40,257	217,789	42,000	—	542	132,800	82,820	351,207

(c) Geographic information

No geographic information has been presented as all of the Group's operating activities are carried out in Hong Kong.

(d) Information about major customers

Revenue from customers contributing over 10% of the Group's revenue is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Customer A	1,153,455	449,514
Customer B	100,884 *	428,108

Revenue from all of the above customers are generated from building construction.

* Revenue from Customers B during the year ended 31 March 2018 contributed less than 10% of the total revenue of the Group.

4. REVENUE AND OTHER INCOME AND GAIN/(LOSS), NET

Revenue which is derived from the Group's principal activities, and other income and gain/(loss), net during the year is analysed as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue		
Revenue from building construction	1,274,528	912,789
Rental income	123,181	114,844
Rental related income	26,224	28,108
	1,423,933	1,055,741
Other income and gain/(loss), net		
Bank interest income	1,983	199
Dividend income from unlisted securities	849	875
Net gain on derivative financial instruments	-	1,110
(Impairment)/reversal of impairment of available-for-sale securities	(344)	1,075
Net foreign exchange gain	175	6
Others	1,096	1,671
	3,759	4,936

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
(a) Finance costs		
Interest on bank loans wholly repayable:		
- within five years	74,855	55,841
- after five years	14,841	7,100
Other borrowing costs	18,872	11,985
	<u>108,568</u>	<u>74,926</u>
Less: Amount included in construction contracts in progress	(7,544)	(10,193)
Amount capitalised	<u>(71,460)</u>	<u>(43,390)</u>
	<u>29,564</u>	<u>21,343</u>
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	116,992	100,264
Contributions to defined contribution retirement plans	3,184	3,058
	<u>120,176</u>	<u>103,322</u>
Less: Amount included in construction contracts in progress	(89,854)	(81,844)
Amount capitalised	<u>(8,683)</u>	<u>(9,474)</u>
	<u>21,639</u>	<u>12,004</u>
(c) Other items		
Rental income from investment properties	(123,181)	(114,844)
Less: Direct outgoings	56,423	52,593
	<u>(66,758)</u>	<u>(62,251)</u>
Depreciation	7,057	5,248
Impairment loss on trade receivables	165	203
Auditors' remuneration		
- audit services	895	815
- other services	117	234
	<u>1,112</u>	<u>1,292</u>

6. INCOME TAX EXPENSES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax		
Provision for Hong Kong Profits Tax for the year	33,997	22,775
Under-provision/(Over-provision) in respect of prior years	16	(448)
	<u>34,013</u>	<u>22,327</u>
Deferred tax		
(Credited)/Charged to profit and loss for the year	(405)	1,971
	<u>33,608</u>	<u>24,298</u>

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”) and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

The provision for Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

7. DIVIDENDS

(a) Dividends attributable to the year:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interim dividend declared and paid of 4.0 HK cents (2017: 4.0 HK cents) per share	28,391	25,810
Final dividend proposed after the end of the reporting period of 5.8 HK cents (2017: 4.0 HK cents) per share	<u>41,167</u>	<u>25,810</u>
	<u><u>69,558</u></u>	<u><u>51,620</u></u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends attributable to the previous financial year:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of 4.0 HK cents (2017: 4.0 HK cents) per share	<u>25,810</u>	<u>23,464</u>

8. EARNINGS PER SHARE

(a) Reported earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$171,787,000 (2017: HK\$203,020,000) and the weighted average number of 709,771,173 shares (2017 (restated): 709,771,173 shares) in issue during the year. Basic and diluted earnings per share for the year ended 31 March 2017 have been restated for the impact of bonus issue of shares.

Diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential shares in existence during the years ended 31 March 2018 and 2017.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are also presented based on the underlying profit attributable to equity shareholders of the Company of HK\$171,292,000 (2017: HK\$120,297,000), which excludes the effects of changes in fair value of investment properties.

A reconciliation of profit is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit for the year	171,787	203,020
Change in fair value of investment properties	(495)	(82,723)
Underlying profit for the year	<u>171,292</u>	<u>120,297</u>

9. INVESTMENT PROPERTIES

(a) Revaluation of investment properties

The Group's investment properties were revalued as at 31 March 2018. The fair value of the Group's investment properties were updated by an independent firm of surveyors, Colliers International (Hong Kong) Limited, using the same valuation techniques as were used by the valuers when carrying out the 31 March 2017 valuations. As a result of the update, a gain of HK\$495,000 (2017: HK\$82,723,000) in respect of investment properties has been recognised in the consolidated statement of profit and loss for the year.

