

*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)**

*(Unless otherwise specified, "\$" in this announcement shall mean Hong Kong dollar and "cent(s)" shall mean Hong Kong cent(s).)*

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

#### HIGHLIGHTS

- Revenue increased by 7.4 times to \$4,920.1 million (2021: \$586.1 million)
- Profit for the period up 19.4 times to \$1,410.2 million (2021: \$69.2 million). Earnings per share was 99.3 cents (2021: 4.9 cents)
- Net assets as at 30 September 2022 amounted to \$3,177.5 million
- An interim dividend of 6.0 cents per share (2021: 4.0 cents per share) is declared

The board (the “**Board**”) of directors (the “**Directors**”) of Grand Ming Group Holdings Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2022 together with the comparative figures for the corresponding period in 2021 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Six months ended 30 September</b>	
		<b>2022</b>	<b>2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Notes</i>		<i>\$'000</i>	<i>\$'000</i>
<b>Revenue</b>	<i>5(a)</i>	<b>4,920,088</b>	586,127
Direct costs		<u><b>(2,883,394)</b></u>	<u>(484,401)</u>
<b>Gross profit</b>		<b>2,036,694</b>	101,726
Other income and gain, net	<i>5(b)</i>	<b>7,604</b>	14,463
Selling expenses		<b>(255,455)</b>	(32,538)
General and administrative expenses		<b>(27,108)</b>	(14,016)
Changes in fair value of investment properties	<i>10(a)</i>	<u><b>(4,134)</b></u>	<u>40,025</u>
<b>Profit from operations</b>		<b>1,757,601</b>	109,660
Finance costs	<i>6(a)</i>	<u><b>(49,890)</b></u>	<u>(35,568)</u>
<b>Profit before taxation</b>	<i>6</i>	<b>1,707,711</b>	74,092
Income tax expenses	<i>7</i>	<u><b>(297,546)</b></u>	<u>(4,858)</u>
<b>Profit for the period</b>		<u><b>1,410,165</b></u>	<u>69,234</u>
		<i>Cents</i>	<i>Cents</i>
<b>Earnings per share</b>			
- Basic and diluted	<i>9(a)</i>	<u><b>99.3</b></u>	<u>4.9</u>

Details of the dividends are disclosed in note 8 to the condensed financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the period</b>	<b><u>1,410,165</u></b>	<b><u>69,234</u></b>
Other comprehensive (loss)/income		
<i>Items that will not be reclassified to profit or loss:</i>		
Financial assets at fair value through other comprehensive income – net movement in fair value reserve	<b><u>(1,692)</u></b>	<b><u>73</u></b>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of foreign operations	<b>(19,863)</b>	221
Cash flow hedges – net movement in hedging reserve	<b><u>4,045</u></b>	<b><u>11,786</u></b>
	<b><u>(15,818)</u></b>	<b><u>12,007</u></b>
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b><u>(17,510)</u></b>	<b><u>12,080</u></b>
<b>Total comprehensive income for the period</b>	<b><u><u>1,392,655</u></u></b>	<b><u><u>81,314</u></u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2022 (Unaudited) \$'000	As at 31 March 2022 (Audited) \$'000
<b>Non-current assets</b>			
Fixed assets			
- Investment properties	10	4,502,700	4,453,700
- Property, plant and equipment		<u>788,892</u>	<u>817,064</u>
		5,291,592	5,270,764
Deferred tax assets		30,227	44,698
Derivative financial instruments		2,688	–
Intangible assets		500	500
Financial assets at fair value through other comprehensive income		9,330	11,022
Financial assets at fair value through profit or loss		<u>9,020</u>	<u>8,932</u>
		<u>5,343,357</u>	<u>5,335,916</u>
<b>Current assets</b>			
Inventories of properties		1,486,997	4,133,991
Contract assets		200,072	257,844
Trade and other receivables	11	189,802	247,091
Tax recoverable		2,963	2,055
Restricted and pledged deposits		106,931	583,743
Cash and bank balances		<u>956,241</u>	<u>113,090</u>
		<u>2,943,006</u>	<u>5,337,814</u>
<b>Current liabilities</b>			
Trade and other payables	12	223,496	263,660
Contract liabilities		6,025	3,312,486
Bank loans	13	674,924	4,906,937
Derivative financial instruments		–	1,317
Tax payable		<u>281,821</u>	<u>1,943</u>
		<u>1,186,266</u>	<u>8,486,343</u>
<b>Net current assets/(liabilities)</b>		<u>1,756,740</u>	<u>(3,148,529)</u>
<b>Total assets less current liabilities</b>		<u>7,100,097</u>	<u>2,187,387</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

