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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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 financial results of the Group for the six months ended 30 September 2021. This announcement, containing the full text of the 2021 interim report of the Company (the “**2021 Interim 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 interim results. The printed version of the 2021 Interim 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.

By Order of the Board
Grand Talents Group Holdings Limited
HA Chak Hung
Chairman and Executive Director

Hong Kong, 10 November 2021

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, 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 Company Announcements” page on the GEM website at www.hkgem.com for at least 7 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.

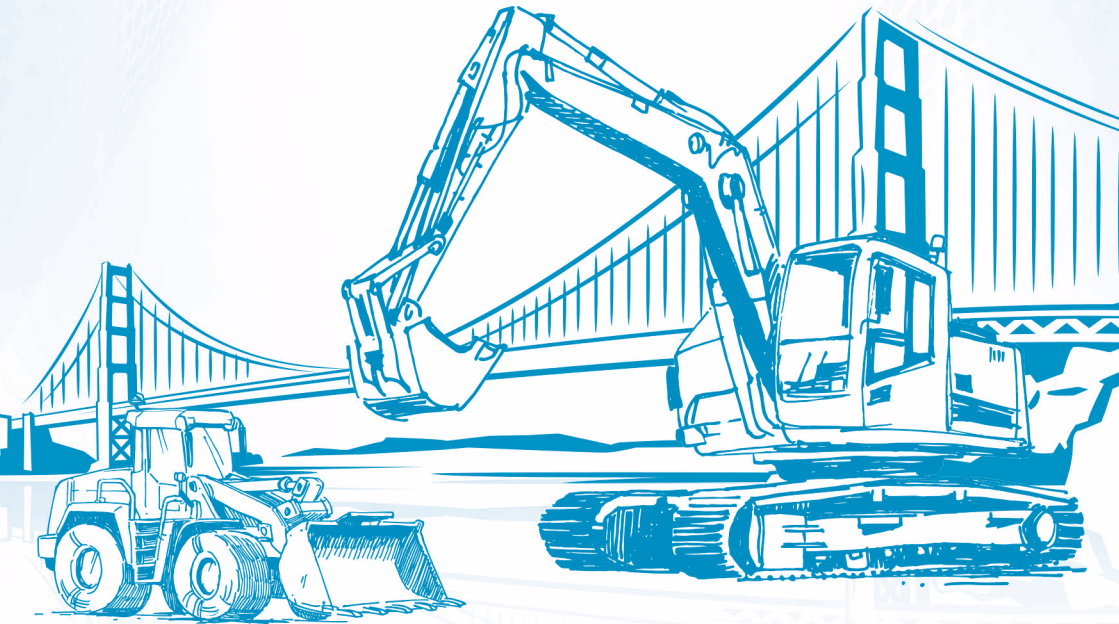
Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market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

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. 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

Windward 3, Regatta Office Park
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Cayman Islands



CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
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Hong Kong

PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

COMPANY'S WEBSITE

www.grandtalentsgroup.com.hk

STOCK CODE

8516



HIGHLIGHTS

HIGHLIGHTS

- The revenue of the Group was approximately HK\$17.6 million for the six months ended 30 September 2021 representing a decrease of approximately HK\$7.9 million from approximately HK\$25.5 million for the same period ended 30 September 2020. Such decrease was mainly due to (i) the completion of three repair and maintenance works projects; (ii) the negative impact arising from the outbreak of novel coronavirus disease (“**COVID-19**”) which affected the progress of several on-going construction projects and the number of available tenders in the industry; and (iii) the overall economic recession in Hong Kong.
- The Group recorded a gross profit of approximately HK\$0.7 million for the six months ended 30 September 2021, as compared to a gross profit of approximately HK\$2.4 million for the six months ended 30 September 2020. Such decrease was mainly due to the decrease in revenue.
- The Group recorded a net loss of approximately HK\$4.9 million for the six months ended 30 September 2021, as compared to a loss of approximately HK\$2.9 million recorded for the corresponding period in 2020. Such loss was mainly due to the decrease in revenue.
- The board of directors of the Company (the “**Board**”) does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (2020: Nil).



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

For the six months ended 30 September 2021

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2021 (together with the comparative unaudited figures for the corresponding period in 2020) as follows:

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	17,607	25,499
Cost of sales		(16,902)	(23,088)
Gross profit		705	2,411
Other income		778	1,844
Administrative expenses		(6,113)	(6,328)
Finance costs	5	(406)	(873)
Loss before taxation		(5,036)	(2,946)
Income tax credit	6	152	—
Loss for the period attributable to owners of the Company	7	(4,884)	(2,946)
Other comprehensive expense, after tax:			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		—	(19)
Total comprehensive expenses for the period attributable to owners of the Company		(4,884)	(2,965)
		HK cents	HK cents
Loss per share:			
Basic and diluted	9	0.93	0.62



