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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

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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 2020 (the “**Year**”) and other information currently available to the Company, the Group is expected to record a drop in net profit for the Year by approximately 70% to 80% as compared with that for the year ended 31 March 2019 (the “**Previous Year**”). The Board considers that the drop in net profit is mainly attributable to the following reasons:

- (i) A fair value loss for the Year on the investment properties expected to be recorded as compared to a fair value gain for the Previous Year, and
- (ii) Increase in selling expenses, primarily because advertising and marketing expenses incurred in the sales campaign of the Grand Marine (a residential project under construction located at Sai Shan Road, Tsing Yi) were accounted for in the Group’s consolidated profit and loss account for the Year, whereas the sales proceeds received will be reflected in the Group’s consolidated profit and loss account at the point in time when such project is completed.

Despite the annual results of the Group for the Year is expected to decline when compared to Previous Year, the Board considers that the Group’s overall financial positions are healthy and has sufficient cash resources to meet its present and future cash flow requirement. Furthermore, the loss on fair value adjustment of the investment properties is a non-cash item and will not have a direct impact on the Group’s cash flow.

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. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the Year, which is expected to be published on 5 June 2020.

Shareholders and potential investors are therefore 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, 29 May 2020

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