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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)

PROFIT WARNING AND BUSINESS UPDATE

This announcement is made by Grand Ming Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Profit warning

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2022 (the “**Year**”) and other information currently available to the Board, the Group is expected to record a drop in net profit for the Year by approximately 85% to 95% as compared to that for the year ended 31 March 2021 (the “**Previous Year**”). The Board considers that the drop in net profit is mainly attributable to (i) decrease in revenue and profit recognised from a construction project in Kai Tak, Kowloon, as the said project was at the completion stage during the Year; (ii) lower profit attained from sales of six typical units of Cristallo (a residential project in Prince’s Edward Road East, Kowloon) during the Year, as compared to sales of one duplex and one typical unit together with six car parks in the Previous Year; (iii) loss incurred in certain variation orders of a completed construction project during the Year; and partially offset by (iv) fair value gains arising from revaluation of the Group’s investment properties and investment properties under development at the end of the Year.

The Group is still in the course of compiling its consolidated financial results for the Year. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to its unaudited consolidated management accounts for the Year and the information currently available to the Board. Such information has neither been confirmed nor audited by the Board’s audit committee and the Company’s auditor, and is subject to possible adjustments. The actual financial results of the Group for the Year may differ from the information contained and disclosed in this announcement. Further details of the Group’s financial result and performance for the Year will be disclosed in the annual result announcement of the Company, which is expected to be published in June 2022 in accordance with the Listing Rules.

Business Update

The Board hereby provides the Shareholders and potential investors the following business update of the Group:

The certificate of compliance in respect of The Grand Marine (a residential project in Sai Shan Road, Tsing Yi, New Territories) was obtained on 28 March 2022. Despite the Group had accounted for all the proceeds received from the pre-sales of the property units in this project, such proceeds received are not recognised as revenue of the Group until the underlying properties are legally or physically transferred to the customers according to the relevant accounting standards.

Assignment and handover of the pre-sold properties of The Grand Marine to the customers had commenced in mid-April 2022. Up to the date of this announcement, over 98% of the assignment and/or handover of the pre-sold units had been completed, with corresponding sales revenue of approximately HK\$ 4.73 billion being recognised accordingly. The Board stays optimistic on the business performance of the property development segment and the future development of the Group.

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

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

Hong Kong, 2 June 2022

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