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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 THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2019**

The board of directors (the “**Directors**”) of Grand Talents Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the nine months ended 31 December 2019. This announcement, containing the full text of the 2019 third quarterly report of the Company (the “**2019 Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to information to accompany preliminary announcement of quarterly results. The printed version of the 2019 Third 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 at www.hkexnews.hk 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, 13 February 2020

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Mr. HAN Shengjun; the independent non-executive Directors are Dr. FOK Wai Sun, Mr. YUK Kai Yao 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 GEM website at www.hkgem.com 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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*)
Mr. Han Shengjun

Non-executive Director

Mr. Lau Yik Lok
(resigned on 15 November 2019)

Independent Non-executive Directors

Ms. Tang Shui Man
Dr. Fok Wai Sun
Mr. Yuk Kai Yao

AUDIT COMMITTEE

Ms. Tang Shui Man (*Chairman*)
Dr. Fok Wai Sun
Mr. Yuk Kai Yao

REMUNERATION COMMITTEE

Dr. Fok Wai Sun (*Chairman*)
Ms. Tang Shui Man
Mr. Yuk Kai Yao
Mr. Ha Chak Hung

NOMINATION COMMITTEE

Mr. Yuk Kai Yao (*Chairman*)
Ms. Tang Shui Man
Dr. Fok Wai Sun
Mr. Ha Chak Hung

COMPANY SECRETARY

Ms. Chow Yuk Yin, Ivy, FCS, FCIS

AUTHORISED REPRESENTATIVES

Mr. Ha Chak Hung
Ms. Chow Yuk Yin, Ivy

COMPLIANCE OFFICER

Mr. Ha Chak Hung

REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 1350, Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 8 Wang Kwong Road
Kowloon
Hong Kong

LEGAL ADVISOR

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Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

COMPLIANCE ADVISER

Pulsar Capital Limited
Unit 318, 3/F, Shui On Centre
6–8 Harbour Road, Wanchai
Hong Kong

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
(appointed on 6 February 2020)

COMPANY'S WEBSITE

www.grandtalentsgroup.com.hk

STOCK CODE

8516

HIGHLIGHTS

HIGHLIGHTS

- The revenue of the Group was approximately HK\$67.5 million for the nine months ended 31 December 2019, representing a decrease from approximately HK\$71.9 million for the same period ended 31 December 2018. Such decrease was mainly due to the completion of three repair and maintenance projects during the period ended 30 September 2019.
- The gross profit was approximately HK\$3.3 million for the nine months ended 31 December 2019, representing a decrease from approximately HK\$21.2 million for the same period ended 31 December 2018. Such decrease was mainly due to the decrease in revenue and increase in cost of sales as a result of increase in contra cost and payroll.
- The Group recorded a loss of approximately HK\$9.0 million for the nine months ended 31 December 2019, as compared to a profit of approximately HK\$3.8 million recorded for the corresponding period ended 31 December 2018. Such deterioration was mainly due to (i) the decrease in revenue; (ii) decrease in gross profit as explained above and (iii) increase in administrative expenses.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2019

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 and nine months ended 31 December 2019 (together with the comparative unaudited figures for the corresponding period in 2018) as follows:

Notes		Three months ended		Nine months ended	
		31 December		31 December	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	21,527	22,391	67,506	71,875
Cost of sales		(25,751)	(15,441)	(64,251)	(50,634)
Gross (loss)/profit		(4,224)	6,950	3,255	21,241
Other income		58	192	323	212
Other gains and losses, net		—	(16)	—	(494)
Administration expenses		(4,445)	(3,217)	(12,087)	(7,257)
Listing expenses		—	—	—	(7,311)
Finance costs	4	(215)	(295)	(531)	(449)
(Loss)/Profit before taxation		(8,826)	3,614	(9,040)	5,942
Income tax expense	5	—	(596)	—	(2,157)
(Loss)/Profit and total comprehensive (expenses)/income for the period, attributable to:					
Owners of the Company		(8,826)	3,018	(9,040)	3,785
(Loss)/Earnings per share:		HK cents	HK cents	HK cents	HK cents
Basic	7	(1.84)	0.77	(1.88)	0.96

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2018 (audited)	78	13,994	1,385	21,363	36,820
Profit and total comprehensive income for the period	—	—	—	3,785	3,785
Arising from the reorganisation (Note)	(78)	—	78	—	—
Issuance of share upon initial public offering	4,800	36,200	—	—	41,000
At 31 December 2018 (unaudited)	4,800	50,194	1,463	25,148	81,605
At 1 April 2019 (audited)	4,800	35,187	15,457	23,286	78,730
Loss and total comprehensive expenses for the period	—	—	—	(9,040)	(9,040)
At 31 December 2019 (unaudited)	4,800	35,187	15,457	14,246	69,690

Note:

The amount represents the share capital of China Talents Group Limited which is transferred to other reserve upon completion of the reorganisation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 23 October 2017. Its parent and ultimate holding company is Talent Prime Group Limited ("**Talent Prime**"), a limited liability company incorporated in the British Virgin Islands (the "**BVI**") on 5 July 2017 which are wholly-owned by Mr. Ha Chak Hung ("**Mr. Ha**") and Mr. Ip Chu Shing ("**Mr. Ip**").

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

The 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**").

The condensed consolidated financial statement are presented in Hong Kong dollars ("**HK\$**") which is also the functional currency of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements have been prepared in accordance with HKAS 34, all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting 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 condensed consolidated financial statements have been prepared under historical cost convention.

The principal accounting policies used in the condensed consolidated financial statements for the nine months ended 31 December 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2019 as stated in the Annual Report 2019, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group.

Except as explained in note 3 to the condensed consolidated financial statements as stated in the interim report for the six months ended 30 September 2019, the adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

3. REVENUE AND SEGMENT INFORMATION

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000	2019 HK\$'000	2018 HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
The Group's revenue is analysed as follows:				
Repair and maintenance works	13,037	17,834	54,417	57,200
Civil engineering construction works	8,490	4,557	13,089	14,675
	21,527	22,391	67,506	71,875

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.

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 presents 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

3. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment reporting *(continued)*

Nine months ended 31 December 2019 (unaudited)

	Civil engineering construction works HK\$'000	Repair and maintenance works HK\$'000	Total HK\$'000
Segment revenue			
External sales	13,089	54,417	67,506
Segment results	(9,245)	12,500	3,255
Other income			323
Administrative expenses			(12,087)
Finance costs			(531)
Loss before taxation			(9,040)

Nine months ended 31 December 2018 (unaudited)

	Civil engineering construction works HK\$'000	Repair and maintenance works HK\$'000	Total HK\$'000
Segment revenue			
External sales	14,675	57,200	71,875
Segment results	3,127	18,114	21,241
Other income			212
Other gains and losses, net			(494)
Administrative expenses			(7,257)
Listing expenses			(7,311)
Finance costs			(449)
Profit before taxation			5,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

4. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Interests on bank borrowings and bank overdraft	205	281	487	422
Interest elements on lease liabilities	10	—	44	—
Interests on obligations under finance leases	—	14	—	27
	215	295	531	449

5. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	31 December		31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Hong Kong Profits Tax				
— Current period	—	596	—	2,157

No Hong Kong Profits Tax is provided as the Group has no estimated assessable profit for the current period. Hong Kong Profits Tax has been provided in accordance with the two-tiered profits tax regime for the nine months ended 31 December 2018.

6. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

7. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
(Loss)/earnings:				
(Loss)/earnings attributable to owners of the Company for the purpose of basic (loss)/ earnings per share (HK\$'000)	(8,826)	3,018	(9,040)	3,785
Number of shares:				
Weighted average number of ordinary shares for the purposes of basic (loss)/ earnings per share	480,000,000	394,036,364	480,000,000	394,036,364

No diluted earnings per share are presented for both periods as there were no potential dilutive ordinary share outstanding.

8. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred subsequent to 31 December 2019 and up to the date of this report.

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

The Group is an established subcontractor engaged in civil engineering construction works with nine years of experience. The Group principally repairs and maintains structures of roads and highways in Hong Kong, with focus in Kowloon and Hong Kong Island. Since 2013, the Group has extended its services to civil engineering construction works including construction of sewerage, waterworks and barrier-free access facilities.

The Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as slopes; and (ii) civil engineering construction projects. In respect of repair and maintenance projects, they are term contracts normally for a duration ranging from one to six years. As for the civil engineering construction works, the duration of the projects usually ranged from two to four years, depending on the complexity of the works undertaken. During the period under review, the Group has continued to focus on developing business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong.

FUTURE PROSPECTS

The Board believes that being a listed-company would not only give a boast to the Group’s awareness and a recognition in the achievements of the Group, but also provide the Group with a solid platform for future expansion.

Risk management and internal control

As at 31 December 2019 and up to the date of this report, save as otherwise disclosed, the business environment and regulatory environment in which the Group operates have not witnessed any material change, and internal operations and management and financial operations have been running smoothly, and thereby no other major risk factors need to be disclosed separately. In accordance with the revised Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules, the Group continuously improves the risk management and internal control systems. The Board believes that these measures will strengthen the risk management and internal control systems of the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

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 nine months ended 31 December 2019.

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented income derived from civil engineering construction 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\$4.4 million from approximately HK\$71.9 million for the nine months ended 31 December 2018, to approximately HK\$67.5 million for the nine months ended 31 December 2019. Such decrease is mainly attributable to the completion of three repair and maintenance projects during the period ended 30 September 2019.

Cost of sales

The cost of sales primarily consists of staff costs, sub-contracting fees, and construction materials and supplies. The cost of sales increased by approximately HK\$13.7 million from approximately HK\$50.6 million for the nine months ended 31 December 2018 to approximately HK\$64.3 million for the nine months ended 31 December 2019, which was mainly due to increase in contra cost and payroll.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

The gross profit was approximately HK\$21.2 million and HK\$3.3 million for the nine months ended 31 December 2018 and 2019 respectively. The gross profit margin was approximately 29.6% and 4.8% respectively. The decrease in our gross profit and gross profit margin was primarily due to the decrease in revenue and increase in cost of sales as a result of increase in contra cost and payroll.

Other income

The Group recorded other income of HK\$323,000 during the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: HK\$212,000).

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 increased by approximately 65.8% from approximately HK\$7.3 million for the nine months ended 31 December 2018 to approximately HK\$12.1 million for the nine months ended 31 December 2019. The increase was mainly due to the increases in depreciation expenses and legal and professional fee.

Finance costs

The finance costs increased by approximately 18.3% from HK\$449,000 for the nine months ended 31 December 2018 to HK\$531,000 for the nine months ended 31 December 2019. The increase was mainly due to the increase in bank borrowings.



MANAGEMENT DISCUSSION AND ANALYSIS

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 nine months ended 31 December 2018 and 2019. The Group's operations in Hong Kong are subject to a statutory profit tax rate of 16.5%. It recorded income tax of nil during the nine months ended 31 December 2019, as compared to approximately HK\$2.2 million for the nine months ended 31 December 2018.

Loss/profit for the period

As a result of the foregoing, the Group recorded a loss of approximately HK\$9.0 million for the nine months ended 31 December 2019 as compared to a profit of approximately HK\$3.8 million for the nine months ended 31 December 2018. Such deterioration was mainly due to (i) the decrease in revenue; (ii) decrease in gross profit due to increase in contra cost and payroll; and (iii) increase in administrative expenses mainly arising from increase in depreciation expenses and legal and professional fees.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group for the nine months ended 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have material events after the end of the reporting period.

USE OF PROCEEDS

Based on the Offer Price of HK\$0.40 per Offer Share and 120,000,000 Shares offered by the Company, the net proceeds from the Share Offer received by the Company, after deducting the underwriting fees and commissions and estimated expenses paid and payable by the Company in relation to the Share Offer, are approximately HK\$23.0 million. Such net proceeds are intended to be or have been applied for the purposes of (i) acquisition of additional machinery and equipment; (ii) strengthening our manpower; (iii) strengthening our financial capabilities; and (iv) working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

Details of the Group's intended use of the net proceeds from the Share Offer are set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

An analysis of the utilisation of the net proceeds from 1 April 2019 to 31 December 2019 is set out below:

	Planned use of the net proceeds from 1 April 2019 to 31 March 2020 (HK\$'000)	Actual use of the net proceeds from 1 April 2019 to 31 December 2019 (HK\$'000)
Acquisition of additional machinery and equipment	5,890	4,427
Strengthening our manpower	5,520	2,458
Strengthening our financial capabilities	—	—
Working capital	—	—
 Total:	11,410	6,885

The business objectives, implementation plans and planned use of proceeds were based on the estimation and assumption of future market conditions made by the Group for the purpose of Listing. The actual use of proceeds was based on the Group's business operations and development.

DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: Nil).

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.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

The Board is responsible for performing the corporate governance duties in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out 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.

Except for the deviation in Code Provision E.1.5 and Mandatory Disclosure Requirement L.(d) (ii) of the CG Code and Rule 17.104 of the GEM Listing Rules due to administration oversight, the Company has complied with the principles and applicable code provisions of the CG Code for the nine months ended 31 December 2019.

Pursuant to Code Provision E.1.5 in the CG Code, the Company is required to have a dividend policy. Also pursuant to Mandatory Disclosure Requirement L.(d)(ii) of the Code and Rule 17.104 in the GEM Listing Rules, the Company is required to have a policy for nomination of directors and board diversity policy. The Company has not adopted the aforesaid policies.

The Company is considering to adopt these policies as soon as practicable.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares (the “**Code of Conduct**”). Having made specific enquiries to all Directors, each of them has confirmed that he/she has fully complied with the required standard of dealings set out in the Code of Conduct during the nine months ended 31 December 2019.

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 or exercised under the Scheme during the nine months ended 31 December 2019. No share option was outstanding as at 31 December 2019.

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 nine months ended 31 December 2019.

DISCLOSURE OF INTERESTS

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

As at 31 December 2019, 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 and any of its associated corporations (within the meaning of Part XV 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 Rule 5.46 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	334,800,000 (L)	69.75%
Mr. Ip (Note 2)	Interest of a controlled corporation	334,800,000 (L)	69.75%

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 69.75% 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 31 December 2019, 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 and 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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

As at 31 December 2019, 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	334,800,000 (L)	69.75%
Ms. Chung Ching Yan (Note 2)	Interest of spouse	334,800,000 (L)	69.75%
Ms. Lee Ming Ho (Note 3)	Interest of spouse	334,800,000 (L)	69.75%

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 31 December 2019, 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

Other than companies of the Group, none of the Directors or their respective close associates (as defined in the GEM Listing Rules) has interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Pulsar Capital Limited ("Pulsar Capital"), as at 31 December 2019, save for the compliance adviser agreement entered into between the Company and Pulsar Capital, neither Pulsar Capital nor its directors, employees or close associates has any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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*), Mr. Yuk Kai Yao and Dr. Fok Wai Sun, all of them being independent non-executive Directors. The financial information for the nine months ended 31 December 2019 has not been audited by the Company's independent auditors, but have been reviewed by the Audit Committee. 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, 13 February 2020

As at the date of this report, the executive Directors are Mr. Ha Chak Hung, Mr. Ip Chu Shing and Mr. Han Shengjun and the independent non-executive Directors are Ms. Tang Shui Man, Dr. Fok Wai Sun and Mr. Yuk Kai Yao.