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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)**

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

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

#### HIGHLIGHTS

- Revenue increased by 5.1 times to \$5,004.6 million (2022: \$817.9 million)
- Profit for the year up 71.7 times to \$1,275.5 million (2022: \$17.5 million). Basic earnings per share and diluted earnings per share were 89.85 cents and 89.79 cents (2022: 1.24 cents and 1.24 cents)
- Final dividend of 5.0 cents per share (2022: 4.0 cents per share) is recommended.
- Special dividend of 15.0 cents per share is recommended in celebration of the Group's 10<sup>th</sup> anniversary of listing
- Net assets as at 31 March 2023 amounted to \$2,981.8 million

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 2023 (“**FY 2022/23**”) together with the comparative audited figures for the year ended 31 March 2022 (“**FY 2021/22**”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

		2023	2022
	<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Revenue</b>	4	<b>5,004,560</b>	817,867
Direct costs		<u>(3,016,788)</u>	<u>(756,184)</u>
<b>Gross profit</b>		<b>1,987,772</b>	61,683
Other income and gains, net	4(c)	<b>6,303</b>	21,047
Selling expenses		<b>(275,663)</b>	(45,745)
General and administrative expenses		<b>(60,268)</b>	(44,120)
Changes in fair value of investment properties	9(a)	<u><b>(23,872)</b></u>	<u>92,714</u>
<b>Profit from operations</b>		<b>1,634,272</b>	85,579
Finance costs	5(a)	<u><b>(105,092)</b></u>	<u>(58,846)</u>
<b>Profit before taxation</b>	5	<b>1,529,180</b>	26,733
Income tax expenses	6	<u><b>(253,720)</b></u>	<u>(9,186)</u>
<b>Profit for the year</b>		<u><b>1,275,460</b></u>	<u>17,547</u>
		<i>Cents</i>	<i>Cents</i>
<b>Earnings per share</b>	8(a)		
— Basic		<u><b>89.85</b></u>	<u>1.24</u>
— Diluted		<u><b>89.79</b></u>	<u>1.24</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.

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

*For the year ended 31 March 2023*

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Profit for the year</b>	<u><b>1,275,460</b></u>	<u>17,547</u>
<b>Other comprehensive income for the year</b>		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Financial assets at fair value through other comprehensive income – net movement in fair value reserve	<u>(1,357)</u>	<u>(867)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<b>(13,765)</b>	3,247
Cash flow hedges – net movement in hedging reserve	<u><b>6,692</b></u>	<u>25,556</u>
	<u><b>(7,073)</b></u>	<u>28,803</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>(8,430)</b></u>	<u>27,936</u>
<b>Total comprehensive income for the year</b>	<u><u><b>1,267,030</b></u></u>	<u><u>45,483</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	<b>2023</b> \$'000	2022 \$'000
<b>Non-current assets</b>			
Fixed assets			
- Investment properties	9	4,594,220	4,453,700
- Property, plant and equipment		<u>837,043</u>	<u>817,064</u>
		5,431,263	5,270,764
Deferred tax assets		71,306	44,698
Derivative financial instruments		5,857	—
Intangible assets		500	500
Financial assets at fair value through other comprehensive income		9,665	11,022
Financial assets at fair value through profit or loss		<u>9,591</u>	<u>8,932</u>
		<u>5,528,182</u>	<u>5,335,916</u>
<b>Current assets</b>			
Inventories of properties		1,727,828	4,133,991
Contract assets		46,317	257,844
Trade and other receivables	10	233,051	247,091
Tax recoverable		3,063	2,055
Restricted and pledged deposits		386,367	583,743
Cash and bank balances		<u>225,434</u>	<u>113,090</u>
		<u>2,622,060</u>	<u>5,337,814</u>
<b>Current liabilities</b>			
Trade and other payables	11	197,905	263,660
Contract liabilities		1,005	3,312,486
Bank loans	12	770,948	4,906,937
Derivative financial instruments		—	1,317
Tax payable		<u>265,821</u>	<u>1,943</u>
		<u>1,235,679</u>	<u>8,486,343</u>
<b>Net current assets/(liabilities)</b>		<u>1,386,381</u>	<u>(3,148,529)</u>
<b>Total assets less current liabilities</b>		<u>6,914,563</u>	<u>2,187,387</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**As at 31 March 2023*

