佳明
GRAND MING

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 2024

HIGHLIGHTS

- Revenue decreased by 89.4% to $532.7 million (2023: $5,004.6 million)
- Profit for the year decreased by 76.6% to $298.5 million (2023: $1,275.5 million). Basic earnings per share was 21.02 cents (2023: 89.85 cents)
- The Board does not recommend payment of a final dividend for the year ended 31 March 2024
- Net assets as at 31 March 2024 amounted to $2,953.0 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 2024 ("**FY 2023/24**") together with the comparative audited figures for the year ended 31 March 2023 ("**FY 2022/23**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 $'000	2023 $'000
Revenue	*4(a)*	**532,691**	5,004,560
Direct costs		**(364,126)**	(3,016,788)
Gross profit		**168,565**	1,987,772
Other income and gain, net	*4(c)*	**6,123**	6,303
Selling expenses		**(50,387)**	(275,663)
General and administrative expenses		**(72,666)**	(60,268)
Changes in fair value of investment properties	*9(a)*	**384,163**	(23,872)
Profit from operations		**435,798**	1,634,272
Finance costs	*5(a)*	**(122,667)**	(105,092)
Profit before taxation	*5*	**313,131**	1,529,180
Income tax expenses	*6*	**(14,681)**	(253,720)
Profit for the year		**298,450**	1,275,460
		Cents	*Cents*
Earnings per share	*8(a)*		
— Basic		**21.02**	89.85
— Diluted		**21.00**	89.79

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024	2023
	$'000	*$'000*
Profit for the year	**298,450**	1,275,460
Other comprehensive income for the year		
Item that will not be reclassified subsequently to profit or loss:		
Financial assets at fair value through other comprehensive income – net movement in fair value reserve	**462**	(1,357)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(6,142)**	(13,765)
Cash flow hedges – net movement in hedging reserve	**5,986**	6,692
	(156)	(7,073)
Other comprehensive income for the year, net of tax	**306**	(8,430)
Total comprehensive income for the year	**298,756**	1,267,030

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 $'000	2023 $'000
Non-current assets			
Fixed assets			
- Investment properties	9	**5,950,000**	4,594,220
- Property, plant and equipment		**816,284**	837,043
		6,766,284	5,431,263
Deferred tax assets		**81,013**	71,306
Intangible assets		**500**	500
Derivative financial instruments		**12,103**	5,857
Financial assets at fair value through other comprehensive income		**10,127**	9,665
Financial assets at fair value through profit or loss		**10,476**	9,591
		6,880,503	5,528,182
Current assets			
Inventories of properties		**1,773,757**	1,727,828
Contract assets		–	46,317
Trade and other receivables	10	**161,196**	233,051
Derivative financial instruments		**923**	–
Current tax assets		**2,445**	3,063
Restricted and pledged deposits		**504,859**	386,367
Cash and bank balances		**62,562**	225,434
		2,505,742	2,622,060
Current liabilities			
Trade and other payables	11	**167,223**	197,905
Contract liabilities		**24,937**	1,005
Bank loans	12	**1,657,064**	770,948
Current tax liabilities		**274,648**	265,821
		2,123,872	1,235,679
Net current assets		**381,870**	1,386,381
Total assets less current liabilities		**7,262,373**	6,914,563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 March 2024

	Notes	2024 $'000	2023 $'000
Non-current liabilities			
Bank loans	12	**4,183,866**	3,859,106
Deferred tax liabilities		**88,701**	73,624
Loan from ultimate holding company	13	**36,800**	–
		4,309,367	3,932,730
NET ASSETS		**2,953,006**	2,981,833
CAPITAL AND RESERVES			
Share capital		**14,202**	14,198
Reserves		**2,938,804**	2,967,635
TOTAL EQUITY		**2,953,006**	2,981,833

NOTES TO THE CONSOLDIATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, BASIS OF PREPARATION AND GOING CONCERN BASIS

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 address of 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, No. 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**") since 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 2024 but are extracted from these consolidated financial statements.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") 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**").

As at 31 March 2024, the Group had bank loans amounting to $1,657,064,000 that are repayable within twelve months after the reporting date whilst the Group only had cash and bank balances amounted to $62,562,000 as of the same date. In preparing these consolidated financial statements using the going concern basis, the Directors considered the future liquidity of the Group based on a cash flow forecast covering 12 months from the end of the reporting period that takes into account of the following:

(i) With the Hong Kong SAR Government abolishing all demand-side management measures for residential properties in February 2024, the Group expected to realise substantial portion of the inventories of properties at margin. Subsequent to the cancellation of the aforesaid measures, the Group had sold a significant portion of those properties and expected that the remaining inventories of properties could be sold within the forecast period at a margin sufficient to cover the carrying amount of those properties;

(ii) As at the date of approval of these consolidated financial statements, the Group has unutilised credit facilities of $618,367,000 available to support on-going development of various property projects and the Directors had reasonable expectation that the credit facilities would be available given the Group has not defaulted any of these credit facilities;

(iii) The Group has obtained a loan of $50,000,000 from the controlling shareholder in April 2024. The controlling shareholder further granted a facility of $700,000,000 in May 2024, of which loans of $298,247,000 were drawn down. Both loans are unsecured, bear interest at a fixed rate of 3% per annum and repayable on the date falling 48 months from the date of loan facility agreement. The controlling shareholder has also confirmed his intention to provide continuing financial support to enable the Group to meet its obligations in full as and when they fall due, in order to maintain the Group as a going concern; and

(iv) As at 31 March 2024, the Group was unable to meet a financial covenant under relevant bank loan agreements with a bank. Total bank loans concerned amounting to $192,914,000 became immediately repayable upon request by that bank due to such non-compliance, of which $130,912,000 originally scheduled for repayable after twelve months are reclassified as current liabilities. Based on the communication with the relevant bank, the Directors considered that it is unlikely for the bank to exercise its discretion to demand immediate repayment and such bank loans will be settled in accordance with scheduled repayment dates.

In the opinion of the Directors, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operation and meet its financial obligations as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the use of the going concern basis depends on successful implementation of the above plans and measure that there are uncertainties inherently associated with their future outcomes, that include (1) sales of the inventories of properties under the expected market sentiment over the forecast period; and (2) obtaining of funding successfully, as and when needed, from the controlling shareholder as mentioned in (iii) above. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

(a) New standards, interpretations and amendments to HKFRSs– effective on 1 April 2023

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA which are effective for the Group's consolidated financial statements for the annual period beginning on or after 1 April 2023:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and* HKFRS Practice Statement 2*, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules (effective immediately upon the issue of the amendments and retrospectively)*

Except as disclosed below, none of these new and amendments to HKFRSs has a material impact on the Group's result and financial position for the current or prior period.

Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies

The HKICPA issued HKFRS Practice Statement 2 "Making Materiality Judgements" in March 2021 to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. In April 2021, the HKICPA issued amendments to HKAS 1 and HKFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose "significant accounting polices" with "material accounting policy information". The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any terms in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

(b) New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("MPF") scheme to offset severance payment ("SP") and long service payments ("LSP") (the "Abolition"). Subsequently, the Government of Hong Kong Special Administrative Region announced that the Abolition will take effect on 1 May 2025 (the "Transition Date").

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

- The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer's mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "Guidance") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)

- Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

Application of the Guidance had no material effect on the consolidated financial statements of the Group.

(c) New standards, interpretations and amendments that have been issued but are not yet effective

The following amendments to HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]

Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[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 2024

2 Effective for annual periods beginning on or after 1 January 2025

3 No mandatory effective date yet determined but available for adoption

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: construction of residential buildings, commercial buildings and data centres

— 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 income 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 2024

	Construction *$'000*	Property leasing *$'000*	Property development *$'000*	Inter-segment elimination *$'000*	Total *$'000*
Revenue from external customers	77,648	276,531	178,512	-	532,691
Inter-segment revenue	426,916	26,242	-	(453,158)	-
Segment revenue	504,564	302,773	178,512	(453,158)	532,691
Segment results	35,557	559,538	(70,144)	(42,433)	482,518
Unallocated other income and gain, net					(2,374)
Unallocated expenses					(45,053)
Changes in fair value of financial assets at fair value through profit or loss					707
Finance costs					(122,667)
Profit before taxation					313,131

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	150,351	273,801	4,850,442	(270,034)	5,004,560
Segment results	(162,389)	120,936	1,742,001	(28,620)	1,671,928
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
Finance costs					(105,092)
Profit before taxation					1,529,180

(b) Other segment information

	Construction		Property leasing		Property development		Unallocated		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Additions to non-current segment assets	**174**	175	**971,880**	164,418	**51**	5,866	**779**	54,996	**972,884**	225,455
Depreciation	**195**	152	**259**	325	**1,179**	489	**20,280**	39,377	**21,913**	40,343

(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 are also located in Hong Kong. Therefore no further analysis of geographical information is presented.

(d) Information about major customers

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

	2024 ***$'000***	2023 *$'000*
Customer A [1]	**90,696**	N/A
Customer B [1]	**75,697**	N/A

[1] The revenue was derived from property leasing segment.

(e) Timing of revenue recognition

	Construction		Property leasing		Property development		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
At a point in time	–	–	–	–	**178,512**	4,850,442	**178,512**	4,850,442
Transferred over time	**77,648**	(88,954)	**59,157**	38,500	–	–	**136,805**	(50,454)
Revenue from other sources	–	–	**217,374**	204,572	–	–	**217,374**	204,572
	77,648	(88,954)	**276,531**	243,072	**178,512**	4,850,442	**532,691**	5,004,560

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

	2024	2023
	$'000	*$'000*
Revenue from contract with customers within the scope of HKFRS 15		
Sales of properties	**178,512**	4,850,442
Revenue from building construction (*note*)	**77,648**	(88,954)
Rental related income	**59,157**	38,500
Revenue from other sources		
Rental income	**217,374**	204,572
	532,691	5,004,560

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 estimated transaction price during that year.

(b) Unsatisfied performance obligations

As at 31 March 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is as follows:

	2024	2023
	$'000	*$'000*
Amounts expected to be recognised as revenue:		
Within one year	**129,611**	139,782
After one year but within two years	**233,966**	–
	363,577	139,782

This amount represents revenue expected to be recognised in the future from sales and purchase agreements for sales of properties entered into with customers. The Group will recognise the expected revenue in the future when or as the control of the property has been passed to customer.

(c) Other income and gain, net

	2024	2023
	$'000	*$'000*
Bank interest income	**9,919**	12,576
Dividend income from unlisted fund investments	**722**	722
Net foreign exchange loss	**(13,053)**	(18,106)
Forfeited deposits	**1,391**	2,801
Changes in fair value of financial assets at fair value through profit or loss	**707**	483
Government subsidy (*note*)	–	3,743
Gain on disposal of property, plant and equipment	**3**	–
Loss on written-off of property, plant and equipment	–	(445)
Others	**6,434**	4,529
	6,123	6,303

Note: For the year ended 31 March 2023, the amount represented the government grants obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Government of Hong Kong Special Administration Region 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 as at 31 March 2023.

5. PROFIT BEFORE TAXATION

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

	2024	2023
	$'000	*$'000*
(a) Finance costs		
Interest on bank loans and other borrowing	**359,999**	182,700
Less: Amounts capitalised	**(237,332)**	(77,608)
	122,667	105,092
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**117,773**	139,700
Share-based payment expenses	**11,631**	14,050
Contributions to defined contribution retirement plans	**2,387**	2,834
	131,791	156,584
Less: Amounts capitalised	**(61,913)**	(76,561)
	69,878	80,023
(c) Other items		
Cost of inventories recognised as expenses	**168,153**	2,827,198
Direct operating expenses arising from investment properties that generated income	**118,111**	98,389
Impairment loss (reversal)/recognised on trade receivables	**(655)**	318
Write-down of inventories of properties	**20,296**	52,358
Depreciation	**21,913**	40,343
Auditors' remuneration		
- audit services	**1,425**	1,384
- other services	**25**	25

6. INCOME TAX EXPENSES

	2024	2023
	$'000	*$'000*
Current tax		
Provision for Hong Kong Profits Tax for the year	**9,383**	268,321
Under-provision in respect of prior years	**1,111**	703
	10,494	269,024
Deferred tax		
Charged/(credited) to profit or loss for the year	**4,187**	(15,304)
	14,681	253,720

Hong Kong Profits Tax is calculated at the rate 16.5% (2023: 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 which is calculated at 8.25% (2023: 8.25%) 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% (2023: 25%). The Group had not generated any taxable profits in the PRC during the year (2023: Nil).

7. DIVIDENDS

(a) Dividends attributable to the year:

	2024	2023
	$'000	*$'000*
Special interim dividend declared and paid of Nil cents (2023: 20.0 cents) per share	–	283,908
Interim dividend declared and paid of 4.0 cents (2023: 6.0 cents) per share	**56,809**	85,173
Final dividend proposed after the end of the reporting period of Nil cents (2023: 5.0 cents) per share	–	71,006
Special dividend proposed after the end of the reporting period of Nil cents (2023: 15.0 cents) per share	–	213,018
	56,809	653,105

The Board does not recommend payment of a final dividend for the year ended 31 March 2024.

For the year ended 31 March 2023, the final and special dividends proposed after the end of reporting period had not been recognised as a liability as at the end of the reporting period.

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

	2024	2023
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the year of 5.0 cents (2023: 4.0 cents) per share	**71,006**	56,782
Special dividend in respect of the previous financial year, approved and paid during the year of 15.0 cents (2023: Nil) per share	**213,018**	–
	284,024	56,782

8. EARNINGS PER SHARE

(a) Reported earnings per share

The calculation of basic and diluted earnings per share attributable to the equity holders of the Company for the year ended 31 March 2024 is based on the following data:

	2024	2023
	$'000	*$'000*
Earnings:		
Profit for the year attributable to equity shareholders of the Company	**298,450**	1,275,460

	2024	2023
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	**1,420,176**	1,419,599
Effect of dilutive potential ordinary shares on share options	**814**	944
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	**1,420,990**	1,420,543

The diluted earnings per share for the years ended 31 March 2024 and 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 of share options.

(b) Underlying (loss)/earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted underlying (loss)/earnings per share are also presented based on the underlying loss attributable to equity shareholders of the Company of $85,713,000 (2023: underlying profit attributable to equity shareholders of the Company of $1,299,332,000), which excludes the effects of changes in fair value of investment properties. A reconciliation of underlying (loss)/profit is as follows:

	2024	2023
	$'000	*$'000*
Profit for the year	**298,450**	1,275,460
Changes in fair value of investment properties	**(384,163)**	23,872
Underlying (loss)/profit for the year	**(85,713)**	1,299,332
	Cents	*Cents*
Underlying (loss)/earnings per share		
– Basic	**(6.04)**	91.53
– Diluted	**(6.04)**	91.47

9. INVESTMENT PROPERTIES

(a) The Group's investment properties and investment properties under development were revalued at the reporting date 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 approach-discounted cash flow 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 gain of $384,163,000 (2023: net fair value loss of $23,872,000) 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

	2024	2023
	$'000	*$'000*
Trade receivables	**36,663**	36,597
Less: Loss allowance	**(131)**	(786)
	36,532	35,811
Deposits, prepayments and other receivables	**124,664**	197,240
	161,196	233,051

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

	2024	2023
	$'000	*$'000*
Less than 1 month	**19,417**	22,167
More than 1 month but less than 3 months	**16,992**	12,848
More than 3 months but less than 6 months	**-**	67
More than 6 months	**123**	729
	36,532	35,811

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

	2024	2023
	$'000	*$'000*
Trade payables	**60,865**	47,377
Other payables and accrued charges	**54,725**	55,439
Rental and other deposits	**4,810**	4,650
Rent receipts in advance	**8,159**	9,268
Retentions payables	**38,664**	81,171
	167,223	197,905

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

	2024	2023
	$'000	*$'000*
Less than 1 month	**27,616**	29,486
More than 1 month but less than 3 months	**27,077**	17,753
More than 3 months but less than 6 months	**6,172**	138
	60,865	47,377

12. BANK LOANS

	2024	2023
	$'000	*$'000*
Bank loans		
- Secured	**5,754,284**	4,571,450
- Unsecured	**86,646**	58,604
	5,840,930	4,630,054

The bank loans are repayable as follows:

	2024	2023
	$'000	*$'000*
Within 1 year or on demand and included in current liabilities	**1,657,064**	770,948
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	**227,046**	858,835
After 2 years but within 5 years	**3,804,179**	2,673,541
After 5 years	**152,641**	326,730
	4,183,866	3,859,106
	5,840,930	4,630,054

The bank loans are secured by the following assets:

	2024	2023
	$'000	*$'000*
Investment properties	**5,950,000**	4,594,220
Property, plant and equipment	**751,512**	768,653
Financial assets at fair value through other comprehensive income	**10,127**	9,665
Inventories of properties	**1,478,601**	1,727,828
Pledged deposits	**478,542**	371,043
Trade receivables	**35,741**	19,755
Sundry deposits	**15,809**	15,773
	8,720,332	7,506,937

13. LOAN FROM ULTIMATE HOLDING COMPANY

The amount is unsecured, bears interest at the rate of HSBC's Hong Kong Dollar Best Lending Rate per annum, and repayable not earlier than twelve months from the reporting date.

14. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 March 2024 and 2023 not provided for in the consolidated financial statements were as follows:

	2024	2023
	$'000	*$'000*
Development of investment properties	**1,086,364**	2,046,067

15. CONTINGENT LIABILITIES

At 31 March 2024 and 2023, the Group did not have any material contingent liabilities.

16. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the Group obtained loans from the controlling shareholder which are unsecured, bear interest at a fixed rate of 3% per annum and not repayable within twelve months from the reporting date. The loans from the controlling shareholder shall initially be recognised at its fair value, being the present value of all future cash flows of the loans discounted at the prevailing market interest rate. The estimated difference between the nominal value and the fair value initially recognised of the loans of approximately $52 million will be recognised as a deemed contribution from the controlling shareholder during the year ending 31 March 2025.

DIVIDENDS

A final dividend for the year ended 31 March 2023 of 5.0 cents per share and a special dividend of 15.0 cents per share were paid to the shareholders of the Company (the "**Shareholders**") on 18 September 2023. An interim dividend for the six months ended 30 September 2023 of 4.0 cents per share was paid to Shareholders on 20 December 2023.

The Board does not recommend payment of a final dividend for the year ended 31 March 2024.

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 19 August 2024 to 22 August 2024, 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 16 August 2024.

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 total gross floor area of approximately 400,000 square feet. This project was well received by the market with over 98% of the units being sold cumulatively as at the date of this announcement.

The Grands

This residential-cum-commercial project is located at No. 45 Pau Chung Street, To Kwa Wan, Kowloon in close proximity to MTR To Kwa Wan station. It provides 76 residential units with commercial shops on the ground and first floor covering a total gross floor area of approximately 31,000 square feet. This project was well received and all residential units were sold as at the date of this announcement. Around 31% of the residential units were handed over to the buyers with related revenue recognised in FY 2023/24.

Luen Fat Street project

This site, situated at No. 1 Luen Fat Street, Fanling, the New Territories, is developing into a 17-storey residential-cum-commercial tower with a total gross floor area of approximately 36,000 square feet. The Group had agreed to the provisional basic terms of the proposed in-situ land exchange and is currently negotiating the land premium with the Hong Kong Government. Meanwhile superstructure works is underway and the development is scheduled to be completed in or around mid-2025.

North Point project

This project comprises two sites located at No. 66 Fort Street and No. 57 Kin Wah Street, North Point, Hong Kong with an aggregate gross floor area of approximately 30,000 square feet. The site at No. 57 Kin Wah Street will be developed into a 27-storey residential tower, whilst the site at No. 66 Fort Street will be developed into a single-storey commercial shop. Foundation works is in progress and the project is expected to be completed in or around the second half of 2027.

Cristallo

This luxury residential project, at No. 279 Prince's Road West, Kowloon, was well received in the market. Cumulatively 15 units out of the total 18 units had been sold. No sales was recorded for this project in FY 2023/24.

Property Development – Mainland China

The Group's development project in the Mainland China is located at Guangxi-ASEAN Economic and Technological Development Zone, Wuming District, Nanning City, Guangxi Province with a gross floor area of approximately 1,435,000 square feet. It will develop into a luxury residential project under the theme of leisure and healthy lifestyle, comprising high-rise apartments and villas complemented by commercial and a wellness centre facility. Target customers will be the elderly and retirees and their families. Superstructure works of the high-rise apartments and basement construction works for the remaining part of the site are now underway. The development is expected to be completed in or around the second half of 2026.

Data Centre Premises Leasing

The Group currently owns two data centres, namely iTech Tower 1 and iTech Tower 2. Revenue from its leasing business recorded an increase of 14.4% year-on-year to $268.8 million. This was mainly driven by ramp up of spaces utilised and increasing power consumption by customers.

The development at No. 3 On Kui Street and No. 8 On Chuen Street in Fanling, the New Territories are now known as "iTech Tower 3.1" and "iTech Tower 3.2" respectively with a gross floor area of approximately 186,000 square feet in aggregate. The change of land use through land exchange for both sites have been completed, with the land premium fully settled.

The infrastructure and power supply of both iTech Tower 3.1 and 3.2 are designed to accommodate cloud computing and AI workloads. Superstructure works of iTech Tower 3.1 have been completed, and installation of the electrical and mechanical equipment and internal fitting out works are now underway. During the year, this data centre has been committed to a single customer under a long-term agreement, and is scheduled for phased delivery starting mid-2025.

For iTech Tower 3.2, foundation works are well underway and the development is scheduled to be completed in or around 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 2024, the Group held contracts (inclusive of external customers and the Group's companies) with an aggregate value of approximately $2.05 billion.

Construction revenue derived from external customers for FY 2023/24 amounted to $77.6 million, whilst a negative revenue of $89.0 million was recorded for FY 2022/23 due to a reversal of revenue of $165.5 million arising from the change in estimated transaction price on certain variation orders of a construction project. Excluding the effect of reversal of revenue, construction revenue for FY 2023/24 increased by

1.5% when compared to that of FY 2022/23.

OUTLOOK

We are still operating in a challenging environment in 2024. The uncertain economic outlook and persistently high interest rate year had dragged on the recovery of the local economy and property market. On 28 February 2024, the Hong Kong Government announced cancellation of all demand-side management measures for residential properties, suspended the mortgage loan stress test and relaxed the mortgage loan ratio. All these measures improved the market sentiment and led to an increase in residential property transaction volume. Seizing this opportunity, we successfully sold all units of The Grands and most of the remaining units of The Grand Marine. The proceeds received from the sales of properties would be applied to replenish the Group's working capital and repay existing bank borrowings. We will continue selling the remaining units of The Grand Marine and Cristallo.

The development of iTech Tower 3.1 and 3.2 is progressing on schedule. We are committed to meeting the stringent requirements of our customer and delivering iTech Tower 3.1 on time. Meanwhile we endeavour to securing customers for iTech Tower 3.2. We continue to improve and upgrade the existing facilities of iTech Tower 1 and 2 with a view to providing reliable services and fulfilling the needs of the customers.

Given the construction labour and material costs remain high, our construction team will focus on undertaking internal construction projects for our data centre leasing and property development segment. Currently, we have four internal projects in progress, which are scheduled for completion between mid-2025 and late 2027.

FINANCIAL REVIEW

In FY 2023/24, the Group's consolidated revenue amounted to $532.7 million (FY 2022/23: $5,004.6 million), representing a decline of 89.4% as compared to FY 2022/23. The consolidated gross profit also decreased 91.5% to $168.6 million (FY 2022/23: $1,987.8 million). These are primarily due to a substantial decrease in the number of properties sold from property development projects during the year under review.