		As at 30 September 2022 (Unaudited) \$'000	As at 31 March 2022 (Audited) \$'000
<b>Non-current liabilities</b>			
Bank loans	<i>13</i>	3,858,858	–
Deferred tax liabilities		63,725	60,999
Derivative financial instruments		–	839
		<u>3,922,583</u>	<u>61,838</u>
<b>NET ASSETS</b>		<u>3,177,514</u>	<u>2,125,549</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		14,196	14,196
Reserves		<u>3,163,318</u>	<u>2,111,353</u>
<b>TOTAL EQUITY</b>		<u>3,177,514</u>	<u>2,125,549</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 August 2012 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. 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 22/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company is an investment holding company and its 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.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 (the “**Interim Financial Statements**”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The Interim Financial Statements are unaudited but have been reviewed by the Company’s audit committee.

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2022, except for the adoption of the amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, HKAS and Interpretations issued by the HKICPA, as disclosed in note 3 to the condensed financial statements.

The Interim Financial Statements do not include all the information and disclosures required for full set of financial statements prepared in accordance with HKFRSs, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2022.

The financial information relating to the financial year ended 31 March 2022 that is included in the Interim Financial Statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The auditor had expressed an unqualified opinion on those financial statements in their report dated 23 June 2022.

## 3. ADOPTION OF HKFRSs

In the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2022:

Amendments to HKFRS 3	Reference to Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts-Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 cycle

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s results and financial position for the current and prior periods.

#### 4. 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 for the Group's companies
- Property leasing: leasing of data centres and commercial properties
- Property development: development and sale of properties

Inter-segment transactions are priced with reference to prices charged by 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

Six months ended 30 September 2022 (unaudited)

	Construction	Property leasing	Property development	Inter- segment elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	29,705	118,131	4,772,252	—	4,920,088
Inter-segment revenue	37,609	16,052	—	(53,661)	—
Total segment revenue	<u>67,314</u>	<u>134,183</u>	<u>4,772,252</u>	<u>(53,661)</u>	<u>4,920,088</u>
Segment results	<u>(18,463)</u>	<u>71,143</u>	<u>1,732,442</u>	<u>(10,093)</u>	1,775,029
Unallocated net income					1,822
Unallocated expenses					(15,116)
Changes in fair value of investment properties					(4,134)
Finance costs					<u>(49,890)</u>
Profit before taxation					<u>1,707,711</u>

Six months ended 30 September 2021 (unaudited)

	Construction \$'000	Property leasing \$'000	Property development \$'000	Inter- segment elimination \$'000	Total \$'000
Revenue from external customers	304,291	92,929	188,907	—	586,127
Inter-segment revenue	190,743	36,947	—	(227,690)	—
Total segment revenue	495,034	129,876	188,907	(227,690)	586,127
Segment results	33,434	63,385	(10,026)	(15,505)	71,288
Unallocated net income					5,427
Unallocated expenses					(7,080)
Changes in fair value of investment properties					40,025
Finance costs					(35,568)
Profit before taxation					74,092

**(b) Other segment information**

	Six months ended 30 September (Unaudited)									
	Construction		Property leasing		Property development		Unallocated		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Additions to non-current segment assets	175	478	61,159	241,943	—	—	66	84	61,400	242,505

**(c) Geographic information**

All the Group's revenue from external customers are generated from customers located in Hong Kong. Substantially all the Group's non-current assets (other than deferred tax assets and financial instruments) are also located in Hong Kong.