		<b>2023</b>	2022
	<i>Notes</i>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>			
Bank loans	12	<b>3,859,106</b>	—
Deferred tax liabilities		<b>73,624</b>	60,999
Derivative financial instruments		—	839
		<u><b>3,932,730</b></u>	<u>61,838</u>
<b>NET ASSETS</b>		<u><b>2,981,833</b></u>	<u>2,125,549</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>14,198</b>	14,196
Reserves		<u><b>2,967,635</b></u>	<u>2,111,353</u>
<b>TOTAL EQUITY</b>		<u><b>2,981,833</b></u>	<u>2,125,549</u>

# 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 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 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 2023 but are extracted from these consolidated financial statements.

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by 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 2022

In the current year, the Group has applied the following new or amendments to HKFRSs issued by the HKICPA which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on or after 1 April 2022:

Amendments to HKFRS 3	Reference to the 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 HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018-2020 Cycle

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period.

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

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

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have significant impact on the Group's result of operations and financial positions.

### 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 commercial shops
- 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**

For the year ended 31 March 2023

	Construction \$'000	Property leasing \$'000	Property development \$'000	Inter-segment elimination \$'000	Total \$'000
Revenue from external customers	(88,954)	243,072	4,850,442	-	5,004,560
Inter-segment revenue	239,305	30,729	-	(270,034)	-
Segment revenue	<u>150,351</u>	<u>273,801</u>	<u>4,850,442</u>	<u>(270,034)</u>	<u>5,004,560</u>
Segment results	<u>(162,389)</u>	<u>144,808</u>	<u>1,742,001</u>	<u>(28,620)</u>	<u>1,695,800</u>
Unallocated other income and gain, net					(4,049)
Unallocated expenses					(34,090)
Changes in fair value of financial assets at fair value through profit or loss					483
Changes in fair value of investment properties					(23,872)
Finance costs					<u>(105,092)</u>
Profit before taxation					<u><u>1,529,180</u></u>

For the year ended 31 March 2022

	Construction \$'000	Property leasing \$'000	Property development \$'000	Inter-segment elimination \$'000	Total \$'000
Revenue from external customers	395,521	200,687	221,659	-	817,867
Inter-segment revenue	265,225	32,037	-	(297,262)	-
Segment revenue	<u>660,746</u>	<u>232,724</u>	<u>221,659</u>	<u>(297,262)</u>	<u>817,867</u>
Segment results	<u>37,844</u>	<u>122,125</u>	<u>(39,565)</u>	<u>(109,520)</u>	<u>10,884</u>
Unallocated other income and gain, net					5,813
Unallocated expenses					(24,250)
Changes in fair value of financial assets at fair value through profit or loss					418
Changes in fair value of investment properties					92,714
Finance costs					<u>(58,846)</u>
Profit before taxation					<u><u>26,733</u></u>

**(b) Other segment information**

	Construction		Property leasing		Property development		Unallocated		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Additions to non-current segment assets	<u>175</u>	<u>478</u>	<u>164,392</u>	<u>274,877</u>	<u>-</u>	<u>436</u>	<u>60,888</u>	<u>2,275</u>	<u>225,455</u>	<u>278,066</u>



### (c) Geographic information

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

### (d) Information about major customers

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

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Customer A <sup>1</sup>	<u>N/A</u>	<u>380,740</u>

<sup>1</sup> The revenue was derived from building construction.