(b) The Group's investment properties were pledged against bank loans, details of which are set out in note 12 to the financial statements.

10. TRADE AND OTHER RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	200,331	56,301
Deposits, prepayments and other receivables	53,691	55,050
Retention receivables	106,586	73,430
	<u>360,608</u>	<u>184,781</u>

The ageing analysis of the Group's trade receivables (net of allowance for doubtful debts), based on invoice dates, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Less than 1 month	191,098	53,017
More than 1 month but less than 3 months	8,895	2,432
More than 3 months but less than 6 months	279	683
More than 6 months but less than 1 year	59	169
	<u>200,331</u>	<u>56,301</u>

The Group generally grants trade customers with a credit term of 30 days. Normally, the Group does not obtain collateral from customers.

11. TRADE AND OTHER PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	144,450	110,190
Other payables and accrued charges	56,402	36,345
Rental and other deposits	8,295	7,435
Receipts in advance	2,465	3,613
Retention payables	96,690	60,589
	<u>308,302</u>	<u>218,172</u>

The ageing analysis of the Group's trade payables, based on invoice dates, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Less than 1 month	133,812	74,159
More than 1 month but less than 3 months	9,739	35,740
More than 3 months but less than 6 months	858	122
More than 6 months but less than 1 year	41	137
More than 1 year	-	32
	<u>144,450</u>	<u>110,190</u>

12. BANK LOANS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Bank loans		
- Secured	3,564,766	2,625,972
- Unsecured	20,579	12,054
	<u>3,585,345</u>	<u>2,638,026</u>

The bank loans were repayable as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 1 year and included in current liabilities	403,703	118,016
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	752,283	69,763
After 2 years but within 5 years	2,397,573	1,929,378
After 5 years	31,786	520,869
	<u>3,181,642</u>	<u>2,520,010</u>
	<u>3,585,345</u>	<u>2,638,026</u>

The bank loans were secured by the following assets:

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Investment properties	3,627,300	3,586,600
Property, plant and equipment	248,704	253,897
Pledged deposits	60,080	53,094
Available-for-sale securities	13,540	13,884
Inventories of properties	1,994,145	992,697
Other assets	60,941	45,966
	<u>6,004,710</u>	<u>4,946,138</u>

13. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 March 2018 not provided for in the Group's financial statements were as follows:

	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Commitments for:		
Development of investment property	72,628	19,986
Acquisition of subsidiaries	378,000	–
	<u>450,628</u>	<u>19,986</u>

14. CONTINGENT LIABILITIES

At 31 March 2018, the Company did not have any contingent liabilities.

At 31 March 2017, the Company had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken by one of the Group's subsidiaries amounting to HK\$29,307,000.

15. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 15 December 2017, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire the entire issued share capital of Excel One Global Limited together with its wholly-owned subsidiary, Marvellous Investments Limited (collectively referred to as "Excel One Group"), and the shareholder's loans, at a consideration of HK\$ 420,000,000 adjusted by the net current assets value of Excel One Group on the completion date. A deposit of HK\$42,000,000 paid had been included in the consolidated statement of financial position as at 31 March 2018 as deposit for acquisition of subsidiaries. The principal asset of Excel One Group is an investment property located at shop in the basement floor, shop A and shop C on the ground floor, and shop A on the 1st floor of No.39 Chatham Road South, Kowloon, Hong Kong.

On 13 April 2018, the remaining consideration of approximately HK\$375,007,000 had been settled and the acquisition was completed accordingly.

DIVIDENDS

The Board recommends payment of a final dividend of 5.8 HK cents per share to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 3 August 2018. Subject to approval by the Shareholders in the forthcoming annual general meeting, the proposed final dividend warrants is expected to be dispatched to Shareholders on 15 August 2018.

