**GRAND MING GROUP HOLDINGS LTD:**
**THE CURRENT FINANCIAL YEAR**
**MIGHT NOT BE GRAND, AT ALL**

Whether or not Grand Ming Group Holdings Ltd () (Code: 1271, Main Board, The Stock Exchange of Hongkong Ltd) will be able to meet the challenges of today's world in respect of its core activities remains to be seen.

For the first two months of the Current Financial Year, business, clearly, has been a disastrous and an improvement in the Company's fortunes is nowhere to be seen.

Further, for the foreseeable future, the situation at Grand Ming Group does not bode well, at all.

This crucial factor – that profits at this Company are being eroded at a rather fast pace – is one of the most-noticeable features that prospective investors should bear in mind with regard to Grand Ming Group, the latest company that recently published and disseminated its Share Offer Prospectus in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

At Page 281 of the Share Offer Prospectus, it is stated:

> *'Our business model, revenue and cost structure remained unchanged since 31 March 2013. Based on our unaudited management accounts, the unaudited turnover for the two months ended 31 May 2013 was lower than that for the two months ended 31 May 2012.*
>
> *'In our construction business segment, the unaudited revenue generated for the two months ended 31 May 2013 decreased by approximately 41.7% compared to that for the two months ended 31 May 2012. The decrease in revenue derived from our construction business was primarily due to the difference in number and progress of the construction projects undertaken by us during the respective period. Our gross profit margin in construction business remained stable for the two months ended 31 May 2013 as compared to that for the two months ended 31 May 2012. After 31 March 2013 and up to the Latest Practicable Date, we have been awarded three existing building A&A works* (**A**lterations and **A**dditions Works) *and renovation projects with total contract value of approximately HK$1.9 million which are expected to be completed within 2013.'*

If the present situation at this Company should continue anywhere close to that which the Company has admitted in its Prospectus with regard to the first two months, then, throughout most of the remainder of this Financial Year, ending March 31, 2014, one can expect only a material diminution in the Bottom Line, compared with the previous Year.

As must be very apparent to prospective shareholders on reading the above two paragraphs, copied from the Prospectus, Grand Ming Group is, primarily, engaged in the construction industry of the HKSAR.

Management of this 18 year-old Company has come to the premier equity market of the territory in order to raise about $HK73.40 million (based on a Share Price of $HK1.01, being the midpoint of the Indicative Offer Price Per Share of between 90 cents and $HK1.11).

It wants to raise this relatively modest sum of money for the following purposes:

- About $HK47.70 million to meet the *'development costs of our second data centre building in Hong Kong, including the payment of land premium for lease modification and construction costs'*;
- About $HK18 million as *'initial outlay for our new construction projects such as making payments to our suppliers and sub-contractors in advance of receiving payments from our customers'*;
- About $HK400,000 for sales and marketing activities; and,
- About $HK7.30 million to be tipped into the General Working Capital Account.

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