### (e) Timing of revenue recognition

	Construction		Property leasing		Property development		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At a point in time	–	–	–	–	4,850,442	221,659	4,850,442	221,659
Transferred over time	(88,954)	395,521	38,500	28,118	–	–	(50,454)	423,639
Revenue from other sources	–	–	204,572	172,569	–	–	204,572	172,569
	<u>(88,954)</u>	<u>395,521</u>	<u>243,072</u>	<u>200,687</u>	<u>4,850,442</u>	<u>221,659</u>	<u>5,004,560</u>	<u>817,867</u>

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

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

### (a) Disaggregation of revenue

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Revenue from contract with customers within the scope of HKFRS 15</b>		
Sales of properties	4,850,442	221,659
Revenue from building construction ( <i>Note</i> )	(88,954)	395,521
Rental related income	38,500	28,118
<b>Revenue from other sources</b>		
Rental income	<u>204,572</u>	<u>172,569</u>
	<u><b>5,004,560</b></u>	<u><b>817,867</b></u>

#### *Note:*

For the year ended 31 March 2023, revenue from building construction included a reversal of revenue of \$165,471,000 due to cumulative catch-up adjustments arising from the change in estimates in contract assets during the year. This related to a construction project which the Group was engaged as the main contractor in 2019. During the contract period, the Group was instructed by the customer to carry out certain variation orders and those variation orders were performed by the Group accordingly. Construction works were completed and the process of negotiation of final accounts of the project were carried out during the year. The customer did not agree the transaction price of certain variation orders with the Group. The aforesaid event rendered a change in estimate of the transaction price and consequently a reduction of an amount of approximately \$165,471,000 was included in the Group's

revenue for the year ended 31 March 2023 in accordance to the Group's accounting policy.

**(b) Unsatisfied performance obligations**

As at 31 March 2023, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately \$139.8 million (2022: \$5,356.3 million). This amount represents revenue expected to recognise in the future from construction contracts and sales and purchase agreements from sales of properties entered into with customers. The Group will recognise the expected revenue in the future when or as the work is completed, or control over the ownership of the property has been passed to customer. These are expected to occur over the next 12 months.

**(c) Other income and gains, net**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Bank interest income	<b>12,576</b>	3,646
Dividend income from unlisted fund investments	<b>722</b>	778
Net foreign exchange (loss)/gain	<b>(18,106)</b>	1,265
Forfeited deposits	<b>2,801</b>	4,216
Changes in fair value of financial assets at fair value through profit or loss	<b>483</b>	418
Government subsidy ( <i>note</i> )	<b>3,743</b>	—
Loss on written-off of property, plant and equipment	<b>(445)</b>	—
Others	<b>4,529</b>	10,724
	<b><u>6,303</u></b>	<u>21,047</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 did not have any unfulfilled obligations relating to this program.

## 5. PROFIT BEFORE TAXATION

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

	2023 \$'000	2022 \$'000
<b>(a) Finance costs</b>		
Interest on bank loans and other borrowing costs	182,700	128,971
Less: Amounts included in construction contracts in progress	—	(8,335)
Amounts capitalised	<u>(77,608)</u>	<u>(61,790)</u>
	<u>105,092</u>	<u>58,846</u>
<b>(b) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	139,700	141,414
Staff equity-settled share-based payment expenses	14,050	—
Contributions to defined contribution retirement plans	<u>2,834</u>	<u>3,000</u>
	156,584	144,414
Less: Amounts included in construction contracts in progress	—	(38,637)
Amounts capitalised	<u>(76,561)</u>	<u>(73,775)</u>
	<u>80,023</u>	<u>32,002</u>
<b>(c) Other items</b>		
Cost of inventories recognised as expenses	2,827,198	199,484
Direct operating expenses arising from investment properties that generated income	98,389	87,607
Impairment loss on trade receivables	318	216
Write-down of inventories of properties	52,358	7,984
Depreciation	40,343	28,385
Short term leases expenses	—	988
Auditors' remuneration		
- audit services	1,384	1,341
- other services	156	148
	<u>2,827,198</u>	<u>199,484</u>

## 6. INCOME TAX EXPENSES

	2023 \$'000	2022 \$'000
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the year	268,321	13,220
Under/(over)-provision in respect of prior years	<u>703</u>	<u>(1,148)</u>
	269,024	12,072
<b>Deferred tax</b>		
Credited to profit or loss for the year	<u>(15,304)</u>	<u>(2,886)</u>
	<u>253,720</u>	<u>9,186</u>

Hong Kong Profits Tax is calculated at the rate 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first \$2,000,000 of qualified group entity's assessable profit is calculated at 8.25% (2022: 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% (2022: 25%). The Group had not generated any taxable profits in the PRC during the year (2022: Nil).

## 7. DIVIDENDS

### (a) Dividends attributable to the year:

	2023 \$'000	2022 \$'000
Special interim dividend declared and paid of 20.0 cents (2022: 20.0 cents) per share	283,908	283,908
Interim dividend declared and paid of 6.0 cents (2022: 4.0 cents) per share	85,173	56,782
Final dividend proposed after the end of the reporting period of 5.0 cents (2022: 4.0 cents) per share	71,006	56,782
Special dividend proposed after the end of the reporting period of 15.0 cents (2022: Nil) per share	<u>213,018</u>	—
	<u><b>653,105</b></u>	<u>397,472</u>

The final dividend and special dividend proposed after the end of the reporting period have 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 year:

	2023 \$'000	2022 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year of 4.0 cents (2022: 4.0 cents) per share	<u>56,782</u>	<u>56,782</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 \$1,275,460,000 (2022: \$17,547,000) and the weighted average number of 1,419,599,000 shares (2022: 1,419,542,000 shares) in issue during the year.

For the year ended 31 March 2023, the calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company for the year is based on the following data:

	2023 \$'000	2022 \$'000
<b>Earnings:</b>		
Profit for the year attributable to equity shareholders of the Company	<u>1,275,460</u>	<u>17,547</u>
	2023 '000	2022 '000
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	1,419,599	1,419,542
Effect of dilutive potential ordinary shares on share options	<u>944</u>	—
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u><b>1,420,543</b></u>	<u>1,419,542</u>

The diluted earnings per share for the year ended 31 March 2023 is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprised on share options.

The diluted earnings per share for the year ended 31 March 2022 was the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence.

**(b) Underlying earnings/(loss) per share**

For the purpose of assessing the underlying performance of the Group, basic and diluted underlying earnings/(loss) per share are also presented based on the underlying profit attributable to equity shareholders of the Company of \$1,299,332,000 (2022: loss attributable to equity shareholders of the Company of \$75,167,000), which excludes the effects of changes in fair value of investment properties. A reconciliation of the underlying profit/(loss) is as follows:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Profit for the year	<b>1,275,460</b>	17,547
Changes in fair value of investment properties	<b>23,872</b>	(92,714)
Underlying profit/(loss) for the year	<b>1,299,332</b>	(75,167)
	<i>Cents</i>	<i>Cents</i>
Underlying earnings/(loss) per share		
– Basic	<b>91.53</b>	(5.30)
– Diluted	<b>91.47</b>	(5.30)

**9. INVESTMENT PROPERTIES**

- (a) The Group's investment properties and investment properties under development were revalued as at 31 March 2023 by Colliers International (Hong Kong) Limited, an independent firm of qualified professional valuer on a market value basis. The fair value of the investment properties are determined using income capitalisation method or market comparison approach. The fair value of the investment properties under development are determined using residual method.

As a result, a net fair value loss of \$23,872,000 (2022: net fair value gain of \$92,714,000) on the investment properties and investment properties under development has been recognised in the consolidated statement of profit or loss for the year.

- (b) The Group's investment properties and investment properties under development were pledged against bank loans, details of which are set out in note 12.

**10. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Trade receivables	<b>36,597</b>	39,597
Less: Loss allowance	<b>(786)</b>	(468)
	<b>35,811</b>	39,129
Deposits, prepayments and other receivables	<b>197,240</b>	88,774
Contract costs	—	119,188
	<b>233,051</b>	247,091

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

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Less than 1 month	<b>22,167</b>	31,082
More than 1 month but less than 3 months	<b>12,848</b>	7,287
More than 3 months but less than 6 months	<b>67</b>	—
More than 6 months	<b>729</b>	760
	<b><u>35,811</u></b>	<u>39,129</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

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Trade payables	<b>47,377</b>	91,052
Other payables and accrued charges	<b>55,439</b>	34,003
Rental and other deposits	<b>4,650</b>	5,971
Rent receipts in advance	<b>9,268</b>	7,504
Retention payables	<b>81,171</b>	125,130
	<b><u>197,905</u></b>	<u>263,660</u>

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

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Less than 1 month	<b>29,486</b>	88,926
More than 1 month but less than 3 months	<b>17,753</b>	2,116
More than 3 months but less than 6 months	<b>138</b>	10
	<b><u>47,377</u></b>	<u>91,052</u>

## 12. BANK LOANS

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Bank loans		
- Secured	<b>4,571,450</b>	4,837,268
- Unsecured	<b>58,604</b>	69,669
	<b><u>4,630,054</u></b>	<u>4,906,937</u>

The bank loans are repayable as follows:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Within 1 year or on demand and included in current liabilities	<b>770,948</b>	4,906,937
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	<b>858,835</b>	–
After 2 years but within 5 years	<b>2,673,541</b>	–
After 5 years	<b>326,730</b>	–
	<b>3,859,106</b>	–
	<b>4,630,054</b>	4,906,937

The bank loans are secured by the following assets:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Investment properties	<b>4,594,220</b>	4,453,700
Property, plant and equipment	<b>768,210</b>	785,356
Financial assets at fair value through other comprehensive income	<b>9,665</b>	11,022
Inventories of properties	<b>1,727,828</b>	266,224
Pledged deposits	<b>371,043</b>	536,756
Other assets	<b>35,971</b>	46,329
	<b>7,506,937</b>	6,099,387

### 13. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 March 2023 and 2022 not provided for in the Group's consolidated financial statements were as follows:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Commitments for:		
Development of investment properties	<b>2,046,067</b>	59,308

### 14. CONTINGENT LIABILITIES

At 31 March 2023 and 2022, the Company did not have any material contingent liabilities.

## **DIVIDENDS**

The Board recommends payment of a final dividend of 5.0 cents per share for the FY 2022/23. To celebrate the Group's 10th anniversary of listing on the Stock Exchange and express our gratitude to the shareholders of the Company (the "**Shareholders**") for their continued support, the Board also recommends a special dividend of 15.0 cents per share. Together with the interim dividend of 6.0 cents per share and special interim dividend of 20.0 cents per share already paid, the total dividends for the FY 2022/23 will amount to 46.0 cents per share.

The proposed final dividend and special dividend will be subject to the approval of Shareholders at the forthcoming annual general meeting proposed to be held on 4 August 2023. If approved, the final dividend and special dividend will be paid on or around 18 September 2023 to Shareholders whose names appear on the register of members of the Company on 15 August 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 1 August 2023 to 4 August 2023, both days inclusive, during which period no share transfer will be effected. In order to be eligible to attend and vote 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, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 31 July 2023.

For the purpose of determining the entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed from 14 August 2023 to 15 August 2023, both days inclusive, during which period no share transfer will be effected. In order to qualify for entitlement to the proposed final dividend and special 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, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 11 August 2023.



## **BUSINESS REVIEW**

### **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 sold as of 31 March 2023. Handover of the pre-sold units to buyers commenced in April 2022 following the issuance of the certificate of compliance in March 2022. Sales revenue of \$4.85 billion was recognised in FY 2022/23.

#### ***The Grands***

This project is located at No. 41, 43 and 45 Pau Chung Street in To Kwa Wan, Kowloon in close proximity to MTR To Kwa Wan station with a gross floor area of approximately 31,000 square feet. It is being developed into a 22-storey residential-cum-commercial tower with 76 residential units and a resident clubhouse over two levels of shops. Interior fitting-out works of the residential units are substantially completed. Preparation works for the pre-sale of the project are also commenced.

#### ***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-commercial complex with a total gross floor area of approximately 36,000 square feet. In December 2022, the Group had agreed the provisional basic terms of the proposed in-situ land exchange with the Hong Kong Government and is now pending an indication from the Government regarding the land premium. Meanwhile foundation works is underway and the development is scheduled to be completed in mid-2025.

#### ***North Point project***

In February 2023, the Group acquired two properties at No.66 Fort Street and No.57 Kin Wah Street, North Point, which cover a site area of approximately 3,240 square feet with a developable gross floor area of approximately 30,000 square feet. Currently, No.57 Kin Wah Street is a vacant land, while No.66 Fort Street has a 5-storey building, which is scheduled to be demolished in the third quarter of 2023. The site is planned to be redeveloped into a residential-cum-commercial project.

#### ***Cristallo***

This luxury residential project, at No. 279 Prince's Road West, Kowloon, was well received in the market. As at 31 March 2023, 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. The Group is in the process of obtaining all necessary document approvals from the relevant government authorities and plans to start construction works later this year.

## **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 favourable growth, and recorded an increase of 20.5% year-on-year to \$235.0 million. This was mainly driven by increasing utilisation of data centre spaces by the existing and new customers and increasing rental-related income due to uprise of electricity tariff.

The 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 a gross floor area of approximately 186,000 square feet in aggregate. The land exchange for the land at No.3 On Kui Street had been completed with the land premium involved being fully settled. Superstructure works are now underway and the development is scheduled for completion in mid-2025. For the land at No.8 On Chuen Street, the land exchange application was finalised and the procedure for the land exchange is now in progress. Demolition of the existing structure in the site is completed. Development works are expected to commence in the third quarter of 2023 and is scheduled to be completed in mid-2026.

## **Construction**

The Group's construction business consists of the provision of building services as a main contractor in property development projects, as well as the provision of existing building alterations, renovation and fitting-out works services for prominent local developers, public institutions and the Group's companies. As at 31 March 2023, the Group possessed contracts (inclusive of external customers and the Group's companies) with an aggregate value of approximately \$2.72 billion.

Construction revenue derived from external customers for the FY 2022/23 recorded a negative \$89.0 million, primarily due to a reversal of revenue of \$165.5 million arising from a change of estimate in the transaction price, which concerned certain variation orders of a construction project undertaken by the Group, in the process of negotiating of its final account during the year. For further details, please refer to note 4 to the financial statements in this announcement.

## **OUTLOOK**

2023 remains a challenging year for businesses. Despite all the pandemic measures were removed and the border between Hong Kong and the Mainland China was reopened in the first quarter of 2023, the local economy is still in a slow recovering situation. In addition, the hike in interest rate continue to cloud the housing market outlook. We remain cautious on the outlook for 2023.

Against this backdrop, we manage to achieve remarkable results in FY 2022/23 with a record-high revenue and net profit, attributed from the completion of sales of The Grand Marine. We will continue the sale of the remaining units of The Grand Marine and Cristallo. Besides, subject to market condition, we expect to launch the pre-sales of The Grands in the second half of 2023.

The development of the two new high-tier data centres in Fanling are progressing on schedule, and are targeted to be delivered in mid-2025 and mid-2026. Demand for new data centres in Hong Kong remains strong and we endeavour to secure customers for these two projects. At the same time, we commit to improving and upgrading the infrastructure of the existing data centres with a view to providing reliable services to our existing customers.

With proven track record and a resilient financial position, we continue to improve performance of the business operations while searching for suitable development projects on a prudent manner so as to

maintain a sustainable development of the Group.

## **FINANCIAL REVIEW**

In FY 2022/23, the Group's consolidated revenue amounted to \$5,004.6 million (FY 2021/22: \$817.9 million), representing an increase of 5.1 times as compared to FY 2021/22. The consolidated gross profit also increased 31.2 times to \$1,987.8 million (FY 2021/22: \$61.7 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 year under review.

Total operating expenses (inclusive of selling and general and administrative expenses) for the year increased by 274% to \$335.9 million (FY 2021/22: \$89.9 million), largely attributed by (i) the property agency commission and handover expenses incurred in relation to the sales of The Grand Marine; and (ii) an increase in staff costs associated with the grant of share options amounting to \$14.0 million (FY 2021/22: Nil).

An unrealised fair value loss on investment properties and investment properties under development of \$23.8 million (FY 2021/22: fair value gain of \$92.7 million) was recognised for FY 2022/23.

Finance costs for the year increased by 78.6% to \$105.1 million (FY 2021/22: \$58.8 million), primarily due to an increase in interest rate during the year under review.

Net profit for FY 2022/23 grew by 71.7 times to \$1,275.5 million (FY 2021/22: \$17.5 million). Excluding the change in fair value of investment properties, the Group recorded an underlying profit of \$1,299.3 million in FY 2022/23, as compared to an underlying loss of \$75.2 million in FY 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 18.5 years. As at 31 March 2023, the Group had outstanding bank borrowings of approximately \$4,630 million (31 March 2022: approximately \$4,907 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 155.3% (31 March 2022: approximately 230.9%). The current ratio (defined as current assets divided by current liabilities) of the Group was 2.12 times (31 March 2022: 0.63 times).

As at 31 March 2023, the Group had cash and bank balances of approximately \$611.8 million (31 March 2022: approximately \$696.8 million). The cash and bank balances were denominated in Hong Kong dollars and Renminbi. Taking into account the cash at banks and the existing credit facilities available, the Directors considered that the Group has sufficient working capital for its present operation and business expansion in the foreseeable future.

## **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 2023, the Group had outstanding interest rate swaps with notional amount of approximately \$1.05 billion. These swaps have fixed interest rates ranging from 1.3% to 3.4% per annum and will mature from March to July 2025.

## **FOREIGN CURRENCY RISK**

The Directors consider that the Group's foreign currency risk is insignificant as substantially all of the Group's transactions are denominated in Hong Kong dollars. The Group has not implemented any foreign currency hedging policy at the moment. However, the management monitor 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 31 March 2023, certain assets of the Group with an aggregate carrying amount of approximately \$7,507 million were pledged to secure bank loans of approximately \$4,571 million granted to the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

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

## **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 2023.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 31 March 2023 and 2022.

## **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 FY 2022/23.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had a total of 159 employees as at 31 March 2023. Total remuneration of employees for FY 2022/23 was approximately \$156.6 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, discretionary bonuses which are determined according to individual performance of employees, as well as share options.

## **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 FY 2022/23.

## **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 Part 2 of Appendix 14 to the Listing Rules throughout FY 2022/23.

## **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 2022/23.

## **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 4 August 2023. 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 (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. Ho Chiu Yin Ivan (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 2022/23.

## **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 FY 2022/23 as set out in this 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 this preliminary announcement.

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

This announcement is published on the website of the Company ([www.grandming.com.hk](http://www.grandming.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report for FY 2022/23 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, 19 June 2023

*As at the date of this announcement, the executive Directors are Mr. Chan Hung Ming, Mr. Lau Chi Wah, Mr. Kwan Wing Wo and Ms. Tsang Ka Man; and independent non-executive Directors are Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Ho Chiu Yin Ivan and Mr. Lee Chung Yiu Johnny.*