Together with the interim dividend of 4.0 HK cents per share already paid, the total dividends for the year ended 31 March 2018 will amount to 9.8 HK cents per share, representing a payout ratio of approximately 40.6%.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to the right to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 23 July 2018 to 26 July 2018, both days inclusive, during which period no share transfer will be effected. In order to qualify for attending and voting at the forthcoming annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 20 July 2018.

In order to determine Shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from 1 August 2018 to 3 August 2018, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 31 July 2018.

BUSINESS REVIEW

Construction

The Group's construction business primarily consists of provision of building services as a main contractor in property development projects for prominent local developers, as well as existing building alterations, renovation and fitting-out works services. Revenue derived from the construction business increased by approximately 39.6% or HK\$361.7 million, from approximately HK\$912.8 million for the year ended 31 March 2017 ("FY 2016/17") to approximately HK\$1,274.5 million for the year ended 31 March 2018 ("FY 2017/18"). Increase in revenue is mainly attributed to increasing revenue recognised from the construction project at Kai Tak, Kowloon for which the construction work commenced in June 2016 and was in full swing during the year under review.

As at 31 March 2018, the gross contract value of the construction projects in progress amounted to approximately HK\$1.48 billion.

Data Centre Premises Leasing

The Group owned, developed and leased out raised floor space of two high-tier data centre buildings which were purposely built for data centre use and feature high level of reliability, redundancy and security. The first high-tier data centre, namely iTech Tower 1, maintained a high occupancy rates and contributed a stable rental income inflow to the Group. The second high-tier data centre, namely iTech Tower 2, also operated well with satisfactory occupancy rates and contributed increasing revenue stream to the Group progressively.

Revenue derived from data centre premises leasing business improved by approximately 3.0% or HK\$4.2 million, from approximately HK\$140.8 million for FY 2016/17 to approximately HK\$145.0 million for FY 2017/18, mainly driven by the increasing occupancy rates from iTech Tower 2 during the year under review.

Property Development

The Group's first property development project is situated at Sai Shan Road, Tsing Yi, New Territories with a gross floor area of approximately 400,000 square feet for private residential purposes. The development will consist of two blocks of 30-storey residential buildings together with clubhouse facilities and car parks. The site formation and foundation works are now progressing. The development shall be completed and made fit for completion on or before 30 September 2024.

On 20 October 2017, the Group has successfully acquired a property through the acquisition of the entire interests of Market Rise Limited together with its wholly-owned subsidiary, Able Business Development Limited (collectively referred to as "Market Rise Group"), and the shareholder's loan, at an adjusted consideration of approximately HK\$814 million. Details of the transaction were set out in the Company's announcement dated 30 August 2017. The property held under Market Rise Group is an en-bloc residential building located at No. 279 Prince Edward Road West, Kowloon, and comprises 18 residential units and a clubhouse with permitted gross floor area of approximately 39,420 square feet. The occupation permit and certificate of compliance of the property had been

obtained. The property is now named “Cristallo”. Sales campaign had been launched since March 2018 and overwhelming responses and positive feedback from the market were received. Contract for sale of one unit was entered into in April 2018 with a contract sale of approximately HK\$48 million, and completion is scheduled to take place in August 2018.

As disclosed in the Company’s announcement dated 15 December 2017, in order to facilitate the upcoming sales of the residential properties in the Group’s property development segment, the Group signed an agreement to acquire several premises at the basement floor, ground floor and first floor of No.39 Chatham Road South, Kowloon, through the acquisition of Excel One Group for the purpose of establishing the sales office and accommodating show flats. The acquisition was completed on 13 April 2018. Renovation works are expected to commence in June 2018 and the sales office is expected to be ready for use by the end of 2018.

During the year under review, there was no revenue recorded for this business segment.

OUTLOOK

With the commitment of the new administration of the HKSAR government to increase land supply, we maintain an optimistic view on the general construction industry in Hong Kong. Yet the challenges of aging workforce, chronic shortage of skilled workers and escalating wages persisted. In view of this, we will continue to pursue a prudent strategy in tendering new construction projects to ensure that all existing and upcoming construction projects would be completed and delivered on time to our customers and in accordance with their specifications, and we could attain a reasonable profit margin from the construction projects at the same time.

For the data centre leasing business, we will keep on investing and upgrading our data centre infrastructure to strengthen our market position and meet the changing needs of the customers. Since the cost of acquiring a bare land or suitable industrial building in Hong Kong to develop or convert into data centre premises remains high, we will act very cautiously in investing and developing our third high-tier data centre. Meanwhile we are exploring the possibility of developing new data centres outside Hong Kong.

The Group proactively searches for channels to expand its land bank to strengthen the property development business. Apart from participating in public tender of government land either on our own or through joint ventures with other property developers, we are also exploring other opportunities in property acquisition like acquisition of en-bloc completed properties or properties with fully consolidated ownership. Furthermore we will prudently seek diversification opportunities in geographical area, such as second tier cities of Mainland China where the land costs are comparatively lower but have strong potential in economic growth that will in turn lead to a demand for properties.

FINANCIAL REVIEW

Revenue

The Group's total revenue for FY 2017/18 was approximately HK\$1,423.9 million, representing an increase of approximately 34.9% or HK\$368.2 million from approximately HK\$1,055.7 million for FY 2016/17. Increase in revenue was mainly attributable to significant revenue recognition from the construction project at Kai Tak, Kowloon for which the construction work was in full swing during the year under review.

Gross profit

The Group's gross profit increased by approximately 47.9% or HK\$87.3 million, from approximately HK\$182.0 million for FY 2016/17 to approximately HK\$269.3 million for FY 2017/18. The increase in gross profit was mainly due to the increasing revenue and variation orders recognised from the aforesaid construction project at Kai Tak, Kowloon.

Selling expenses

The Group's selling expenses in this year primarily consisted of advertising and promotion expenses in relation to the sales campaign of Cristallo project and staff costs of the sales and marketing team.

General and administrative expenses

The Group's general and administrative expenses increased by approximately 39.4% or HK\$8.3 million, from approximately HK\$21.0 million for FY 2016/17 to approximately HK\$29.3 million for FY 2017/18, primarily due to (i) transaction costs incurred in relation to acquisition of Market Rise Group in October 2017; (ii) full year's depreciation charge in FY 2017/18 on the own-used premises and leasehold improvements in respect of 18th floor of Railway Plaza as compared to 6-months depreciation charge in FY 2016/17; and (iii) increased staff costs owing to salary increment.

Revaluation of investment properties

The Group recognised an increase in fair value on its investment properties of approximately HK\$0.5 million in the consolidated statement of profit or loss for FY 2017/18 as compared to an increase in fair value of approximately HK\$82.7 million in FY 2016/17.

Profit for the year

The Group recorded a net profit of approximately HK\$171.8 million for FY 2017/18, representing a decrease of approximately 15.4% or HK\$31.2 million when compared with that of approximately HK\$203.0 million for FY 2016/17. Excluding the fair value gains on investment properties, the Group recorded an adjusted profit for the year of approximately HK\$171.3 million in FY 2017/18, representing an increase of approximately 42.4% or HK\$51.0 million when compared to an adjusted profit for the year of approximately HK\$120.3 million in FY 2016/17.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations and capital expenditure with internal resources and bank borrowings. In March 2017, the Group entered into a facility agreement with a syndicate of financial institutions to obtain a syndicated loan facility of HK\$2,400 million to refinance the then indebtedness as well as to provide extra working capital to support the Group's daily operation and business development. As at 31 March 2018, the Group had outstanding bank borrowings of approximately HK\$3,585.3 million (31 March 2017: approximately HK\$2,638.0 million). The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group was approximately 129.7% (31 March 2017: approximately 100.1%). Increase in the gearing ratio was mainly contributed by the drawdown of the syndicated loan as abovementioned and increase in other bank borrowings to cope with the Group's business development.

The Group adopts a conservative approach in managing its cash balances, which are mainly placed in bank accounts and short-term deposits with reputable banks in Hong Kong. The total cash balances of the Group as at 31 March 2018 were approximately HK\$378.2 million (31 March 2017: approximately HK\$449.5 million), most of which were held in Hong Kong dollars. The current ratio (defined as current assets divided by current liabilities) of the Group was 3.79 times (31 March 2017: 4.89 times). Taking into account the cash at banks and credit facilities available, the Directors considered that the Group has sufficient working capital for its present operation and future business expansion.

INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank borrowings, which bear interest at floating rates. The Group had in place a treasury policy by which the exposure to floating interest rate risk was mitigated by the use of interest rate swaps. As at 31 March 2018, the Group had outstanding interest rate swaps with the notional amount of approximately HK\$80 million. These swaps have fixed interest rates ranging from 1.3% to 1.8% per annum and will mature in 2020 and 2021. In addition, the Group had entered into forward starting swaps with notional amount of approximately HK\$1.57 billion to lock in fixed rates of 2.1% to 2.63% per annum for 3 years. These interest rate swaps will be effective in 2019 and 2020.

FOREIGN CURRENCY RISK

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars.

CHARGE ON ASSETS

As at 31 March 2018, bank loans of approximately HK\$3,564.8 million are secured by certain assets of the Group with an aggregate carrying amount of approximately HK\$6,004.7 million.

CAPITAL COMMITMENTS

Save as disclosed in note 13 to the financial statements in this announcement, the Group had no other capital commitments as at 31 March 2018.

CONTINGENT LIABILITIES

Save as disclosed in note 14 to the financial statements in this announcement, the Group had no other contingent liabilities as at 31 March 2018.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 7(a) and note 15 to the financial statements in this announcement, there was no significant events that have taken place subsequent to 31 March 2018 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 30 August 2017, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement with an independent third party to acquire the entire equity interests of Market Rise Group, and the shareholder's loans, at a consideration of approximately HK\$814,017,000 adjusted by the net current assets value of Market Rise Group on the completion date. The acquisition was completed on 20 October 2017. The principal asset of Market Rise Group is an en-bloc residential property situated at No. 279 Prince Edward Road West, Kowloon, Hong Kong.

On 15 December 2017, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire the entire equity interests of Excel One Group, and the shareholder's loans, at a total consideration of HK\$ 420,000,000 adjusted by the net current assets value of Excel One Group on the completion date. As at 31 March 2018 a consideration of HK\$42,000,000 had been settled as deposit for the acquisition of Excel One Group. The principal asset of Excel One Group is an investment property located at Shop on the Basement Floor, Shop A and Shop C on the Ground Floor, and Shop A on the 1st Floor of No.39 Chatham Road South, Kowloon, Hong Kong. On 13 April 2018 the remaining consideration was settled and the acquisition of Excel One Group was completed accordingly.

Save as disclosed above, there was no other material acquisition or disposal of subsidiaries and associated companies during FY 2017/18.

EMPLOYEES AND REMUNERATION POLICIES

The Group had a total of 202 employees as at 31 March 2018. Total remuneration of employees for FY 2017/18 was approximately HK\$120.2 million. The remuneration policy and packages of the Group's employees are periodically reviewed by making reference to the prevailing market conditions. The components of remuneration packages consist of basic salary, benefits-in-kind, fringe benefits

and contributions to mandatory provident funds, as well as discretionary bonuses which are determined according to individual performance of employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed Shares during FY 2017/18.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company had complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout FY 2017/18.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors by the Company, all Directors confirmed their compliance with the required standard set out in the Model Code throughout FY 2017/18.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 26 July 2018. A notice convening the annual general meeting will be issued and dispatched to Shareholders in due course.

AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment, reappointment and removal of the external auditor; to review the financial statements, risk management and internal control systems; and to oversee the financial reporting and the effectiveness of the internal control procedures. The audit committee comprises all four independent non-executive Directors, namely Mr. Mok Kwai Pui Bill (committee chairman), Mr. Tsui Ka Wah, Mr. Kan Yau Wo and Mr. Lee Chun Yiu Johnny.

The audit committee has reviewed the Group's consolidated financial statements for FY 2017/18.

REVIEW OF THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY 2017/18 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.grandming.com.hk) and the Stock Exchange (www.hkexnews.hk). The annual report for FY 2017/18 containing all relevant information required by the Listing Rules will be disseminated to the Shareholders and available on the above websites in due course.

APPRECIATION

The Board would like to thank the management of the Group and all the staff for their hard work and dedication, as well as Shareholders, the Group's business partners and associates, bankers and auditors for their supports to the Group.

By Order of the Board
Grand Ming Group Holdings Limited

Chan Hung Ming
Chairman and Executive Director

Hong Kong, 11 June 2018

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Chan Hung Ming
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors:

Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny