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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).)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

HIGHLIGHTS

- Revenue increased by 257% to \$683.7 million (2023: \$191.7 million)
- Profit for the period decreased by 52.7% to \$52.6 million (2023: \$111.1 million). Basic earnings per share was 3.7 cents (2023: 7.8 cents)
- The Board resolved not to declare any interim dividend for FH 2024/25
- Net assets as at 30 September 2024 amounted to \$3,075.8 million

The board (the “**Board**”) of directors (the “**Directors**”) of Grand Ming Group Holdings Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2024 (“**FH 2024/25**”) together with the comparative figures for the six months ended 30 September 2023 (“**FH 2023/24**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 September	
		2024	2023
		(Unaudited)	(Unaudited)
		\$'000	\$'000
	Notes		
Revenue	5(a)	683,747	191,702
Direct costs		<u>(377,839)</u>	<u>(94,333)</u>
Gross profit		305,908	97,369
Other income and gain, net	5(b)	8,060	10,152
Selling expenses		(196,259)	(15,777)
General and administrative expenses		(24,784)	(29,469)
Changes in fair value of investment properties	10(a)	<u>25,560</u>	<u>109,822</u>
Profit from operations		118,485	172,097
Finance costs	6(a)	<u>(50,743)</u>	<u>(60,344)</u>
Profit before taxation	6	67,742	111,753
Income tax expenses	7	<u>(15,142)</u>	<u>(629)</u>
Profit for the period		<u>52,600</u>	<u>111,124</u>
		<i>Cents</i>	<i>Cents</i>
Earnings per share	9(a)		
- Basic		<u>3.7</u>	<u>7.8</u>
- Diluted		<u>3.7</u>	<u>7.8</u>

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Profit for the period	52,600	111,124
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss:</i>		
Financial assets at fair value through other comprehensive income – net movement in fair value reserve	86	(74)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of foreign operations	1,680	(8,411)
Cash flow hedges – net movement in hedging reserve	(1,287)	14,168
	393	5,757
Other comprehensive income for the period, net of tax	479	5,683
Total comprehensive income for the period	53,079	116,807

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2024 (Unaudited) \$'000	As at 31 March 2024 (Audited) \$'000
	<i>Notes</i>		
Non-current assets			
Fixed assets			
- Investment properties	10	6,267,000	5,950,000
- Property, plant and equipment		805,843	816,284
		<u>7,072,843</u>	<u>6,766,284</u>
Deferred tax assets		82,358	81,013
Intangible assets		500	500
Derivative financial instruments		8,321	12,103
Financial assets at fair value through other comprehensive income		10,213	10,127
Financial assets at fair value through profit or loss		7,803	10,476
		<u>7,182,038</u>	<u>6,880,503</u>
Current assets			
Inventories of properties		1,637,019	1,773,757
Trade and other receivables	11	129,593	161,196
Derivative financial instruments		3,165	923
Current tax assets		58	2,445
Restricted and pledged deposits		528,582	504,859
Cash and bank balances		47,049	62,562
		<u>2,345,466</u>	<u>2,505,742</u>
Current liabilities			
Trade and other payables	12	284,450	167,223
Contract liabilities		41,306	24,937
Bank loans	13	1,283,666	1,657,064
Current tax liabilities		16,602	274,648
		<u>1,626,024</u>	<u>2,123,872</u>
Net current assets		<u>719,442</u>	<u>381,870</u>
Total assets less current liabilities		<u>7,901,480</u>	<u>7,262,373</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

		As at 30 September 2024 (Unaudited) \$'000	As at 31 March 2024 (Audited) \$'000
	Notes		
Non-current liabilities			
Bank loans	13	4,214,279	4,183,866
Deferred tax liabilities		95,064	88,701
Loan from ultimate holding company	14	36,800	36,800
Loans from controlling shareholder	15	479,544	-
		<u>4,825,687</u>	<u>4,309,367</u>
NET ASSETS		<u>3,075,793</u>	<u>2,953,006</u>
CAPITAL AND RESERVES			
Share capital		14,202	14,202
Reserves		<u>3,061,591</u>	<u>2,938,804</u>
TOTAL EQUITY		<u>3,075,793</u>	<u>2,953,006</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 August 2012 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office and principal place of business are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 22/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong respectively.

The Company is an investment holding company and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 August 2013.

The Group is principally engaged in the business of building construction, property leasing and property development.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 (the “**Interim Financial Statements**”) have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The Interim Financial Statements are unaudited but have been reviewed by the Company’s audit committee.

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2024, except for the adoption of the amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, HKAS and Interpretations issued by the HKICPA, as disclosed in note 3 to the condensed consolidated financial statements.

The Interim Financial Statements do not include all the information and disclosures required for full set of financial statements prepared in accordance with HKFRSs, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

The financial information relating to the financial year ended 31 March 2024 that is included in the Interim Financial Statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The auditor had expressed an unqualified opinion on those financial statements in their report dated 25 June 2024.

3. CHANGES IN ACCOUNTING POLICIES

In the current period, the Group has applied for the first time the following new and amendments to HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Clarification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of these new and amendments to HKFRSs did not have material impact on the Group’s results and financial position for the current and prior periods. The Group has not applied any new standard or interpretation that is not yet effective for current accounting period.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to formulate 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
- Property leasing: leasing of data centres and commercial properties
- Property development: development and sale of properties

Inter-segment transactions are priced with reference to prices charged 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

Six months ended 30 September 2024 (unaudited)

	Construction \$'000	Property leasing \$'000	Property development \$'000	Inter- segment elimination \$'000	Total \$'000
Revenue from external customers	8,643	142,890	532,214	–	683,747
Inter-segment revenue	255,172	6,557	–	(261,729)	–
Total segment revenue	<u>263,815</u>	<u>149,447</u>	<u>532,214</u>	<u>(261,729)</u>	<u>683,747</u>
Segment results	<u>9,116</u>	<u>107,711</u>	<u>37,306</u>	<u>(16,576)</u>	<u>137,557</u>
Unallocated net income					5,194
Unallocated expenses					(24,266)
Finance costs					(50,743)
Profit before taxation					<u>67,742</u>

Six months ended 30 September 2023 (unaudited)

	Construction \$'000	Property leasing \$'000	Property development \$'000	Inter- segment elimination \$'000	Total \$'000
Revenue from external customers	35,687	137,144	18,871	–	191,702
Inter-segment revenue	135,819	14,424	–	(150,243)	–
Total segment revenue	<u>171,506</u>	<u>151,568</u>	<u>18,871</u>	<u>(150,243)</u>	<u>191,702</u>
Segment results	<u>12,196</u>	<u>201,972</u>	<u>(4,978)</u>	<u>(18,207)</u>	<u>190,983</u>
Unallocated net income					3,996
Unallocated expenses					(22,882)
Finance costs					(60,344)
Profit before taxation					<u>111,753</u>

(b) Other segment information

	Six months ended 30 September (Unaudited)									
	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	335	174	291,440	676,377	–	51	–	780	291,775	677,382
Depreciation	103	100	119	140	592	588	9,977	10,113	10,791	10,941

(c) Geographic information

All of the Group's revenue from external customers arises from customers located in Hong Kong. Substantially all the Group's non-current assets are also located in Hong Kong. Therefore, no further analysis of geographical information is presented.

(d) Timing of revenue recognition

	Six months ended 30 September (Unaudited)							
	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	–	–	–	–	532,214	18,871	532,214	18,871
Transferred over time	8,643	35,687	33,731	26,992	–	–	42,374	62,679
Revenue from other sources	–	–	109,159	110,152	–	–	109,159	110,152
	<u>8,643</u>	<u>35,687</u>	<u>142,890</u>	<u>137,144</u>	<u>532,214</u>	<u>18,871</u>	<u>683,747</u>	<u>191,702</u>

5. REVENUE AND OTHER INCOME AND GAIN, NET

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

(a) Disaggregation of revenue

	Six months ended 30 September	
	2024 (Unaudited) \$'000	2023 (Unaudited) \$'000
Revenue from contract with customers within the scope of HKFRS 15		
Revenue from building construction	8,643	35,687
Rental related income	33,731	26,992
Sale of properties	532,214	18,871
Revenue from other sources		
Rental income	<u>109,159</u>	<u>110,152</u>
	<u>683,747</u>	<u>191,702</u>

(b) Other income and gain, net

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Bank interest income	4,634	4,979
Dividend income from unlisted fund investments	361	361
Forfeited deposits	–	262
Net foreign exchange gain/(loss)	149	(1,344)
Others	2,916	5,894
	<u>8,060</u>	<u>10,152</u>

6. PROFIT BEFORE TAXATION

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

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
(a) Finance costs		
Interest on bank loans and other borrowings	198,573	111,993
Less: Amounts capitalised	(147,830)	(51,649)
	<u>50,743</u>	<u>60,344</u>
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	59,929	64,697
Share-based payment expenses	-	7,468
Contributions to defined contribution retirement plans	1,283	1,435
	<u>61,212</u>	<u>73,600</u>
Less: Amounts capitalised	(35,229)	(28,423)
	<u>25,983</u>	<u>45,177</u>
(c) Other items		
Cost of inventories recognised as expenses	308,698	9,279
Direct operating expenses arising from investment properties that generated income	60,912	57,874
Depreciation	10,791	10,941

7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Current tax		
Provision for Hong Kong Profits Tax for the period	9,870	4,906
Over-provision in respect of prior years	–	(517)
	<u>9,870</u>	<u>4,389</u>
Deferred tax		
Charged/(credited) to profit or loss for the period	5,272	(3,760)
	<u>15,142</u>	<u>629</u>

Hong Kong Profits Tax is calculated at the rate 16.5% (2023: 16.5%) on the estimated assessable profits for the period arising in Hong Kong, except for the first \$2,000,000 of qualified group entity's assessable profit is calculated at 8.25% (2023: 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% (2023: 25%). The Group had not generated any taxable profits in the PRC during the period (2023: Nil).

8. DIVIDENDS

(a) Dividends attributable to the interim period:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Interim dividend declared after the interim period of Nil (2023: 4.0 cents per share)	–	56,809

The Board resolved not to declare any interim dividend for the six months ended 30 September 2024.

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

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of Nil (2023: 5.0 cents per share)	–	71,006
Special dividend in respect of the previous financial year, approved and paid during the interim period of Nil (2023: 15.0 cents per share)	–	213,018
	–	284,024

9. 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 six months ended 30 September 2024 is based on the following data:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Earnings:		
Profit for the period attributable to equity shareholders of the Company	52,600	111,124

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	'000	'000
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	1,420,222	1,420,130
Effect of dilutive potential ordinary shares on share options	<u>–</u>	<u>1,449</u>
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	<u>1,420,222</u>	<u>1,421,579</u>

The diluted earnings per share for the six months ended 30 September 2024 was the same as the basic earnings per share as the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price of the Company's shares.

The diluted earnings per share for the six months ended 30 September 2023 was 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 earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted underlying earnings per share are also presented based on the underlying profit attributable to equity shareholders of the Company of \$27,040,000 (2023: \$1,302,000), which excludes the effects of changes in fair value of investment properties. A reconciliation of the underlying profit is as follows:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Profit for the period	52,600	111,124
Changes in fair value of investment properties	<u>(25,560)</u>	<u>(109,822)</u>
Underlying profit for the period	<u>27,040</u>	<u>1,302</u>
	Cents	Cents
Underlying earnings per share		
- Basic	<u>1.9</u>	<u>0.09</u>
- Diluted	<u>1.9</u>	<u>0.09</u>

10. INVESTMENT PROPERTIES

(a) Revaluation of investment properties

The Group's investment properties and investment properties under development were revalued as at 30 September 2024 by Knight Frank Petty Limited, an independent firm of surveyors on a market value basis. The fair values of investment properties are determined using income approach-discounted cash flow method or market comparison approach. The fair values of investment properties under development are determined using residual method.

As a result, a net fair value gain of \$25,560,000 (2023: \$109,822,000) on the investment properties and investment properties under development has been recognised in the condensed consolidated statement of profit or loss for the period.

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

11. TRADE AND OTHER RECEIVABLES

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Trade receivables	41,630	36,663
Less: Loss allowance	(81)	(131)
	41,549	36,532
Deposits, prepayments and other receivables	88,044	124,664
	129,593	161,196

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

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Less than 1 month	17,690	19,417
More than 1 month but less than 3 months	23,850	16,992
More than 3 months but less than 6 months	9	–
More than 6 months	–	123
	41,549	36,532

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

12. TRADE AND OTHER PAYABLES

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Trade payables	99,159	60,865
Other payables and accrued charges	121,829	54,725
Rental and other deposits	4,810	4,810
Rent receipts in advance	12,276	8,159
Retention payables	46,376	38,664
	284,450	167,223

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

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Less than 1 month	32,553	27,616
More than 1 month but less than 3 months	57,771	27,077
More than 3 months but less than 6 months	3,387	6,172
More than 6 months	5,448	–
	99,159	60,865

13. BANK LOANS

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Bank loans		
- Secured	5,447,231	5,754,284
- Unsecured	50,714	86,646
	<u>5,497,945</u>	<u>5,840,930</u>

The bank loans were repayable as follows:

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Within 1 year or on demand and included in current liabilities	<u>1,283,666</u>	<u>1,657,064</u>
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	227,509	227,046
After 2 years but within 5 years	3,842,274	3,804,179
After 5 years	144,496	152,641
	<u>4,214,279</u>	<u>4,183,866</u>
	<u>5,497,945</u>	<u>5,840,930</u>

The bank loans were secured by the following assets:

	30 September 2024 (Unaudited) \$'000	31 March 2024 (Audited) \$'000
Investment properties	6,267,000	5,950,000
Property, plant and equipment	742,820	751,512
Financial assets at fair value through other comprehensive income	10,213	10,127
Inventories of properties	1,268,293	1,478,601
Pledged deposits	490,100	478,542
Trade receivables	37,603	35,741
Sundry deposits	15,809	15,809
	<u>8,831,838</u>	<u>8,720,332</u>

14. 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 is not expected to be repaid within one year.

15. LOANS FROM CONTROLLING SHAREHOLDER

The amounts are unsecured, bear interest at the rate of 3% per annum, and are not expected to be repaid within one year.

The loans are initially recognised at fair value, which are calculated using the cash flows discounted at the prevailing market rate, and subsequently stated at amortised cost. The aggregate principal amount of the loans were \$544,998,000. The aggregate fair value of the loans at their respective grant dates were approximately \$475,290,000. The difference of \$69,708,000 between the principal amount and the fair value initially recognised of the loans was accounted for as deemed contribution from controlling shareholder and was included in the equity of the consolidated financial statements.

16. CONTINGENT LIABILITIES

As at 30 September 2024 and 31 March 2024, the Group did not have any material contingent liabilities.

INTERIM DIVIDEND

The Board resolved not to declare payment of any interim dividend for FH 2024/25.

MANAGEMENT DISCUSSION AND ANALYSIS

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. The development of this project was completed in March 2022. Pre-sales commenced in late 2019. Market response was overwhelming with all typical units being sold and only a few special units remain available for sale. During the period under review, around 4% (in terms of units) of the total units were handed over to buyers, with the related revenue recognised in FH 2024/25.

The Grands

This residential-cum-commercial project is located at No. 45 Pau Chung Street in 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. The development of this project was completed in August 2023. Pre-sales commenced in June 2023 and it was well received by the market with all the residential units being sold. During the period under review, around 18% (in terms of units) of the residential units were handed over to buyers, with the related revenue recognised in FH 2024/25.

Fanling project

This site, situated at No. 1 Luen Fat Street, Fanling, the New Territories, is being developed into a 17-storey residential-cum-commercial tower with a two-level underground car park. The gross floor area is approximately 36,000 square feet. Superstructure works have been progressing well and the development is scheduled to be completed in or around mid-2025.

In September 2024, the Group accepted the offer from the Lands Department in respect of the land premium for the proposed in-situ land exchange. A deposit for the land premium was subsequently paid in October 2024.

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 are in progress and the project is expected to be completed in or around the second half of 2027.

Cristallo

This luxury residential project, situated at No. 279 Prince's Road West, Kowloon, was well received in the market with 15 out of the total 18 units sold cumulatively. No unit was sold during the period under review.

In November 2024, one apartment was sold and completion of the sale is scheduled to take place in November 2025.

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 highrise 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 4.3% year-on-year to \$139.0 million, primarily driven by increasing power consumption by customers.

Construction works of the two new data centres in Fanling, the New Territories, namely iTech Tower 3.1 and iTech Tower 3.2, are progressing well. For iTech Tower 3.1, installation of the electrical and mechanical equipment and internal fitting out works are currently underway. This data centre is scheduled for phased delivery starting in mid-2025. For iTech Tower 3.2, foundation works had completed and superstructure works have commenced. This development is scheduled to be completed in around 2026.

Construction

The Group's construction business consists of provision of building services as a main contractor in property development projects, as well as existing building alterations, renovation and fitting-out works services for prominent local developers, public institutions and the Group's companies. As at 30 September 2024, the Group held contracts (inclusive of external customers and the Group's companies) with an aggregate value of approximately \$2.06 billion.

Construction revenue derived from external customers for FH 2024/25 amounted to \$8.6 million, representing a decrease of 75.8% compared to FH 2023/24.

OUTLOOK

The current economic landscape remains challenging and highly volatile. The geopolitical tension, Sino-US relations and interest rates trends continue to pose considerable uncertainties in the economy outlook. Despite of these uncertainties, we remain cautiously optimistic of the medium and long term prospect of the Hong Kong and Mainland property market. The Group will focus on the completion and delivery of the current development projects. Besides, we closely monitor the market changes and continue to market the remaining units of The Grand Marine and Cristallo. We also relentlessly focus on managing the Group's financial resources and position, including cash flow generation from our daily operations and the gearing level. In parallel, we will explore refinancing opportunities that will enhance the Group's financial position to pursue a long-term sustainable growth and development. Meanwhile, we have initiated the preparatory works for the pre-sale of Fanling Luen Fat Street residential project, which is scheduled to launch in the second half of 2025.

The emergence and widespread use of AI had led to an increasing demand for data centre with hyperscale facilities. iTech Tower 3.1 and 3.2 have been designed to cater for AI workloads and cloud computing. We are working closely with our customer to ensure the delivery of the data centre of iTech Tower 3.1

meets their requirements. Besides, discussion with potential customers for leasing iTech Tower 3.2 has commenced. At the same time, we remain committed to delivering reliable services and support to our customers of iTech Tower 1 and 2, maintaining and upgrading the mechanical and electrical provisions in these two data centres so as to keep abreast of technological trends and changes in the industry.

FINANCIAL REVIEW

In FH 2024/25, the Group's consolidated revenue amounted to \$683.7 million (FH 2023/24: \$191.7 million), representing an increase of 257% as compared to FH 2023/24. The consolidated gross profit also increased by 214% to \$305.9 million (FH 2023/24: \$97.4 million). The increase in revenue and gross profit were mainly attributable to the increase in sales of units of The Grand Marine and The Grands which were completed and handed over to buyers during the period under review.

Operating expenses (inclusive of selling and general and administrative expenses) for the period increased by 389% to \$221.0 million (FH 2023/24: \$45.2 million), largely due to property agency commission incurred in relation to the sales of The Grand Marine and The Grands.

An unrealised fair value gain on investment properties and investment properties under development of \$25.6 million (FH 2023/24: \$109.8 million) was recognised in FH 2024/25.

Finance costs for the period decreased by 15.9% to \$50.7 million (FH 2023/24: \$60.3 million), due to the increase in capitalised interest on projects under development.

Net profit for FH 2024/25 decreased by 52.7% to \$52.6 million (FH 2023/24: \$111.1 million). Excluding the change in fair value of investment properties, the Group recorded an underlying profit of \$27.0 million in FH 2024/25 (FH 2023/24: \$1.30 million), representing an increase of 19.8 times compared to FH 2023/24.

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 years. As at 30 September 2024, the Group had outstanding bank borrowings of approximately \$5,498 million (31 March 2024: approximately \$5,841 million), all of which were denominated in Hong Kong dollars. The decrease in the bank borrowings was attributed to repayment of bank loans using the proceeds from sales of the properties during the period under review.

Apart from bank borrowings, there was a loan of \$36.8 million due to Chan HM Company Limited (the Company's ultimate holding company) as at 30 September 2024. This loan is unsecured, bears interest at the best lending rate for Hong Kong dollars per annum from time to time as quoted by HSBC, and due to mature in late December 2026.

During the period under review, the Company further obtained loans from Mr. Chan Hung Ming (the chairman and executive Director, and controlling shareholder of the Company) in an aggregate amount of approximately \$545 million. These loans are unsecured, bears interest at a rate of 3% per annum and due to mature in April to May 2028. Such loan transactions constituted connected transactions under Chapter 14A of the Listing Rules but are fully exempted from the reporting, announcement, and independent shareholders' approval requirements pursuant to the Listing Rules, because they are conducted on normal commercial terms or better and are not secured by the assets of the Group.

The aforesaid loans from the Company's ultimate holding company and controlling shareholder were used for supplementing the Group's working capital and settling expenditure incurred in the ordinary course of business.

As at 30 September 2024, the Group's gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) was approximately 195.5% (31 March 2024: approximately 199.0%). The current ratio (defined as current assets divided by current liabilities) was 1.44 times (31 March 2024: 1.18 times).

The Group had cash and bank balances of approximately \$575.6 million as at 30 September 2024 (31 March 2024: approximately \$567.4 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 and controlling shareholder, 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 use of interest rate swaps. As at 30 September 2024, the Group had outstanding interest rate swaps with a notional amount of approximately \$1,546 million. These swaps have fixed interest rates ranging from 1.30% to 3.67% per annum and will mature between March 2025 to August 2028.

FOREIGN CURRENCY RISK

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

CHARGE ON ASSETS

As at 30 September 2024, certain assets of the Group with an aggregate carrying amount of approximately \$8,832 million were pledged to secure bank loans of approximately \$5,447 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.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and associated companies by the Company during FH 2024/25.

EMPLOYEES AND REMUNERATION POLICIES

The Group had a total of 156 employees as at 30 September 2024. Total remuneration of employees for FH 2024/25 was approximately \$61.2 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, as well as 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 (including the sale of treasury shares (as defined under the Listing Rules)) during FH 2024/25. As at 30 September 2024, the Company did not hold any treasury shares.

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 FH 2024/25.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 FH 2024/25.

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 Chung Yiu Johnny.

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for FH 2024/25, and discussed with the management of the Company on the accounting principles and policies adopted by the Group with no disagreement by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of the Company (www.grandming.com.hk) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for FH 2024/25 containing all the information required by the Listing Rules will be disseminated to Shareholders and made available on the above websites in due course.

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

Hong Kong, 26 November 2024

As at the date of this announcement, the executive Directors are Mr. Chan Hung Ming, Mr. Lau Chi Wah, Mr. Kwan Wing Wo, Ms. Tsang Ka Man and Ms. Chan Pui Yin Apple; 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.