Operating expenses (inclusive of selling and general and administrative expenses) for the year decreased by 63.4% to $123.1 million (FY 2022/23: $335.9 million), largely because of the reduction of agency commission incurred following the reduction in the sales of properties.

An unrealised fair value gain on investment properties and investment properties under development of $384.2 million (FY 2022/23: fair value loss of $23.9 million) was recognised in FY 2023/24, mainly arising from the revaluation of the two data centres under development. Gain on revaluation was recorded during the year under review due to the completion of the change of the land use of the aforesaid two sites with the land premium involved being fully settled and conclusion of agreement with customer for iTech 3.1.

Finance costs for the year increased by 16.7% to $122.7 million (FY 2022/23: $105.1 million), primarily due to the increase in interest rate during the year under review.

Net profit for FY 2023/24 decreased by 76.6% to $298.5 million (FY 2022/23: $1,275.5 million). Excluding the change in fair value of investment properties, the Group recorded an underlying loss of $85.7 million in FY 2023/24, as compared to an underlying profit of $1,299.3 million in FY 2022/23.

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 17.5 years. As at 31 March 2024, the Group had outstanding bank borrowings of approximately $5,841 million (31 March 2023: approximately $4,630 million), all of which were denominated in Hong Kong dollars. Increase in the bank borrowings was primarily attributable to the drawdown of bank loans during the year under review for refinancing a portion of the land acquisition costs and the land premium payment, and funding the construction of iTech 3.1 and 3.2.

Apart from bank borrowings, there was a loan advanced by Chan HM Company Limited (the Company's ultimate holding company) of $36.8 million as at 31 March 2024 at the best lending rate for Hong Kong dollars per annum from time to time as quoted by HSBC which is repayable in December 2026. Such loan transaction was a connected transaction under Chapter 14A of the Listing Rules. However, it is fully exempt from the reporting, announcement, and independent shareholders' approval requirements pursuant to the Listing Rules, because it is conducted on normal commercial terms or better and is not secured by the assets of the Group.

The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group was approximately 199.0% (31 March 2023: approximately 155.3%). The current ratio (defined as current assets divided by current liabilities) of the Group was 1.18 times (31 March 2023: 2.12 times).

As at 31 March 2024, the Group had cash and bank balances of approximately $567.4 million (31 March 2023: approximately $611.8 million). The cash and bank balances were denominated in Hong Kong dollars and Renminbi. Taking into account the cash generated from operating activities and the available credit facilities from banks, the Directors considered that the Group has sufficient working capital for its liquidity requirement.

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 2024, the Group had outstanding interest rate swaps with notional amount of approximately $1,048 million. These swaps have fixed interest rates ranging from 1.3% to 3.4% per annum and will mature between 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 2024, certain assets of the Group with an aggregate carrying amount of approximately $8,720 million were pledged to secure bank loans of approximately $5,754 million granted to the Group.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 16 to the consolidated financial statements, there were no other significant events after the reporting period up to the date of this announcement.

CAPITAL COMMITMENTS

Save as disclosed in note 14 to the consolidated financial statements, the Group had no other capital commitments as at 31 March 2024.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 and 2023.

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 2023/24.

EMPLOYEES AND REMUNERATION POLICIES

The Group had a total of 152 employees as at 31 March 2024. Total remuneration of employees for FY 2023/24 was approximately $131.8 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. The Group also put in place share option scheme and share award plan for the purpose of retaining, motivating and rewarding the 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 FY 2023/24.

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 C1 to the Listing Rules throughout FY 2023/24.

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 C3 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 2023/24.

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 22 August 2024. 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 2023/24.

EXTRACT OF THE AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the FY 2023/24:

" **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 3(b) to the consolidated financial statements, which indicates at the end of the reporting period, the Group had bank loans amounting to HK$1,657,064,000 that are repayable within twelve months after the reporting date whilst the Group only had cash and bank balances amounted to HK$62,562,000 as of the same date. These conditions, along with other matters set forth in note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

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 2023/24 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) and the Stock Exchange (www.hkexnews.hk). The annual report for FY 2023/24 containing all relevant information required by the Listing Rules will be disseminated to Shareholders and made 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, 25 June 2024

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.