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

2013
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr Chan Hung Ming *(Chairman)*
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

COMPANY SECRETARY

Mr Leung Wai Chuen, *HKICPA, FCCA, ACS, ACIS*

COMMITTEES OF THE BOARD

Audit Committee

Mr Mok Kwai Pui Bill *(Chairman)*
Mr Tsui Ka Wah
Mr Kan Yau Wo
Mr Lee Chung Yiu Johnny

Remuneration Committee

Mr Tsui Ka Wah *(Chairman)*
Mr Kan Yau Wo
Mr Mok Kwai Pui Bill
Mr Lee Chung Yiu Johnny

Nomination Committee

Mr Kan Yau Wo *(Chairman)*
Mr Tsui Ka Wah
Mr Mok Kwai Pui Bill
Mr Lee Chung Yiu Johnny

AUTHORISED REPRESENTATIVES

Mr Chan Hung Ming
Mr Lau Chi Wah

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F., Eastern Commercial Centre
No. 395–399 Hennessy Road, Hong Kong

HONG KONG LEGAL ADVISER

Li & Partners
22/F., World-wide House
19 Des Voeux Road Central, Hong Kong

COMPLIANCE ADVISER

Cinda International Capital Limited
45/F., COSCO Tower
183 Queen's Road Central, Hong Kong

AUDITORS

KPMG
Certified Public Accountants
8/F., Prince's Building
10 Chater Road, Central, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F., Tesbury Centre, 28 Queen's Road East
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

1271

COMPANY WEBSITE

www.grandming.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The board of Directors (the "Board") of Grand Ming Group Holdings Limited (the "Company") is delighted to present the first interim results of the Company and its subsidiaries (collectively the "Group") for the period from 1 April 2013 to 30 September 2013 ("HY 2013") since the listing of the Company's shares ("Shares") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 August 2013 (the "Listing Date"). 100,000,000 Shares had been issued under the public offer and placing of Shares (the "IPO" or "Share Offer"), raising net proceeds of approximately HK$85.6 million with an oversubscription of 176 times for the public offer under the then adverse stock market condition of Hong Kong. Net proceeds are planned to be utilised for the development of a second high-tier data centre building (65%), construction projects (24.5%), sales and marketing (0.5%), and general working capital (10%) as per the prospectus of the Company dated 30 July 2013 (the "Prospectus"). The Group is principally engaged in the construction of residential property development projects for renowned local developers. In order to broaden the Group's income stream from a project-based nature to a more balanced one, we diversified into the data centre premises leasing business which has a relatively higher gross profit margin since 2007. The Group recorded a turnover of approximately HK$224.4 million for HY 2013, representing a decrease of approximately 57.8%, as compared to approximately HK$531.4 million for the six months ended 30 September 2012 ("HY 2012"). The net profit for the period gently increased from approximately HK$53.6 million for HY 2012 to approximately HK$55.2 million for HY 2013. To thank the support and trust of the Company's shareholders (the "Shareholders"), the Board is pleased to declare an interim dividend of HK3.6 cents per share for HY 2013.

BUSINESS REVIEW

Construction Business

The Group has established solid relationships with local prominent developers, providing them with building construction services, alterations, renovation and fitting-out works. As at the date of this report, the Group has construction and fitting-out contracts on hand in progress with total contract value of approximately HK$672.7 million. The Group still emphasises quality work delivered in order to expand our clientele to more renowned developers.

Data Centre Premises Leasing Business

The Group's existing high-tier data centre, namely iTech Tower, in Tsuen Wan, provides approximately 53,200 square feet of raised floor area ("RFA"), and has been fully occupied since 2011. The site for the second high-tier data centre, located in Ta Chuen Ping Street, Kwai Chung, was acquired in November 2012 and underwent foundation work since July 2013. The development work is expected to be completed around the third quarter of 2016 with estimated total development cost, including land cost, at HK$682 million. The second data centre building is expected to provide approximately 45,000 square feet of RFA with initial operation by the end of 2015.

OUTLOOK

The current economic environment in Hong Kong is stable with increases in average salaries, inflation rate and gross domestic product. Although the property market price is under the close scrutiny of the Government of HKSAR (the "Government"), the demand for private residential sector cannot be curbed in the medium to long term. When the global market gradually recovers and the property pricing is stabilised, the demand for private residential housing will gradually soar and our revenue from building construction business will benefit accordingly. On the other hand, there is threat from rising construction costs due to the shortage of construction professionals, skilled labours and the increasing costs of construction materials. In order to ensure reasonable returns to the Shareholders and sustainable growth, we continue to adopt a conservative approach when submitting tenders and taking on new construction projects. We also work closely with our subcontractors and suppliers, develop construction initiatives in technology and design for better operational efficiency, and reduce the demand for manpower to trim the overall cost. Further expanding our quality customer base other than the current few renowned property developers is another strategy to broaden our revenue base. As such, our construction business is still optimistic in the foreseeable future.

According to a discussion paper written by the Commerce and Economic Development Bureau of HKSAR in March 2011, the National Twelfth Five-Year Plan has affirmed the Central People's Government of the PRC's continuous support for Hong Kong to strengthen the development in finance, logistics, information services, and other high-value-added service industries. Data centres play a critical role in buttressing all these industries. In sharpening its competitiveness, Hong Kong must move expeditiously in the race to further the development of high-tier data centres, especially those in support of high-frequency stock trading, e-commerce, and cloud computing services. Data centres constitute an essential part of the infrastructure in a knowledge-based economy, and are fundamental therefore to the growth of the information and communications technology industry. Hong Kong is a prime location for data centres, benefiting from its proximity to the Mainland, business-friendly environment, sound protection of data privacy, reliable power supply, comprehensive telecommunications infrastructure and low risk of natural disasters. The Government fully and continuously supports the development of data centres in Hong Kong as the backbone to our economic growth, and has granted parcels of land in Tseung Kwan O and Taipo Industrial Estates since 2001 for housing high-tier data centres for local and multinational corporations ("MNCs").

The Office of the Government Chief Information Officer has been fostering Hong Kong as a prime location for high-tier data centres in the Asia Pacific region. The Government has embarked on respective supporting policies, including (i) setting aside more land in Tseung Kwan O since 2013, and (ii) establishing two incentive measures, since June 2012, to encourage the conversion of industrial buildings ("IBs") to data centres and the development of high-tier data centres on industrial lots, encompassing firstly the exemption of waiver fee for changing part of eligible IBs into data centre use and, secondly, assessing the premium for lease modification of industrial lots for development of high-tier data centres on the basis of actual development and high-tier data centre use. In addition, through the Data Centre Facilitation Unit and its information portal, an one-stop support service can assist interested corporations to set up data centres in Hong Kong and liaise with various Government departments on technical requirements. InvestHK also assists in providing customised services to interested data centre investors from the Mainland and overseas in addition to meeting local demand.

As such, the Group, as a wholesale co-location provider, continues its core policy to further enlarge the RFA of high-tier data centres in coming years either by constructing a brand new building (the second data centre), or conversion of existing IBs (similar to iTech Tower), actually aligning with the local government policies of supporting high-tier data centres and exploiting such opportunities fully. More importantly, the Group has gained precious experience from iTech Tower to cater for the ultra-stringent requirements requested by MNCs for high-tier data centre. Indeed the Group had received direct enquiries from several MNCs in the financial and telecommunications sectors about the availability of the second high-tier data centre. The Group is well-equipped with the soaring opportunities in high-tier data centre market in Hong Kong.

FINANCIAL REVIEW

Turnover

The Group's total turnover for HY 2013 was approximately HK$224.4 million, representing a decrease of approximately 57.8% or HK$307.0 million from approximately HK$531.4 million for HY 2012. Turnover from the construction business decreased by approximately 66.3% or HK$307.9 million, from approximately HK$464.8 million for HY 2012 to approximately HK$156.9 million for HY 2013. Turnover from the data centre premises leasing business slightly increased by approximately 1.4% or HK$0.9 million, from approximately HK$66.6 million for HY 2012 to approximately HK$67.5 million for HY 2013.

The decrease in turnover was mainly attributable to substantial completion of several sizable construction projects in the second half of previous financial year as compared to much smaller extent of works being certified on these projects during the HY 2013.

Gross Profit

The Group's gross profit increased by approximately 27.5% or HK$19.0 million, from approximately HK$68.9 million for HY 2012 to approximately HK$87.9 million for HY 2013. The significant increase in gross profit was attributable to the increasing gross profit contribution from additional works in several construction projects which were completed during the HY 2013.

Other net income/(loss)

In HY 2013, the Group recorded a net unrealised gain on the interest rate swaps which results in other income of approximately HK$1.9 million. In HY 2012, the other net loss primarily came from the net unrealised loss on the interest rate swaps.

General and administrative expenses

The Group's general and administrative expenses increased by approximately 297% or HK$15.8 million, from approximately HK$5.4 million for HY 2012 to approximately HK$21.2 million for HY 2013. This was mainly attributable to the increase in the listing and listing related expenses, professional fees and staff costs incurred during the HY 2013.

Profit for the period

After taking into account the one-off listing and listing related expenses of approximately HK$11.6 million and excluding the fair value gain on investment properties, the Group recorded an adjusted profit for the period of approximately HK$46.9 million in HY 2013, representing an increase of approximately 7.8% or HK$3.3 million when compared to an adjusted profit for the period of approximately HK$43.6 million in HY 2012.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities, bank borrowings and proceeds received from the IPO.

As at 30 September 2013, the Group's total cash balances were approximately HK$280.9 million (31 March 2013: approximately HK$99.4 million), most of which are held in Hong Kong dollars. The current ratio (defined as current assets divided by current liabilities) of the Group increased from 1.55 times as at 31 March 2013 to 2.26 times as at 30 September 2013. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group declined from approximately 64.2% as at 31 March 2013 to approximately 59.3% as at 30 September 2013. These were mainly attributable to the proceeds received from the IPO.

Interest on bank loans is charged at floating rates. All borrowings are denominated in Hong Kong dollars. The Group had in place treasury policy in which the exposure to floating interest rate risk was mitigated by the use of interest rate swaps. The swaps had fixed swap rates ranging from 0.89% to 1.97% per annum. Details of the treasury policy are set out in the Prospectus.

USE OF NET PROCEEDS FROM THE IPO

The Company raised aggregate net proceeds of approximately HK$85.6 million from the IPO. Up to 30 September 2013, the Group has used up part of the net proceeds in accordance with the proposed usage set out in the Prospectus:

	Net proceeds (HK$million)		
	Available	**Utilised**	**Unutilised**
Development of second data centre	55.6	2.0	53.6
Initial outlay for new construction projects	21.0	–	21.0
Sales and marketing promotion activities	0.4	–	0.4
General working capital	8.6	8.5	0.1
	85.6	10.5	75.1

The unutilised net proceeds are held in reputable banks in Hong Kong as short-term deposits and time deposits.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the period under review, there was no acquisition or disposal of subsidiaries and associated companies by the Company save as disclosed in the Prospectus.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2013, the Group had a total of 137 (30 September 2012: 147) employees. The total remuneration cost incurred by the Group for the HY 2013 was approximately HK$26.0 million (HY 2012: approximately HK$23.6 million).

The remuneration policy and package of the Group's employees are periodically reviewed by making reference to the prevailing market conditions. The components of remuneration package consisted of basic salary, benefit-in-kind, fringe benefits and contributions to mandatory provident funds, as well as discretionary bonuses which are determined according to individual performance.

DEBTS AND CHARGE ON ASSETS

The Group had total bank borrowings of approximately HK$860.0 million as at 30 September 2013 (31 March 2013: approximately HK$828.1 million). These bank borrowings are secured by the Group's assets with an aggregate carrying amount of approximately HK$2,107.3 million and HK$1,920.3 million as at 30 September 2013 and 31 March 2013 respectively.

FOREIGN CURRENCY RISK

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars.

CAPITAL COMMITMENTS

Save as disclosed in note 18 to the interim financial report, the Group had no other capital commitments as at 30 September 2013 and 31 March 2013.

CONTINGENT LIABILITIES

Save as disclosed in note 20 to the interim financial report, the Group had no other contingent liabilities as at 30 September 2013 and 31 March 2013.

EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 September 2013.

INTERIM DIVIDEND

The Board has recommended the payment of an interim dividend of HK3.6 cents (HY 2012: Nil) per share for the six months ended 30 September 2013 to Shareholders whose names appear on the register of member of the Company as at the close of business on 5 December 2013. The interim dividend will be paid to Shareholders on 20 December 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 December 2013 to 5 December 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement of the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 2 December 2013.

Review report to the board of directors of
Grand Ming Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 12 to 37 which comprises the consolidated balance sheet of Grand Ming Group Holdings Limited as of 30 September 2013 and the related consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review report to the board of directors of
Grand Ming Group Holdings Limited *(Continued)*
(Incorporated in the Cayman Islands with limited liability)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2013 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
15 November 2013

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

	Note	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Turnover	*4*	**224,398**	531,365
Direct costs		**(136,533)**	(462,463)
Gross profit		**87,865**	68,902
Other revenue	*5*	**1,315**	1,804
Other net income/(loss)	*6*	**1,868**	(1,445)
General and administrative expenses		**(21,179)**	(5,338)
Changes in fair value of investment properties		**8,235**	10,000
Profit from operations		**78,104**	73,923
Finance costs	*7(a)*	**(11,604)**	(12,376)
Profit before taxation	*7*	**66,500**	61,547
Income tax	*8*	**(11,331)**	(7,995)
Profit for the period		**55,169**	53,552
Earnings per share (Hong Kong cents) — Basic and diluted	*10*	**16.8**	17.9

The notes on pages 18 to 37 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Note	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Profit for the period		**55,169**	53,552
Other comprehensive income for the period	*9*		
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities:			
Net movement in the fair value reserve		**(495)**	392
Cash flow hedges:			
Net movement in the hedging reserve		**6,486**	235
		5,991	627
Total comprehensive income for the period		**61,160**	54,179

The notes on pages 18 to 37 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30 September 2013

	Note	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Non-current assets			
Fixed assets	*11*		
— Investment properties		**1,993,000**	1,974,000
— Other property, plant and equipment		**695**	1,131
		1,993,695	1,975,131
Other financial assets		**15,210**	15,045
		2,008,905	1,990,176
Current assets			
Gross amount due from customers for contract work		**17,540**	16,358
Trade and other receivables	*12*	**137,833**	186,506
Restricted and pledged deposits	*13*	**51,046**	43,920
Cash and cash equivalents		**229,897**	55,467
		436,316	302,251
Current liabilities			
Gross amount due to customers for contract work		**5,084**	33,747
Trade and other payables	*14*	**76,586**	87,582
Bank loans	*15*	**97,872**	67,470
Tax payable		**13,123**	5,996
		192,665	194,795
Net current assets		**243,651**	107,456
Total assets less current liabilities		**2,252,556**	2,097,632

CONSOLIDATED BALANCE SHEET *(Continued)*

At 30 September 2013

	Note	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Non-current liabilities			
Bank loans	*15*	**762,117**	760,671
Deferred tax liabilities		**21,193**	17,833
Derivative financial instruments		**19,748**	28,724
		803,058	807,228
NET ASSETS		**1,449,498**	1,290,404
CAPITAL AND RESERVES	*16*		
Share capital		**4,000**	5,000
Reserves		**1,445,498**	1,285,404
TOTAL EQUITY		**1,449,498**	1,290,404

The note on pages 18 to 37 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Note	Share capital HK$'000 (unaudited)	Share premium HK$'000 (unaudited)	Fair value reserve HK$'000 (unaudited)	Hedging reserve HK$'000 (unaudited)	Retained profits HK$'000 (unaudited)	Total equity HK$'000 (unaudited)
At 1 April 2012		5,000	–	(715)	(17,801)	1,170,908	1,157,392
Changes in equity for the six months ended 30 September 2012:							
Profit for the period		–	–	–	–	53,552	53,552
Other comprehensive income		–	–	392	235	–	627
Total comprehensive income for the period		–	–	392	235	53,552	54,179
At 30 September 2012		5,000	–	(323)	(17,566)	1,224,460	1,211,571
At 1 April 2013		**5,000**	**-**	**45**	**(14,530)**	**1,299,889**	**1,290,404**
Changes in equity for the six months ended 30 September 2013:							
Profit for the period		**-**	**-**	**-**	**-**	**55,169**	**55,169**
Other comprehensive income		**-**	**-**	**(495)**	**6,486**	**-**	**5,991**
Total comprehensive income for the period		**-**	**-**	**(495)**	**6,486**	**55,169**	**61,160**
Arising from reorganisation	*16(a)(i)*	**(5,000)**	**-**	**-**	**-**	**-**	**(5,000)**
Issue of new shares under the initial public offering ("IPO"), net of issuing expenses	*16(a)(iii)*	**1,000**	**101,934**	**-**	**-**	**-**	**102,934**
Capitalisation issue	*16(a)(ii)*	**3,000**	**(3,000)**	**-**	**-**	**-**	**-**
At 30 September 2013		**4,000**	**98,934**	**(450)**	**(8,044)**	**1,355,058**	**1,449,498**

The notes on pages 18 to 37 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2013

	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Cash generated from operations	**75,418**	69,175
Tax paid	**(2,126)**	(220)
Net cash generated from operating activities	**73,292**	68,955
Net cash (used in)/generated from investing activities	**(8,297)**	477
Net cash generated from/(used in) financing activities	**109,435**	(41,316)
Net increase in cash and cash equivalents	**174,430**	28,116
Cash and cash equivalents at 1 April	**55,467**	76,761
Cash and cash equivalents at 30 September	**229,897**	104,877

The notes on pages 18 to 37 form part of this interim financial report.

1 GENERAL INFORMATION AND BASIS OF PREPARATION

(a) General information

Grand Ming Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the business of data centre premises leasing and construction in Hong Kong. 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.

Pursuant to a reorganisation of the Company and its subsidiaries (the "Reorganisation") which was completed on 19 July 2013 to rationalise the group structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 30 July 2013 (the "Prospectus"). The Company's shares were listed on the Stock Exchange on 9 August 2013 (the "Listing Date").

The Group is regarded as a continuing entity resulting from the Reorganisation under common control and the Reorganisation has been accounted for using the principles of merger accounting. The interim financial report of the Group has been prepared as if the current group structure had been in existence throughout both periods presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company of the Group pursuant to the Reorganisation.

(b) Basis of preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 15 November 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the combined financial statements for the year ended 31 March 2013, except for the accounting policy changes that are expected to be reflected in the 2013/14 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1 GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

(b) Basis of preparation *(Continued)*

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the combined financial statements for the year ended 31 March 2013. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on pages 10 and 11.

The financial information relating to the financial year ended 31 March 2013 that is included in the interim financial report as being previously reported information does not constitute the Company's combined financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

— Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

— HKFRS 10, *Consolidated financial statements*

— HKFRS 12, *Disclosure of interests in other entities*

— HKFRS 13, *Fair value measurement*

— *Annual Improvements to HKFRSs 2009–2011 Cycle*

— Amendments to HKFRS 7, *Disclosures — Offsetting financial assets and financial liabilities*

2 CHANGES IN ACCOUNTING POLICIES *(Continued)*

HKFRS 13, *Fair value measurement*

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial report. The Group has provided these disclosures in note 17. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

The other developments have had no material impact on the Group's financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segment.

— Construction contracts: this segment constructs residential buildings, shopping arcades, commercial buildings and data centres for external customers and for group companies.

— Property leasing: this segment leases data centre premises to generate rental income.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

3 SEGMENT REPORTING *(Continued)*

(a) Segment results *(Continued)*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Six months ended 30 September					
	Construction contracts		Property leasing		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue from external customers	**156,855**	464,770	**67,543**	66,595	**224,398**	531,365
Inter-segment revenue	**-**	–	**-**	–	**-**	–
Reportable segment revenue	**156,855**	464,770	**67,543**	66,595	**224,398**	531,365
Reportable segment profit	**35,823**	17,177	**46,942**	47,366	**82,765**	64,543
Interest income	**389**	108	**13**	–	**402**	108
Interest expense	**-**	–	**(11,604)**	(12,376)	**(11,604)**	(12,376)
Dividend income from unlisted securities	**442**	467	**-**	–	**442**	467
Depreciation	**(98)**	(98)	**(517)**	(442)	**(615)**	(540)
Changes in fair value of investment properties	**-**	–	**8,235**	10,000	**8,235**	10,000

3 SEGMENT REPORTING *(Continued)*

(b) Reconciliation of reportable segment revenue and profit or loss

	Six months ended 30 September **2013**	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue		
Reportable segment revenue	**224,398**	531,365
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**224,398**	531,365
Profit		
Reportable segment profit derived from the Group's external customers	**82,765**	64,543
Other revenue and other net income	**1,315**	1,810
Depreciation	**(615)**	(540)
Finance costs	**(11,604)**	(12,376)
Changes in fair value of investment properties	**8,235**	10,000
Net unrealised gain/(loss) on financial derivative instruments	**1,868**	(1,451)
Unallocated head office and corporate expenses	**(15,464)**	(439)
Consolidated profit before taxation	**66,500**	61,547

(c) Geographic information

No geographic information has been presented as all of the Group's operating activities are carried out in Hong Kong.

4 TURNOVER

Turnover represents revenue from construction contracts, rental and rental related income and is analysed as follows:

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue from construction contracts	**156,855**	464,770
Rental income	**56,270**	56,469
Rental related income	**11,273**	10,126
	224,398	531,365

5 OTHER REVENUE

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Bank interest income	**402**	108
Dividend income from unlisted securities	**442**	467
Others	**471**	1,229
	1,315	1,804

6 OTHER NET INCOME/(LOSS)

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net unrealised gain/(loss) on derivative financial instruments	**1,868**	(1,451)
Net realised gain on foreign exchange forward contract	**–**	6
	1,868	(1,445)

7 PROFIT BEFORE TAXATION

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

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
(a) Finance costs		
Interest on bank loans wholly repayable:		
— within five years	**13,883**	11,724
— after five years	**3,216**	3,254
Other borrowing costs	**1,122**	164
	18,221	15,142
Less: Amount included in construction contracts in progress	**(6,617)**	(2,766)
	11,604	12,376
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**25,172**	22,792
Contributions to defined contribution retirement plans	**800**	819
Less: Amount included in construction contracts in progress	**(20,608)**	(20,330)
	5,364	3,281
(c) Other items		
Rental income from investment properties	**(56,270)**	(56,469)
Less: Direct outgoings	**19,160**	17,250
	(37,110)	(39,219)
Depreciation	**615**	540

8 INCOME TAX

Income tax in the consolidated income statements represents:

	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Current tax		
Provision for Hong Kong Profits Tax for the period	**9,253**	5,948
Deferred tax		
Origination and reversal of temporary differences	**2,078**	2,047
	11,331	7,995

(i) 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.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the six months ended 30 September 2013.

9 OTHER COMPREHENSIVE INCOME

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Available-for-sale securities:		
Changes in fair value and net movement in the fair value reserve during the period recognised in other comprehensive income	**(495)**	392
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the period	**7,767**	281
Net deferred tax charged to other comprehensive income	**(1,281)**	(46)
Net movement in the hedging reserve during the period recognised in other comprehensive income	**6,486**	235

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $55,169,000 (2012: $53,552,000) and the weighted average number of 328,571,429 shares (2012: 300,000,000 shares) in issue during the period.

10 EARNINGS PER SHARE *(Continued)*

(a) Basic earnings per share *(Continued)*

The weighted average number of shares in issue during the six months ended 30 September 2013 is based on the assumption that 300,000,000 shares of the Company were in issue, comprising 100 shares in issue, 9,900 shares issued under the share split and 299,990,000 shares issued pursuant to the capitalisation issue, as if these shares were outstanding throughout the period from 1 April 2013 to the Listing Date, and 100,000,000 shares issued under the IPO. The weighted average number of shares in issue during the six months ended 30 September 2012 is based on the assumption that 300,000,000 shares of the Company were in issue, and comprising 100 shares in issue, 9,900 shares issued under the share split and 299,990,000 shares issued pursuant to the capitalisation issue, and as if these shares were outstanding throughout that period.

	Six months ended 30 September	
	2013	2012
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of shares		
Issued ordinary shares at 1 April	**–**	–
Effect of share split *(note 16(a)(i))*	**10**	10
Effect of capitalisation issue *(note 16(a)(ii))*	**299,990**	299,990
Effect of issuance of new shares under the IPO *(note 16(a)(iii))*	**28,571**	–
Weighted average number of shares at 30 September	**328,571**	300,000

(b) Diluted earnings per share

There were no diluted potential shares in existence during the six months ended 30 September 2013 and 2012.

11 FIXED ASSETS

(a) Revaluation of investment properties

The Group's investment properties and investment properties under development were revalued as at 30 September 2013 by an independent firm of surveyors, Colliers International (Hong Kong) Limited ("Colliers"), who have among their staff Fellow of The Hong Kong Institute of Surveyors, with recent experience in the location and category of property being valued. The valuations of the Group's investment properties were carried out by Colliers on a market value basis in their existing states on the basis of capitalisation of discounted cash flow projections based on estimates of future rental income using current market rentals and yields as inputs and, where appropriate, on the basis of capitalisation of the net rental income allowing for revisionary income potential. The valuation of the Group's investment properties under development was carried out by Colliers using the direct comparison approach which is based on recent comparable market transactions with adjustments which take into account the date, location, size and site layout of the respective comparable market transactions.

A gain of $8,235,000 (2012: $10,000,000) has been recognised in profit or loss for the period in respect of investment properties

(b)

The Group's investment properties and investment properties under development were pledged against bank loans, details of which are set out in note 15.

12 TRADE AND OTHER RECEIVABLES

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Trade debtors *(note)*	**79,377**	135,950
Deposits, prepayment and other receivables	**7,612**	8,858
Retentions receivable	**50,844**	41,698
	137,833	186,506

12 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis at the balance sheet date:

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Not yet due	**70,583**	126,148
Under 1 month overdue	**8,590**	8,824
More than 1 month overdue and up to 3 months overdue	**184**	902
More than 3 months overdue and up to 6 months overdue	**–**	49
More than 6 months overdue and up to 1 year overdue	**20**	27
	79,377	135,950

13 RESTRICTED AND PLEDGED DEPOSITS

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Pledged deposits *(note (i))*	**44,982**	37,856
Restricted deposits *(note (ii))*	**6,064**	6,064
	51,046	43,920

Notes:

(i) The balances represent bank deposits pledged to secure banks loans of the Group *(note 15)*.

(ii) The balances represent security deposits placed in a bank according to the terms of the tenancy agreement entered into with a tenant by the Group. The Group has no absolute right and control over the bank balance as the usage of the bank balance is specifically restricted by the tenant under the tenancy agreement. The Group can deduct the balance upon the breach of the tenancy agreement by the tenant. If the Group makes a deduction from the deposit, the tenant shall make up the difference within 14 days of demand.

14 TRADE AND OTHER PAYABLES

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Creditors and accrued charges *(note (i))*	**33,458**	37,106
Rental and other deposits	**6,064**	6,064
Retentions payable	**37,064**	35,962
Amounts due to the former holding company *(note (ii))*	**–**	8,450
	76,586	87,582

Notes:

(i) Included in trade and other payables are trade creditors with the following ageing analysis at the balance sheet date:

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Due within 1 month or on demand	**9,178**	6,843
Due after 1 month but within 3 months	**–**	10,472
Due after 6 months but within 1 year	**3**	–
	9,181	17,315

(ii) The amounts due to the former holding company, Grand Ming Holdings Limited, at 31 March 2013 were unsecured, interest-free and repayable on demand. The amounts were fully settled during the six months ended 30 September 2013.

15 BANK LOANS

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Bank loans — Secured	**859,989**	828,141

At 30 September 2013, the bank loans were repayable as follows:

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Within 1 year and included in current liabilities	**97,872**	67,470
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	**113,765**	110,765
After 2 years but within 5 years	**444,594**	401,235
After 5 years	**203,758**	248,671
	762,117	760,671
	859,989	828,141

At 30 September 2013, the bank loans were secured by the following assets:

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Investment properties	**1,993,000**	1,812,000
Pledged deposits	**44,982**	37,856
Available-for-sale securities	**14,550**	15,045
Other assets	**54,765**	55,390
	2,107,297	1,920,291

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 September 2013 No. of Shares '000 (unaudited)	At 30 September 2013 Amount HK$'000 (unaudited)	At 31 March 2013 No. of Shares '000 (audited)	At 31 March 2013 Amount HK$'000 (audited)
Authorised:				
Ordinary Shares of $0.01 each (31 March 2013: $1 each)	**10,000,000**	**100,000**	390	390
Ordinary Shares, issued and fully paid				
At 1 April 2013/October 2012	**–#**	**–***	–#	–*
Share split *(note (i))*	**10**	**–**	–	–
Capitalisation issue *(note (ii))*	**299,990**	**3,000**	–	–
Issurance of new shares under the IPO *(note (iii))*	**100,000**	**1,000**	–	–
At 30 September/31 March	**400,000**	**4,000**	–#	–*

* *Each represents $100*

\# *Each represents 100 shares*

Notes:

(i) The Company was incorporated on 14 August 2012 with an authorised share capital of $390,000 divided into 390,000 shares of $1 each. On the same date, the Company allotted and issued an aggregate of 100 shares of $1 each to its then shareholders.

Upon the completion of the Reorganisation on 19 July 2013, the Company became the holding company of the Group.

Since the Reorganisation was not completed on 31 March 2013, the share capital in the consolidated balance sheet as at 31 March 2013 represented the aggregate share capital of the Company and companies comprising the Group. The share capital in the consolidated balance sheet as at 30 September 2013 represented the share capital of the Company.

On 23 July 2013, pursuant to a written resolution of the shareholders of the Company, each share of $1 each was split into 100 shares of $0.01 each, and accordingly the authorised share capital and issued shares were increased from 390,000 shares to 39,000,000 shares and from 100 shares to 10,000 shares respectively. The authorised share capital (after the share split) was increased from 39,000,000 shares to 10,000,000,000 shares by the creation of 9,961,000,000 new shares, ranking pari passu in all respects with the shares in issue as at the date of passing of the written resolution.

16 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(a) Share capital *(Continued)*

Notes:

(ii) On 23 July 2013, pursuant to a written resolution of the shareholders of the Company, the Company allotted and issued 299,990,000 shares of $0.01 each to the then existing shareholders of the Company. This resolution was conditional on the share premium account being credited as a result of the Company's IPO and pursuant to this resolution, a sum of $2,999,900 standing to the credit of the share premium account was subsequently applied in paying up this capitalisation in full upon the Listing Date.

(iii) On 9 August 2013, the Company was successfully listed on the Stock Exchange following the completion of its IPO of 100,000,000 shares of $0.01 each issued at a price of $1.11 per share. Proceeds of $1,000,000, representing the par value of shares issued, were credited to the Company's share capital. The remaining proceeds of $101,934,000, after deducting issuing expenses of $8,066,000, were credited to the share premium account.

(b) Dividends

Dividends payable to equity shareholders attributable to the interim period:

	Six months ended 30 September	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interim dividend declared and paid after the interim period of 3.6 cents per share (2012: Nil cents per share)	**14,400**	–

The interim dividend has not been recognised as a liability at the balance sheet date.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

	Fair value at 30 September 2013 HK$'000	Fair value measurement As at 30 September 2013 using Quoted prices in active market for identical assets (Level 1) HK$'000	Significant other observable input (Level 2) HK$'000	Significant unobservable input (Level 3) HK$'000
Recurring fair value measurement				
Financial assets:				
Available-for-sale securities	**14,550**	**–**	**14,550**	**–**
Derivative financial instruments:				
— Interest rate swaps	**660**	**–**	**660**	**–**
Financial liabilities:				
Derivative financial instruments:				
— Interest rate swaps	**19,748**	**–**	**19,748**	**–**

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

(i) Fair value hierarchy *(Continued)*

	Fair value at 30 September 2013 HK$'000	Fair value measurement As at 31 March 2013 using: Quoted prices in active market for identical assets (Level 1) HK$'000	Significant other observable input (Level 2) HK$'000	Significant unobservable input (Level 3) HK$'000
Recurring fair value measurement				
Financial assets:				
Available-for-sale securities	15,045	–	15,045	–
Financial liabilities:				
Derivative financial instruments:				
— Interest rate swaps	28,724	–	28,724	–

During the six months ended 30 September 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (31 March 2013: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of available-for-sale securities is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

The fair values of interest rate swap contracts are calculated as the present value of the estimated future cash flows based on the terms and maturity of each contract, discounted at current market interest rates for a similar financial instrument at the measurement date.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair values of financial assets and liabilities carried at other than fair value

Other financial assets and liabilities as presented in the Group's consolidated balance sheet carried at amounts not materially different from their fair values at 30 September 2013 and 31 March 2013.

18 CAPITAL COMMITMENTS

Capital commitments outstanding at 30 September 2013 not provided for in the interim financial report were as follows:

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Contracted for	**38,687**	12,756
Authorised but not contracted for	**508,951**	545,646
	547,638	558,402

The capital commitments solely related to development expenditure for a data centre building.

19 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this interim financial report, the Group entered into the following materials related party transactions during the period:

	Six months ended 30 September	
	2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Rental paid to the related companies *(note (i))*	**690**	–

19 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

(i) During the six months ended 30 September 2012, the Group occupied office units held by two related companies, namely Grand Tech Enterprise Company Limited and Grand Regal Holdings Limited. Both companies waived their rights to recover the operating lease charges from the Group. On 17 April 2013, the Group entered into tenancy agreements with these two related companies to lease the office units for three years at a monthly rental charge of $115,000 commencing on 1 April 2013.

(ii) As at 31 March 2013, indemnities were issued by the former holding company, Grand Ming Holdings Limited, to banks for certain performance bonds in respect of construction contracts undertaken by the Group. The indemnities were released upon the Listing Date.

(iii) In prior years, at the request of Wellford Properties Limited, Grand Ming Holdings Limited, entered into agreements (the "Original Agreements"), with an independent third party customer in connection with, among other things, the leasing of Group's investment properties owned by Wellford Properties Limited (the "Property"). Such arrangement was conducted pursuant to an agreement (the "Agreement") entered into between Grand Ming Holdings Limited and Wellford Properties Limited. According to the Agreement, Grand Ming Holdings Limited acted at the request of Wellford Properties Limited and was responsible for issuing invoices to and collecting rental and related income from independent third party customers. No fee was charged by Grand Ming Holdings Limited to Wellford Properties Limited in respect of the provision of these services during the six months ended 30 September 2012. On 5 December 2012, Wellford Properties Limited entered into a deed of novation ("Deed of Novation") with the independent third party customers and Grand Ming Holdings Limited whereby Wellford Properties Limited agreed to assume all of Grand Ming Holdings Limited's rights and obligations under the Original Agreements and its subsequent amendment. Subsequent to the Deed of Novation becoming effective, the Agreement between Grand Ming Holdings Limited and Wellford Properties Limited ceased.

20 CONTINGENT LIABILITIES

	At 30 September 2013 HK$'000 (unaudited)	At 31 March 2013 HK$'000 (audited)
Guarantees given to financial institutions for loan facilities granted to the former holding company	**–**	5,734

The guarantees given by the Group as at 31 March 2013 as set out above were released upon the Listing Date.

LISTING OF SHARES ON THE STOCK EXCHANGE

Trading of Shares on the Main Board of the Stock Exchange commenced on the Listing Date. Based on the offer price of HK$1.11, 100,000,000 Shares were issued for the Share Offer. Immediately upon completion of the Share Offer, the total number of issued shares were 400,000,000 Shares.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2013, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, as recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to Section 352 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Name of Director	Name of Group member/ associated corporation	Capacity/ Nature of interest	Number and class of securities *(Note 1)*	Approximate percentage of interest in the Company/ associated corporation
Mr Chan Hung Ming *(Note 2)*	The Company	Interest of a controlled corporation	270,000,000 Shares (L)	67.5%
	Chan HM Company Limited	Beneficial owner	1 share (L)	100%
Mr Lau Chi Wah *(Note 3)*	The Company	Interest of a controlled corporation	30,000,000 Shares (L)	7.5%

Notes:

1. The letter "L" denotes the Directors' long position in the Shares of the Company or the relevant associated corporation.

2. The disclosed interest represents the interest in the Company held by Chan HM Company Limited (hereinafter referred to as, BVI (CHAN)) which is wholly-owned by Mr Chan Hung Ming. Therefore, Mr Chan Hung Ming is deemed to be interested in BVI (CHAN)'s interest in our Company by virtue of the SFO.

3. The disclosed interest represents the interest in the Company held by Lau CW Company Limited (hereinafter referred to as, BVI (LAU)) which is wholly-owned by Mr Lau Chi Wah. Therefore, Mr Lau Chi Wah is deemed to be interested in BVI (LAU)'s interest in the Company by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any Shares and underlying Shares in, and debentures of, the Company or any associated corporations as at 30 September 2013, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

SHARE OPTION SCHEME AND SHARE AWARD PLAN

(a) Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") on 23 July 2013 (the "Adoption Date"). The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants (as defined in the Prospectus) to (i) motivate them to optimise their performance and efficiency for the benefit of our Group; and (ii) attract and retain or otherwise maintain on-going business relationship with eligible participants whose contributions are, will be beneficial to the long-term growth of the Group. From the Listing Date to 30 September 2013, no option had been granted, exercised, lapsed or cancelled in accordance with the terms under the Share Option Scheme.

(b) Share Award Plan

The Company adopted a share award plan (the "Share Award Plan", or the "SAP") on the Adoption Date. Subject to and in accordance with the rules of the SAP, the Board may make an award of Shares to certain classes of eligible participants as specified in the SAP, as determined by the Board from time to time on the basis of the Board's opinion as to the proposed awardee's contribution and/or future contribution to the development and growth of the Group. The SAP shall be subject to the administration of the Board, or such committee or such sub-committee or person(s) delegated with the power and authority by the Board to administer the SAP. The Shares and other trust fund for the implementation of the Share Award Plan shall be administered by a trustee or trustees (the "Share Award Plan Trustee", or the "SAP Trustee") to be appointed by the Company. Under the SAP, the Board shall determine the eligibility of the eligible participants and the number of shares to be awarded (the "Awarded Shares") and notify the SAP Trustee of the making of awards. The SAP Trustee shall then set aside the appropriate number of award Shares pending the transfer and vesting to the relevant participants out of a pool of Shares which shall comprise of, among others, Shares either (1) transferred to it from any person (other than the Group) by way of gift; (2) purchased by the SAP Trustee out of the funds received by the Share Award Plan Trustee by way of gift or for nominal consideration; (3) subscribed for or purchased by the Share Award Plan Trustee out of the funds allocated by the Board out of the Group's resources ("Group's Contribution"), subject to the terms and conditions of the rules of the SAP. The SAP Trustee may purchase Shares on the Stock Exchange at the prevailing market price or off the market. In respect of off-market transactions, purchases shall not be made with any connected person, nor shall the purchase price be higher than the lower of (1) the closing market price on the date of such purchase, and (2) the average closing market price for the five preceding trading days on which Shares of the Company were traded on the Stock Exchange. At the beginning of each financial year of the Group, the Board shall determine the maximum amount of the Group Contribution to be allocated to the SAP Trustee (or via a special purpose vehicle which may be established by the SAP Trustee subject to the provisions of the trust deed to be executed by the Company as settlor and the SAP Trustee as trustee, shortly as "Share Award Plan SPV") during such financial year, provided that the maximum numbers of Shares which may be awarded for each financial year under the SAP shall not exceed 10% of the total number of Shares in issue at the beginning of such financial year. The Share Award Plan Trustee may also subscribe for new Shares at par or at such other subscription price as instructed by the Board out of the Group's Contribution if the Board considers it appropriate to do so. Prior approval from the Company's shareholders is not required for the Directors to allot and issue new Shares under the SAP to the SAP Trustee, provided that the Directors have sufficient unissued shares within the general mandate on hand subject to certain limitations under the SAP. The Company shall comply with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") when granting the Awarded Shares. The legal and beneficial ownership of the relevant awarded Shares shall vest in the relevant selected participant within 10 business days after the latest of (1) the date specified on the notice of the award given by the Board to the Share Award Plan Trustee; and (2) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such selected participant as specified in the related notice of award have been attained and notified to the Share Award Plan Trustee by the Board in writing. Neither the SAP Trustee nor Share Award Plan SPV (if so established and subsisting) shall exercise the voting rights in respect of the Shares held under trust. The Share Award Plan will remain in force for a period of 10 years commencing on the Adoption Date. From the Listing Date to 30 September 2013, no Share had been awarded under the Share Award Plan.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2013, so far as the Directors were aware, the interests or short positions owned by the following persons (other than the Directors or chief executive of the Company whose interests are disclosed under the paragraph headed "Interests and short positions of Directors and Chief executives in the Shares, underlying Shares or debentures of the Company and its associated corporations") in the Shares or underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Long positions in the Shares or Underlying Shares

Name of Shareholder	Capacity/Nature of interest	Number and class of securities *(Note 1)*	Approximate percentage of interest in the Company/ associated corporation
BVI (CHAN)	Beneficial owner	270,000,000 Shares (L)	67.5%
BVI (LAU)	Beneficial owner	30,000,000 Shares (L)	7.5%
Ms Cheung Shuk Fong (張淑芳) *(Note 2)*	Interest of a controlled corporation	30,000,000 Shares (L)	7.5%

Notes:

1. The letter "L" denotes the person's long position in the Shares of our Company or the relevant Group member.

2. Ms Cheung Shuk Fong, the spouse of Mr Lau Chi Wah, is deemed to be interested in Mr Lau Chi Wah's interest in our Company by virtue of the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2013 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 23 July 2013 with terms of reference in compliance with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the internal control procedures of the Group. The Audit Committee now comprises four members, all being Independent Non-Executive Directors, namely, Mr Mok Kwai Pui Bill (Chairman), Mr Tsui Ka Wah, Mr Kan Yau Wo and Mr Lee Chung Yiu Johnny. The Group's accounting principles and practices, financial statements and related materials for the period were reviewed by the Audit Committee. The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the matters relating to the unaudited interim financial report of the Group for the six months ended 30 September 2013 and recommended its adoption by the Board.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 23 July 2013 with terms of reference in compliance with the Code for the purpose of making recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of the Group, reviewing and evaluating their performance in order to make recommendations on the remuneration package of each of the Directors and senior management personnel as well as other employee benefit arrangements. The Remuneration Committee comprises four Independent Non-Executive Directors, namely, Mr Tsui Ka Wah (Chairman), Mr Mok Kwai Pui Bill, Mr Kan Yau Wo and Mr Lee Chung Yiu Johnny.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 23 July 2013 with terms of reference in compliance with the Code for the purpose of making recommendations to the Board on the appointment of Directors and the management of the Board succession. As an enhancement of the Company's corporate governance practices and for the purpose of complying with the amendments to the Code (which became effective from 1 September 2012) on 23 July 2013, the Board also adopted a board diversity policy. The Nomination Committee comprises four Independent Non-Executive Directors, namely, Mr Kan Yau Wo (Chairman), Mr Tsui Ka Wah, Mr Mok Kwai Pui Bill and Mr Lee Chung Yiu Johnny.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed Shares from the Listing Date up to 30 September 2013.

CORPORATE GOVERNANCE

The Board of the Company recognises the importance of and is committed to maintaining high standards of corporate governance so as to enhance corporate transparency and safeguard the interests of the Company and its shareholders, customers, staff and other stakeholders. It strives to maintain effective accountability systems through well-developed corporate policies and procedures, and internal systems and controls. The Company has complied with all the code provisions as set out in the Code as contained in Appendix 14 to the Listing Rules from the Listing Date to the date of this report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Following specific enquiry by the Company to the Directors, all Directors have confirmed their compliance with the required standard set out in the Model Code from the Listing Date to the date of this report.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM FINANCIAL REPORT

The interim results announcement of the Company has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.grandming.com.hk). This interim financial report has also been published on the above websites.

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 the shareholders, the Group's business partners and associates, bankers and auditors for their support to the Group.

By Order of the Board
Grand Ming Group Holdings Limited

Chan Hung Ming
Chairman and Executive Director

Hong Kong, 15 November 2013

As at the date of this report, the Executive Directors of the Company are Mr Chan Hung Ming, Mr Lau Chi Wah, Mr Yuen Ying Wai and Mr Kwan Wing Wo; and the Independent Non-Executive Directors of the Company are Mr Tsui Ka Wah, Mr Kan Yau Wo, Mr Mok Kwai Pui Bill and Mr Lee Chung Yiu Johnny.