**(d) Timing of revenue recognition**

	Six months ended 30 September (Unaudited)							
	Construction		Property leasing		Property development		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At a point in time	—	—	—	—	4,772,252	188,907	4,772,252	188,907
Transferred over time	29,705	304,291	18,466	12,425	—	—	48,171	316,716
Revenue from other sources	—	—	99,665	80,504	—	—	99,665	80,504
	29,705	304,291	118,131	92,929	4,772,252	188,907	4,920,088	586,127



## 5. REVENUE AND OTHER INCOME AND GAIN, NET

Revenue which is derived from the Group's principal activities, and other income and gain, net are analysed as follows:

### (a) Disaggregation of revenue

	Six months ended 30 September	
	2022 (Unaudited) \$'000	2021 (Unaudited) \$'000
<b>Revenue from contract with customers within the scope of HKFRS 15</b>		
Revenue from building construction	29,705	304,291
Rental related income	18,466	12,425
Sale of properties	4,772,252	188,907
<b>Revenue from other sources</b>		
Rental income	99,665	80,504
	<u>4,920,088</u>	<u>586,127</u>

### (b) Other income and gain, net

	Six months ended 30 September	
	2022 (Unaudited) \$'000	2021 (Unaudited) \$'000
Bank interest income	790	3,081
Dividend income from unlisted fund investments	361	398
Forfeited deposits	2,801	4,216
Government subsidy ( <i>note</i> )	3,361	–
Net foreign exchange (loss)/gain	(3,269)	431
Others	3,560	6,337
	<u>7,604</u>	<u>14,463</u>

*Note* : The amount represents the government grants obtained from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

## 6. PROFIT BEFORE TAXATION

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

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Finance costs</b>		
Interest on bank loans and other borrowing costs	72,757	57,497
Less: Amounts included in construction contracts in progress	<b>(1,839)</b>	(2,812)
Amounts capitalised	<b>(21,028)</b>	(19,117)
	<b>49,890</b>	35,568
<b>(b) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	69,772	65,641
Contributions to defined contribution retirement plans	<b>1,483</b>	1,513
	<b>71,255</b>	67,154
Less: Amounts included in construction contracts in progress	<b>(10,485)</b>	(20,319)
Amounts capitalised	<b>(22,961)</b>	(35,355)
	<b>37,809</b>	11,480
<b>(c) Other items</b>		
Direct operating expenses arising from investment properties that generated income	51,292	42,169
Depreciation	<b>13,421</b>	13,442
Short term leases expenses	–	988

## 7. INCOME TAX EXPENSES

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the period	281,148	6,257
Over-provision in respect of prior years	–	(40)
	<b>281,148</b>	6,217
<b>Deferred tax</b>		
Charged/(credited) to profit or loss for the period	<b>16,398</b>	(1,359)
	<b>297,546</b>	4,858

Hong Kong profits tax is calculated at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the period arising in Hong Kong, except for the first \$2,000,000 of qualified group entity's assessable profit is calculated at 8.25% (2021: 8.25%), which is in accordance with the two-tiered profits tax rates regime.

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.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Group's PRC subsidiaries is 25% (2021: 25%). The Group had not generated any taxable profits in the PRC during the period (2021: Nil).

## 8. DIVIDENDS

- (a) Dividends attributable to the interim period:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
Special interim dividend declared and paid of 20.0 cents (2021: 20.0 cents) per share	<b>283,908</b>	283,908
Interim dividend declared after the interim period of 6.0 cents (2021: 4.0 cents) per share	<b>85,173</b>	56,782
	<b><u>369,081</u></b>	<b><u>340,690</u></b>

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

- (b) Dividends attributable to the previous financial year, approved and paid during the interim period:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 4.0 cents (2021: 4.0 cents) per share	<b>56,782</b>	56,782

## 9. 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 \$1,410,165,000 (2021: \$69,234,000) and the weighted average number of 1,419,542,346 shares (2021: 1,419,542,346 shares) in issue during the period.

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 six months ended 30 September 2022 and 2021.

- (b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, the underlying earnings per share are also presented based on the underlying profit attributable to equity shareholders of the Company of \$1,414,299,000 (2021: \$29,209,000), which excludes the effects of changes in fair value of investment properties. A reconciliation of the underlying profit is as follows:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit for the period	<b>1,410,165</b>	69,234
Changes in fair value of investment properties	<b>4,134</b>	(40,025)
Underlying profit for the period	<b><u>1,414,299</u></b>	<b><u>29,209</u></b>
	<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Underlying earnings per share - Basic and diluted	<b><u>99.6</u></b>	<b><u>2.1</u></b>

## 10. INVESTMENT PROPERTIES

(a) Revaluation of investment properties

The Group's investment properties and investment properties under development were revalued as at 30 September 2022 by Colliers International (Hong Kong) Limited, an independent firm of surveyors on a market value basis. The fair values of investment properties are determined using income capitalisation method or market comparison approach. The fair values of investment properties under development are determined using residential method.

As a result, a net fair value loss of \$4,134,000 (2021: net gain of \$40,025,000) on the investment properties and investment properties under development has been recognised in the condensed consolidated statement of profit or loss for the period.

(b) The Group's investment properties and investment properties under development were pledged against bank loans, details of which are set out in note 13 to the condensed financial statements.

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Trade receivables	<b>36,726</b>	39,597
Less: Loss allowance	<b>(823)</b>	(468)
	<b>35,903</b>	39,129
Deposits, prepayments and other receivables	<b>153,899</b>	88,774
Contract costs	–	119,188
	<b>189,802</b>	247,091

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

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Less than 1 month	<b>21,173</b>	31,082
More than 1 month but less than 3 months	<b>14,658</b>	7,287
More than 3 months	<b>72</b>	760
	<b>35,903</b>	39,129

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

## 12. TRADE AND OTHER PAYABLES

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Trade payables	<b>20,020</b>	91,052
Other payables and accrued charges	<b>106,426</b>	34,003
Rental and other deposits	<b>4,650</b>	5,971
Receipts in advance	<b>5,801</b>	7,504
Retention payables	<b>86,599</b>	125,130
	<b>223,496</b>	263,660

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

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Less than 1 month	<b>12,759</b>	88,926
More than 1 month but less than 3 months	<b>7,261</b>	2,116
More than 3 months but less than 6 months	–	10
	<b><u>20,020</u></b>	<b><u>91,052</u></b>

### 13. BANK LOANS

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Bank loans		
- Secured	<b>4,523,782</b>	4,837,268
- Unsecured	<b>10,000</b>	69,669
	<b><u>4,533,782</u></b>	<b><u>4,906,937</u></b>

The bank loans were repayable as follows:

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
On demand or within 1 year and included in current liabilities	<b>674,924</b>	4,906,937
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	<b>994,676</b>	–
After 2 years but within 5 years	<b>2,713,718</b>	–
After 5 years	<b>150,464</b>	–
	<b><u>3,858,858</u></b>	<u>–</u>
	<b><u>4,533,782</u></b>	<b><u>4,906,937</u></b>

The bank loans were secured by the following assets:

	<b>30 September 2022 (Unaudited) \$'000</b>	31 March 2022 (Audited) \$'000
Investment properties	<b>4,502,700</b>	4,453,700
Property, plant and equipment	<b>776,783</b>	785,356
Financial assets at fair value through other comprehensive income	<b>9,330</b>	11,022
Inventories of properties	<b>725,506</b>	266,224
Pledged deposits	<b>91,519</b>	536,756
Other assets	<b>34,440</b>	46,329
	<b><u>6,140,278</u></b>	<b><u>6,099,387</u></b>

### 14. CONTINGENT LIABILITIES

At 30 September 2022 and 31 March 2022, the Group did not have any material contingent liabilities.

## **INTERIM DIVIDEND**

The Board declares to pay an interim dividend of 6.0 cents per share to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on 2 December 2022. The interim dividend will be paid to Shareholders on 15 December 2022.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 30 November 2022 to 2 December 2022, both days inclusive, during which period no share transfer will be registered. In order to qualify for entitlement to the interim 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 29 November 2022.

## **MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW**

### **Construction**

The Group’s construction business consists of provision of building services as a main contractor in property development projects, as well as existing building alterations, renovation and fitting-out works services for prominent local developers, public institutions and the Group’s companies. As at 30 September 2022, the Group possessed contracts (inclusive of external customers and the Group’s companies) with an aggregate value of approximately \$2.71 billion.

Construction revenue derived from external customers for the six months ended 30 September 2022 (“**FH 2022/23**”) amounted to \$29.7 million, representing a decrease of 90.2% compared to that of the six months ended 30 September 2021 (“**FH 2021/22**”). The significant drop was primarily due to substantial decrease in revenue recognised from the completed construction project at Kai Tak during FH 2022/23.

### **Data Centre Premises Leasing**

The Group currently owns two data centres, namely iTech Tower 1 and iTech Tower 2. Revenue from its leasing business maintained a healthy growth, and recorded an increase of 23.9% year-on-year to \$113.9 million. This was mainly driven by the increasing utilisation of data centre spaces by existing and new customers.

The two greenfield sites at No.3 On Kui Street and No.8 On Chuen Street in Fanling, the New Territories will be developed into two new high-tier data centres for leasing purposes with an estimated gross floor area of approximately 185,000 square feet in aggregate. The application for change of land use change of both sites by way of land exchange are in progress and the land premium assessment is expected to be finalised around the end of 2022.

Foundation work at No.3 On Kui Street is now completed and the project is scheduled for completion in mid-2025; whereas demolition work of the existing structure at No.8 On Chuen Street is targeted to commence at the beginning of 2023, and the development is scheduled to be completed in mid-2026.

## **Property Development – Hong Kong**

### ***The Grand Marine***

This residential development is located at No. 18 Sai Shan Road, Tsing Yi, the New Territories. It offers 776 units with a saleable area of approximately 345,000 square feet. Pre-sales commenced since November 2019 and were well received by the market with over 92% of the units being pre-sold. The certificate of compliance for The Grand Marine was obtained in March 2022. Handover of the pre-sold units to buyers subsequently commenced in April 2022, with revenue of \$4.77 billion recognised during FH 2022/23.

### ***Pau Chung Street project (“The Grands”)***

This development, located at No. 41, 43 and 45 Pau Chung Street in To Kwa Wan, Kowloon in close proximity to MTR To Kwa Wan station, is now named “The Grands”. The site is being developed into a 25-storey residential tower with 76 units and clubhouse facilities over two levels of shops covering a total gross floor area of approximately 31,000 square feet. The topping-out of the superstructure works had been completed and the interior fitting-out works are currently in progress. Preparation works for the pre-sale are also commenced. The project is scheduled to be completed in the first half of 2023.

### ***Luen Fat Street project***

This site, situated at No.1 Luen Fat Street, Fanling, the New Territories, is planned to develop into a residential-cum-retail complex with a total gross floor area of approximately 36,000 square feet. The land exchange application to convert the use of land is under processing. Foundation works has started, and the development is scheduled to be completed in mid-2025. Upon completion of the redevelopment of the site, the completed properties will be sold to generate revenue for the Group.

### ***Cristallo***

This luxury residential project, at 279 Prince’s Road West, Kowloon, was well received in the market. As of September 2022, 15 units out of the total 18 units had been sold.

## **Property Development – Mainland China**

This site is located at Guangxi-ASEAN Economic and Technological Development Zone, Wuming District, Nanning City, Guangxi Province with a site area of approximately 574,000 square feet. It is planned to be developed into a luxury residential project under the theme of leisure and healthy lifestyle, comprising high-rise apartment units, villas, retail shops and a wellness centre. Target customers will be the elderly and retirees and their families. The estimated gross floor area of the proposed development is approximately 1,100,000 square feet. Site investigation had substantially been completed. Application for building plan approval is under preparation.

## **OUTLOOK**

Looking ahead, Hong Kong’s economic outlook remains challenging. Although the quarantine arrangement and social distancing measures in Hong Kong had gradually been relaxed or lifted with an aim to reviving the local economic activities, the lingering threats of the pandemic, the soar of interest rates, and concerns over the local and worldwide economic prospects will be the prominent challenges to the business of the Group.

Despite the uncertain economic outlook, we remain cautiously optimistic on the short term and confident on the long-term prospects of the local residential property market. During FH 2022/23, the Group had achieved remarkable results with a record-high revenue and net profit, attributable to the completion of

sales of The Grand Marine. Furthermore, the Group's financial position had significantly enhanced. We will keep on sourcing suitable land acquisition opportunities, and deploy conscientiously the financial resources generated from operations and bank facilities available to the Group to replenish our land bank.

The Group also commits to providing comprehensive and reliable services to our data centre customers. Apart from upgrading the existing facilities in iTech Tower 1 and 2, the provisions of our two new data centres in Fanling are designed and will be equipped to accommodate customers with high power requirement.

## **FINANCIAL REVIEW**

In FH 2022/23, the Group's consolidated revenue amounted to \$4,920.1 million (FH 2021/22: \$586.1 million), representing an increase of 7.4 times as compared to FH 2021/22. The consolidated gross profit also increased 19.0 times to \$2,036.7 million (FH 2021/22: \$101.7 million). These are primarily attributable to recognition of revenue and profits from The Grand Marine upon completion of its sales and handover of the residential units to the customers during the period under review.

Operating expenses (inclusive of selling and general and administrative expenses) for the period increased by 507% to \$282.6 million (FH 2021/22: \$46.6 million), largely due to property agency commission and handover expenses incurred in relation to the sales of The Grand Marine.

An unrealised fair value loss on investment properties of \$4.1 million (FH 2021/22: gain of \$40.0 million) was recognised for FH 2022/23.

Finance costs for the period increased by 40.3% to \$49.9 million (FH 2021/22: \$35.6 million), primarily due to increase in interest rate during the period under review.

Net profit for FH 2022/23 grew by 19.4 times to \$1,410.2 million (FH 2021/22: \$69.2 million). Excluding the change in fair value of investment properties, the Group recorded an underlying profit of \$1,414.3 million in FH 2022/23, representing an increase of 47.4 times over FH 2021/22.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group finances its operations and capital expenditure with internally generated cash flows and through bank borrowings. A variety of credit facilities are maintained which had contracted repayment terms ranging from repayable on demand to about 19 years. As at 30 September 2022, the Group had outstanding bank borrowings of approximately \$4,533.8 million (31 March 2022: approximately \$4,906.9 million), all of which were denominated in Hong Kong dollars. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group was approximately 142.7% (31 March 2022: approximately 230.9%). The current ratio (defined as current assets divided by current liabilities) of the Group was 2.48 times (31 March 2022: 0.63 times).

As at 30 September 2022, the Group had cash and bank balances of approximately \$1,063.2 million (31 March 2022: approximately \$696.8 million). The cash and bank balances were denominated in Hong Kong dollars and Renminbi.



## **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 use of interest rate swaps. As at 30 September 2022, the Group had outstanding interest rate swaps with notional amount of approximately \$51.3 million. These swaps have fixed interest rates ranging from 1.3% to 2.7% per annum and will mature in 2025.

## **FOREIGN CURRENCY RISK**

The Directors consider that the Group's foreign currency risk is insignificant as substantially all the Group's transactions are denominated in Hong Kong dollars. The Group currently had not implemented any foreign currency hedging policy. However, the management monitors the Group's foreign exchange exposure closely and may consider adopting foreign currency hedging policy in the future depending on the circumstances and the trend of foreign currency.

## **CHARGE ON ASSETS**

As at 30 September 2022, certain assets of the Group with an aggregate carrying amount of approximately \$6,140.3 million were pledged to secure bank loans of approximately \$4,523.8 million granted to the Group.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 30 September 2022.

## **EVENT AFTER REPORTING PERIOD**

There were no significant events after the reporting period up to the date of this announcement.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

There was no material acquisition or disposal of subsidiaries and associated companies by the Company during FH 2022/23.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had a total of 172 employees as at 30 September 2022. Total remuneration of employees for FH 2022/23 was approximately \$71.3 million. The remuneration policy and packages of the Group's employees are periodically reviewed with reference to the prevailing market conditions. The components of remuneration packages comprise 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 SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2022.

## **CORPORATE GOVERNANCE**

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2022.

## **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 the six months ended 30 September 2022.

## **AUDIT COMMITTEE**

The Company established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules. It 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 Chung Yiu Johnny.

The Audit Committee has reviewed the Group’s unaudited consolidated interim financial statements for FH 2022/23 and discussed with the management of the Company on the accounting principles and policies adopted by the Group with no disagreement by the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement has been published on the websites of the Company ([www.grandming.com.hk](http://www.grandming.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for FH 2022/23 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board  
**Grand Ming Group Holdings Limited**  
**Chan Hung Ming**  
*Chairman and Executive Director*

Hong Kong, 11 November 2022

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

**Executive Directors:** Mr. Chan Hung Ming, Mr. Lau Chi Wah and Mr. Kwan Wing Wo; and

**Independent Non-Executive Directors:** Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny