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GRAND TALENTS GROUP HOLDINGS LIMITED

廣駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8516)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2023

The board of directors (the “**Directors**”) of Grand Talents Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”, respectively) announces the unaudited consolidated financial results of the Group for the three months ended 30 June 2023. This announcement, containing the full text of the 2023 first quarterly report of the Company (the “**2023 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to information to accompany preliminary announcement of quarterly results. The printed version of the 2023 First Quarterly Report containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on “Latest Listed Company Information” page and of the Company at www.grandtalentsgroup.com.hk in due course in the manner as required by the GEM Listing Rules.

For and on behalf of
Grand Talents Group Holdings Limited
Ha Chak Hung
Chairman and Executive Director

Hong Kong, 11 August 2023

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung and Mr. IP Chu Shing; the independent non-executive Directors are Dr. FOK Wai Sun, Ms. Wu Jing and Ms. TANG Shui Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at www.grandtalentsgroup.com.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Grand Talents Group Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ha Chak Hung (*Chairman*)
Mr. Ip Chu Shing (*Chief Executive Officer*)

Independent non-Executive Directors

Ms. Tang Shui Man
Dr. Fok Wai Sun
Mr. Yuk Kai Yao (*resigned on 2 May 2023*)
MS. Wu Jing (*appointed on 2 May 2023*)

AUDIT COMMITTEE

Ms. Tang Shui Man (*Chairman*)
Dr. Fok Wai Sun
Mr. Yuk Kai Yao (*resigned on 2 May 2023*)
MS. Wu Jing (*appointed on 2 May 2023*)

REMUNERATION COMMITTEE

Dr. Fok Wai Sun (*Chairman*)
Ms. Tang Shui Man
Mr. Yuk Kai Yao (*resigned on 2 May 2023*)
Mr. Ha Chak Hung
MS. Wu Jing (*appointed on 2 May 2023*)

NOMINATION COMMITTEE

Mr. Yuk Kai Yao (*Chairman*)
(*resigned on 2 May 2023*)
Ms. Tang Shui Man
Dr. Fok Wai Sun
Mr. Ha Chak Hung
MS. Wu Jing (*Chairman*)
(*appointed on 2 May 2023*)

COMPANY SECRETARY

Ms. Wong Chi Ling, *CPA, FCCA, FCA*

AUTHORISED REPRESENTATIVES

Mr. Ha Chak Hung
Ms. Wong Chi Ling

COMPLIANCE OFFICER

Mr. Ha Chak Hung

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

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LEGAL ADVISOR

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Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
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Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

AUDITOR

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Hong Kong

COMPANY'S WEBSITE

www.grandtalentsgroup.com.hk

STOCK CODE

8516



HIGHLIGHTS

HIGHLIGHTS

- The revenue of the Group decreased by approximately HK\$7.8 million from approximately HK\$9.4 million for the three months ended 30 June 2022 to approximately HK\$1.6 million for the three months ended 30 June 2023. Such decrease was mainly due to completed the projects during the three months ended 30 June 2023.
- The gross loss was approximately HK\$3.4 million for the three months ended 30 June 2023, as compared to the gross loss of approximately HK\$1.4 million for the three months ended 30 June 2022. Such increase in gross loss was mainly due to the decrease in revenue.
- The Company recorded a net loss attributable to owners of the Company of approximately HK\$4.4 million for the three months ended 30 June 2023, as compared to a net loss attributable to owners of the Company of approximately HK\$5.1 million recorded for the three months ended 30 June 2022. Such decrease in net loss for the period was mainly due to the decrease in administration expenses.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2023

The board of directors of the Company (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2023 (together with the comparative unaudited figures for the corresponding period in 2022) as follows:

	Notes	Three months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	1,615	9,377
Cost of sales		(4,966)	(10,809)
Gross loss		(3,351)	(1,432)
Other income	4	1,040	37
Administration expenses		(2,281)	(3,725)
Finance costs		(16)	(4)
Loss before taxation		(4,608)	(5,124)
Income tax expense	5	—	—
Loss and total comprehensive expenses for the period, attributable to:			
Owners of the Company		(4,608)	(5,124)
Non-controlling interests		—	—
		HK cents	HK cents
Loss per share:			
Basic and diluted	7	(4.03)	(4.49)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to equity shareholders of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Exchange reserve HK\$'000 (Note ii)	Accumulated loss HK\$'000 (Note iii)	
At 31 March 2022 (audited)	11,422	67,684	15,457	—	(43,179)	51,384
Loss and total comprehensive expenses for the period	—	—	—	—	(5,124)	(5,124)
At 30 June 2022 (unaudited)	11,422	67,684	15,457	—	(48,303)	46,260
At 31 March 2023 (audited)	11,422	67,684	15,457	—	(70,440)	24,123
Loss and total comprehensive expenses for the period	—	—	—	—	(4,408)	(4,408)
At 30 June 2023 (unaudited)	11,422	67,684	15,457	—	(74,848)	19,715

Notes:

- (i) Other reserve represents (a) the deemed distribution to Ms. Wang Shen ("**Ms. Wang**"), mother of Mr. Ha Chak Hung ("**Mr. Ha**"), executive Director and one of the controlling shareholders of the Company (as defined in the GEM Listing Rules) (the "**Controlling Shareholders**"), and Mr. Ha and Mr. Ip Chu Shing ("**Mr. Ip**"), the directors of Talent Mark Development Limited ("**TMD**"), which arises from the differences between the fair values of the lower-than-market advances to each of them and the nominal amounts of the advances at initial recognition; (b) share of deemed contribution of HK\$1,011,000 by the non-controlling interest of Talent Tren Construction Limited ("**Talent Tren**") in respect of a waiver of the amount due to TMD in the amount of HK\$3,062,000 pursuant to a debt waiver agreement entered into between TMD and Talent Tren on 10 October 2016; and (c) the consideration in acquiring the entire equity interests of Talent Mart Construction Co., Ltd. ("**TMC**") and TMD by allotment and issuance of 4,000 and 4,200 ordinary shares with par value of US\$1 each of China Talents Group Limited ("**China Talents**") to Talent Prime Group Limited ("**Talent Prime**") and the reclassification of share capital of TMD and TMC to other reserve, (d) the reclassification of share capital of China Talents of HK\$78,000 (equivalent of US\$10,000) and share premium of China Talents of HK\$13,994,000 to other reserve upon completion of the reorganisation (please refer to the Annual Report 2019 published on 1 July 2019 for the details of reorganisation).
- (ii) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- (iii) It represents cumulative net loss recognised in the unaudited consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act (as revised) of the Cayman Islands as an exempted company with limited liability on 23 October 2017. Its parent and ultimate holding company is Talent Prime, a limited liability company incorporated in the British Virgin Islands (the “BVI”). Its ultimate controlling parties are Mr. Ha and Mr. Ip who are also the directors of the Company.

The Company is an investment holding company. The Group is principally engaged in the provision of civil engineering construction works of road and highway related infrastructures and repair and maintenance works for structures of roads and highways.

The shares of the Company (the “Share(s)”) were listed on GEM of the Stock Exchange by way of share offer (the “Listing”) on 15 October 2018 (the “Listing Date”).

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2023 (the “Unaudited Condensed Consolidated Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollars (“HK\$”) which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with HKAS 34, all applicable Hong Kong Financial Reporting Standards and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the HKICPA and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 March 2023, which have been prepared in accordance with HKFRSs issued by the HKICPA.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

2. BASIS OF PREPARATION *(Continued)*

The principal accounting policies used in the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2023, and the adoption of the new and revised HKFRSs have no material impact on the Group's accounting policies and consolidated financial statements, as stated in the Annual Report 2023.

The Unaudited Condensed Consolidated Financial Statements have been prepared under historical cost convention.

3. REVENUE AND SEGMENT INFORMATION

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue		
The Group's revenue is analysed as follows:		
Repair and maintenance works	1,615	9,147
Civil engineering construction works	—	230
	1,615	9,377

Segment reporting

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM"), Mr. Ha and Mr. Ip, the Controlling Shareholders, for the purposes of resource allocation and assessment of segment performance focuses on types of services delivered or provided. Information reported to CODM is based on business line operated by the Group. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment reporting *(Continued)*

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

- (i) Civil engineering construction works — Provision of civil engineering construction works of road and highway related infrastructures
- (ii) Repair and maintenance works — Provision of repair and maintenance works for structures of roads and highways

The Group's CODM make decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the Group's CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

4. OTHER INCOME

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Government subsidies <i>(Note)</i>	658	24
Bank interest income	56	6
Gain on disposal plant and equipment	210	—
Others	116	7
	1,040	37

Note: During the three months ended 30 June 2023, the Group recognised government grants of HK\$658,000 (2022 : HK\$24,000) in respect of the Employment Support Scheme launched by HKSAR Government.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

5. INCOME TAX EXPENSE

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
— Current period	—	—
Deferred taxation	—	—
	—	—

No Hong Kong profits tax is provided as the Group has no estimated profit for the three months ended 30 June 2023.

Hong Kong profits tax has been provided in accordance with the two-tiered profits tax regime (for the three months ended 30 June 2022: at the rate of 16.5%) for the three months ended 30 June 2023.

6. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2023 (for the three months ended 30 June 2022: Nil).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the three months ended 30 June 2023 of 114,220,000 (for the three months ended 30 June 2022: 114,220,000):

	Three months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic loss per share (HK\$'000)	(4,608)	(5,124)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic loss per share	114,220,000	114,220,000

Diluted loss per share is the same as the basic loss per share of the Company for both periods as there were no dilutive potential ordinary shares for the three months ended 30 June 2023 and 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

Unless otherwise stated, the capitalized terms used in this report shall have the same meaning as those used in the prospectus of the Company (the “**Prospectus**”) dated 29 September 2018.

BUSINESS REVIEW AND PROSPECT

The Group is an established subcontractor engaged in the provision of civil engineering works with over twelve years of experience. The Group principally specialises in repairing and maintaining structures of roads and highways in Hong Kong, with focus on Kowloon and Hong Kong Island. Since 2013, the Group has extended its services to include civil engineering construction works, including construction drainage systems in Hong Kong.

During the three months ended 30 June 2023, the Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as construction of pavilion and drainage systems in Kowloon region; and (ii) civil engineering construction projects.

In the past year, despite the government’s efforts to improve infrastructure and increase housing supply, the construction industry has faced obstacles. These include a notable shortage of skilled labour and inflationary pressure, both of which are driving up project expenses and reducing profit margins. Nevertheless, even amid such challenges, the government’s initiatives on housing and infrastructure development are anticipated to favourably influence the industry. As a result, the construction activities in Hong Kong are expected to increase in the coming years. In the coming year, the Group anticipates a highly competitive construction market in Hong Kong. The rising competition could further affect the Group’s tender prices and, therefore, the contract award prices for projects. The management of the Group will also monitor the project costs and collaborate with our subcontractors and suppliers on any cost issues in the construction industry. To maintain our competitive edge, the Group will continue to focus on developing its business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong.

Looking ahead, the Group is optimistic about securing upcoming projects. The Group will continue to submit tenders for civil engineering projects as well as maintenance projects, aiming to generate more profits for the Group and the shareholders of the Company (the “**Shareholders**”). The management of the Group will also be closely monitoring the industry and will continuously adjust our operational strategy to maximise shareholders’ return.

Compliance

The Group was not involved in any claim, lawsuit, litigation or arbitration of material nature and, was not aware of any incidents of non-compliance with the applicable laws and regulations as at the date of this report. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those which have significant impact on the Group. The Company is not aware of the occurrence of any other material non-compliance incidents during the three months ended 30 June 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented income derived from civil engineering works such as management and maintenance of roads and highways in Hong Kong and construction projects.

The revenue of the Group decreased by approximately HK\$7.8 million from approximately HK\$9.4 million for the three months ended 30 June 2022 to approximately HK\$1.6 million for the three months ended 30 June 2023. Such decrease was mainly due to completed the projects during the three months ended 30 June 2023.

Cost of sales

The cost of sales primarily consists of staff costs, sub-contracting fees, and construction materials and supplies. The cost of sales decreased by approximately HK\$5.8 million from approximately HK\$10.8 million for the three months ended 30 June 2022 to approximately HK\$5.0 million for the three months ended 30 June 2023, which was mainly attributable to the decrease in sub-contract cost and wages.

Gross loss and gross loss margin

The gross loss was approximately HK\$3.4 million for the three months ended 30 June 2023, as compared to the gross loss of approximately HK\$1.4 million for the three months ended 30 June 2022. The gross loss margin was approximately 207.5% and 15.3% for the three months ended 30 June 2023 and 2022 respectively. Such increase in gross loss was mainly due to decrease in revenue.

Other income

The Group recorded other income of approximately HK\$1.0 million during the three months ended 30 June 2023 (three months ended 30 June 2022: approximately HK\$37,000). The increase was mainly due to increase in the receipt of government subsidy from the Employment Support Scheme launched by HKSAR Government.



MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

Administrative expenses consist primarily of auditors' remunerations, depreciation, directors' remuneration, entertainments, legal and professional fee, motor vehicles expenses, and staff costs. The administrative expenses decreased by approximately HK\$1.4 million from approximately HK\$3.7 million and HK\$2.3 million for the three months ended 30 June 2023. Such decrease mainly due to depreciation and motor vehicle expenses.

Finance costs

The finance costs increased by approximately HK\$12,000 from approximately HK\$4,000 for the three months ended 30 June 2022 to approximately HK\$16,000 for the three months ended 30 June 2023.

Income tax

Income tax represents income tax paid or payable by the Group, at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction the Group operates or domiciles. The Group had no tax payable in other jurisdiction other than Hong Kong during the three months ended 30 June 2022 and 2023. The Group's operations in Hong Kong are subject to the two-tiered profits tax regime, which the first HK\$2 million of profits of qualifying entity will be taxed at 8.25% and profits above HK\$2 million will be taxed at 16.5%. No profits tax payable was recorded for the three months ended 30 June 2022 and 2023.

Loss for the period

As a result of the foregoing, the loss for the period decreased from approximately HK\$5.1 million for the three months ended 30 June 2022 to a loss for the period of approximately HK\$4.6 million for the three months ended 30 June 2023. Such decrease was mainly due to decrease in administration expenses.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no any significant events subsequent to period end and up to the date of this report.

DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 30 June 2023 (for the three months ended 30 June 2022: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

USE OF PROCEEDS FROM PLACING TWO UNDER SPECIFIC MANDATE

References are made to the announcements of the Company dated 24 November 2021, 26 November 2021, 24 December 2021, 31 January 2022, 8 February 2022 and 14 February 2023 and the circular of the Company dated 8 December 2021.

The net proceeds (after deducting the placing fee and other related expenses incurred in the Placing Two) from the Placing Two was approximately HK\$29.6 million. During the year ended 31 March 2023, the Company had applied the net proceeds according to the disclosure as set out in the announcement dated 8 February 2022 (the "Announcement").

Details of the use of the net proceeds from the Placing Two for the three months ended 30 June 2023 are as follows:

	Planned use of net proceeds as stated in the Announcement (HK\$'000)	Actual use of net proceeds up to 30 June 2023 (HK\$'000)	Net proceeds utilised during the three months ended 30 June 2023 (HK\$'000)	Unutilised net proceeds as at 30 June 2023 (HK\$'000)	Expected Timeline for utilising the unutilised net proceeds (note 1)
Repayment of outstanding indebtedness	17,800	17,800	—	—	—
Expansion of workforce	6,800	4,446	1,061	2,354	March 2024
General working capital	5,000	5,000	—	—	—
Total	29,600	27,246	1,061	2,354	

Note:

1. The expected timeline for fully utilising the unutilised net proceeds is based on the best estimations of the future market conditions made by the Group and is subject to change based on the current and future development of the market conditions.



OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company’s compliance with the code provision in the CG Code and disclosures in this report.

The Board is of the view that the Company has complied with all the principles and applicable code provisions of the CG Code during the three months ended 30 June 2023.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all Directors, each of them has confirmed that he/she has fully complied with the Required Standard of Dealings during the three months ended 30 June 2023.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”), the principal terms of which are summarised in the sub-section headed “Appendix IV — Statutory and General Information — D. Share Option Scheme” in the Prospectus.

No share option has been granted, exercised, expired or lapsed under the Scheme during the three months ended 30 June 2021. No share option was outstanding as at 30 June 2023.



OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares for the three months ended 30 June 2023.

DISCLOSURE OF INTERESTS

(a) Interests and/or short positions of Directors and chief executives in the Shares, underlying shares and debentures of the Company and its associated corporations

So far as is known to the Director, as at 30 June 2023, the Directors or chief executives of the Company had the following interests and/or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, will be required to be notified to the Company and the Stock Exchange:

(i) Interests in the Company

Name of Director	Capacity	Number of shares held (Note 1)	Percentage of interest in the Company
Mr. Ha (Note 2)	Interest of a controlled corporation	6,466,900 (L)	5.66%
Mr. Ip (Note 2)	Interest of a controlled corporation	6,466,900 (L)	5.66%



OTHER INFORMATION

Notes:

1. The letter "L" denotes the person's long positions in the Shares.
2. Each of Mr. Ha and Mr. Ip beneficially owns 50% of the issued share capital of Talent Prime. Therefore, Mr. Ha and Mr. Ip are deemed to be interested in all the Shares held by Talent Prime for the purpose of the SFO. Mr. Ha, Mr. Ip and Talent Prime are regarded as a group of Controlling Shareholders acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 5.66% of the issued share capital of the Company upon completion of Share Offer. Mr. Ha and Mr. Ip are the directors of Talent Prime.

(ii) Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held	Percentage of shareholding interest
Mr. Ha	Talent Prime Group Limited	Beneficial owner	50	50%
Mr. Ip	Talent Prime Group Limited	Beneficial owner	50	50%

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executives of the Company had any interests and/or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein or pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by the Directors.



OTHER INFORMATION

(b) Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors, as at 30 June 2023, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company.

Name of substantial shareholder	Capacity	Number of Shares (Note 1)	Percentage of interest in our Company
Talent Prime Group Limited	Beneficial owner	6,466,900 (L)	5.66%
Ms. Chung Ching Yan (Note 2)	Interest of spouse	6,466,900 (L)	5.66%
Ms. Lee Ming Ho (Note 3)	Interest of spouse	6,466,900 (L)	5.66%

Notes:

1. The letter "L" denotes the person's long positions in the Shares.
2. Ms. Chung Ching Yan is the spouse of Mr. Ha. Under the SFO, Ms. Chung is deemed, or taken to be, interested in the same number of Shares in which Mr. Ha is interested.
3. Ms. Lee Ming Ho is the spouse of Mr. Ip. Under the SFO, Ms. Lee is deemed to be interested in the same number of Shares in which Mr. Ip is interested.

Save as disclosed above, so far as is known to the Directors, as at the date of this report, there are no other person (not being a Director or chief executive of the Company) who had an interest or a short position in the Shares or underlying shares or debentures of the Company or any of its associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company.



OTHER INFORMATION

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) engaged in any businesses that competes or may compete with the business of the Group or has any other conflict of interests with the Group for the three months ended 30 June 2023.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 21 September 2018 with its written terms of reference in compliance with the GEM Listing Rules. The Audit Committee comprises of three members, namely Ms. Tang Shui Man (*Chairman*), Ms. Wu Jing and Dr. Fok Wai Sun, all of them being independent non-executive Directors.

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2023 have not been audited by the Company's independent auditors, but have been reviewed by members of the Audit Committee who have provided advice and comments thereon. The Audit Committee is of the opinion that such financial results comply with the applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

By order of the Board of
Grand Talents Group Holdings Limited
Ha Chak Hung
Chairman and Executive Director

Hong Kong, 11 August 2023

As at the date of this report, the executive Directors are Mr. Ha Chak Hung and Mr. Ip Chu Shing; and the independent non-executive Directors are Ms. Tang Shui Man, Dr. Fok Wai Sun and Ms. Wu Jing.