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
ASSETS			
Non-current asset			
Property, plant and equipment	10	3,306	2,534
Right-of-use assets		21	373
		3,327	2,907
Current assets			
Contract assets	11	3,199	16,342
Trade and other receivables	12	59,358	49,046
Amount due from a related company	13	2	2
Tax recoverable		—	930
Bank balances and cash		17,793	13,101
		80,352	79,421
Current liabilities			
Trade and other payables	14	8,706	15,373
Amounts due to directors	13	19,311	10,913
Bank and other borrowings	15	7,940	12,957
Lease liabilities	16	354	356
Bank overdraft		9,798	9,906
		46,109	49,505
Net current assets		34,243	29,916
Total assets less current liabilities		37,570	32,823



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	<i>Notes</i>	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities	16	161	106
Deferred tax liabilities		186	186
		347	292
Net assets		37,223	32,531
Capital and reserves			
Share capital		5,712	4,800
Reserves		31,511	27,731
Total equity		37,223	32,531



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners 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)	Retained profits HK\$'000 (Note iii)	
At 31 March 2020 (audited)	4,800	35,187	15,457	(110)	6,761	62,095
Loss and total comprehensive expenses for the period	—	—	—	—	(2,946)	(2,946)
Other comprehensive expenses for the period	—	—	—	(19)	—	(19)
Total comprehensive expenses for the period	—	—	—	(19)	(2,946)	(2,965)
At 30 September 2020 (unaudited)	4,800	35,187	15,457	(129)	3,815	59,130
At 31 March 2021 (audited)	4,800	35,187	15,457	(136)	(22,777)	32,531
Loss for the period	—	—	—	—	(4,884)	(4,884)
Issuance of shares upon placing	912	8,664	—	—	—	9,576
Other comprehensive expenses for the period	—	—	—	—	—	—
Total comprehensive expenses for the period	912	8,664	—	—	(4,884)	4,692
At 30 September 2021 (unaudited)	5,712	43,851	15,457	(136)	(27,661)	37,223

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, 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 on 21 September 2018 (please refer to the Annual Report 2020 of the Company for the year ended 31 March 2020 for further 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 which were dealt with in accordance with the accounting policy as set out in Note 4(d) in the Annual Report 2020.
- (iii) It represents cumulative net profits recognised in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

(Unaudited)

Six months ended 30 September

	2021	2020
	HK\$'000	HK\$'000
Net cash used in operating activities	(5,859)	(660)
Investing activities		
Purchase of property, plant and equipment	(1,785)	(1,238)
Proceeds from disposal of property, plant and equipment	—	430
Interest received	7	110
Net cash used in investing activities	(1,778)	(698)
Financing activities		
Repayment of bank borrowings	(5,200)	(983)
Net proceed from placing	9,576	—
Capital element of lease liabilities paid	(183)	(160)
Interest element of lease liabilities paid	(10)	(21)
Interest paid for bank borrowings (note 5)	(396)	(852)
New bank borrowings raised	—	4,000
Proceed from inception of lease liabilities	250	—
Advances from/(repayment to) directors	8,400	(86)
Net cash from financing activities	12,437	1,898
Net change in cash and cash equivalents	4,800	540
Cash and cash equivalents at the beginning of the period	3,195	1,327
Effect of foreign exchange rate changes on cash and cash equivalents	—	(19)
Cash and cash equivalents at the end of the period	7,995	1,848



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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, a limited liability company incorporated in the British Virgin Islands (the “**BVI**”) on 5 July 2017 which are wholly owned by Mr. Ha and 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 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**”).

The 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 AND PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**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 Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated interim financial statements have been prepared under historical cost convention.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

The principal accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021 as stated in the Annual Report 2021, 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.

3. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated interim financial statements and/or disclosures set out in these unaudited condensed consolidated interim financial statements.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue		
The Group's revenue is analysed as follows:		
Repair and maintenance works	17,607	25,499
Civil engineering construction works	—	—
	17,607	25,499

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 makes 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

4. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment reporting *(continued)*

Six months ended 30 September 2021 (Unaudited)

	Civil engineering construction works HK\$'000	Repair and maintenance works HK\$'000	Total HK\$'000
Segment revenue			
External sales	—	17,607	17,607
Segment results	—	705	705
Other income			778
Administrative expenses			(6,113)
Finance costs			(406)
Loss before taxation			(5,036)

Six months ended 30 September 2020 (Unaudited)

	Civil engineering construction works HK\$'000	Repair and maintenance works HK\$'000	Total HK\$'000
Segment revenue			
External sales	—	25,499	25,499
Segment results	—	2,411	2,411
Other income			1,844
Administrative expenses			(6,328)
Finance costs			(873)
Loss before taxation			(2,946)



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

5. FINANCE COSTS

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interests on bank borrowings and bank overdraft	396	852
Interest elements on lease liabilities	10	21
	406	873

6. INCOME TAX EXPENSE

No Hong Kong Profits Tax is provided as the Group had no estimated assessable profits for both periods. Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax regime (for the six months ended 30 September 2020: at the rate of 16.5%) for the six months ended 30 September 2021. During the six months ended 30 September 2021 and 2020, the subsidiary in the People's Republic of China was subject to statutory tax rate of 25%.

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
— current period	—	—
— over provision in prior year	152	—
Income tax credit	152	—

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

7. LOSS AND TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss and total comprehensive expenses for the period has been arrived at after charging/(crediting):		
Directors' remunerations	1,082	1,027
Other staff costs:		
Salaries and other allowances	8,587	10,468
Retirement benefit scheme contributions	345	467
Total staff costs	10,014	11,962
Depreciation on property, plant and equipment	1,471	1,439
Depreciation on right-of-use assets	40	80
Bank interest income	(7)	(110)
Government subsidies (<i>note 1</i>)	(760)	(1,869)
Loss on disposal of property, plant and equipment	—	170

Note 1:

The Group has received government subsidies mainly for Anti-epidemic Fund for the six months ended 30 September 2021. The Group has received government subsidies mainly for Employment Support Scheme and Anti-epidemic Fund for the six months ended 30 September 2020.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 September 2021 of 523,000,000 (for the six months ended 30 September 2020: 480,000,000):

	Six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
Loss:		
Loss attributable to owners of the Company for the purpose of basic loss per share (HK\$'000)	(4,884)	(2,946)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic loss per share	523,000,000 (Note)	480,000,000

Note: The weighted average number of ordinary shares of 523,000,000 for the six months ended 30 September 2021 is derived from 480,000,000 shares in issue as at 31 March 2021 and after taking into account the effect of the placing of shares under general mandate completed on 5 July 2021. For details in relation to the Placing, please refer to the paragraph headed "Placing under General Mandate" in this report and the announcements of the Company dated 16 June 2021 and 5 July 2021.

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 six months ended 30 September 2021 and 2020.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired approximately HK\$1.8 million (six months ended 30 September 2020: approximately HK\$1.2 million) of property, plant and equipment. The Group disposed certain property, plant and equipment with aggregate carrying amounts of nil (for the six months ended 30 September 2020: HK\$260,000) for cash proceeds of nil (for the six months ended 30 September 2020: HK\$430,000).

11. CONTRACT ASSETS

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Unbilled revenue	3,150	16,372
Retention receivables	6,901	6,822
	10,051	23,194
Less: impairment loss	(6,852)	(6,852)
	3,199	16,342

The significant decrease in contract assets of the Group during the period is primarily due to completion of contract work during the period but not yet certified by the customers, which resulted in decrease in unbilled revenue at end of the period.

Allowance for impairment

During the six months ended 30 September 2021, 12-month ECL of nil was recognised (six months ended 30 September 2020: HK\$247,000).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

12. TRADE AND OTHER RECEIVABLES

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade receivables	59,166	47,540
Less: impairment loss	(3,920)	(4,841)
	55,246	42,699
Other receivables, deposits and prepayments	4,112	6,347
	59,358	49,046

The Group recognises trade receivables upon obtaining the completion of work certificates/issuance of invoices. The payment certificates will generally be issued by project employer one month to ten months after obtaining the completion of work certificates/issuance of invoices for billing purpose and the credit term granted to customers is generally 30 to 45 days from the date of invoice.

Trade receivables

The following is an ageing analysis of trade receivables, net of impairment loss, presented based on date of completion of work certificate/invoice at the end of each reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0–30 days	343	6,989
31–180 days	7,798	7,431
> 180 days	47,105	28,279
	55,246	42,699



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

12. TRADE AND OTHER RECEIVABLES (continued)

Allowance for impairment

During the six months ended 30 September 2021, 12-month ECL of HK\$921,000 was reversed (six months ended 30 September 2020: HK\$143,000 was reversed).

13. AMOUNTS DUE FROM A RELATED PARTY/(TO) DIRECTORS

The Group

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Amount due from a related party		
Talent Prime (note a)	2	2
Amounts due to directors (note b)		
Mr. Ha	16,311	7,913
Mr. Ip	3,000	3,000
	19,311	10,913

Notes:

- a. Talent Prime is the ultimate holding company of the Company. The amount is non-trade in nature, unsecured, interest free and repayable on demand.
- b. The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

14. TRADE AND OTHER PAYABLES

	30 September 2020 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Trade payables	3,388	8,178
Retention payables	567	567
Accrued expenses	107	1,923
Accrued payroll expenses	2,267	2,333
Other payable	—	2,372
	6,329	15,373

Trade payables

The average credit period on trade payables is 30 days. The following is an ageing analysis of trade payables presented based on the date of invoices/payment certificates at the end of each reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
0–30 days	73	326
31 to 60 days	61	85
61 to 90 days	286	33
Over 90 days	2,968	7,734
	3,388	8,178



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

14. TRADE AND OTHER PAYABLES (continued)

Retention payables

The retention payables are to be settled within 1 year, based on the expiry of defects liability period, at the end of each reporting period.

The following is an ageing analysis of retention payables presented based on the dates of invoices/payment certificates at the end of each reporting period:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Within one year	567	567

15. BANK AND OTHER BORROWINGS

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Secured variable-rate bank loans (a)	—	5,017
Unsecured fixed-rate other borrowings (b)	7,940	7,940
	7,940	12,957
Carrying amounts repayable within one year	7,940	12,957
Amounts shown under current liabilities	7,940	12,957



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

15. BANK AND OTHER BORROWINGS *(continued)*

- (a) At 30 September 2021, the Group had nil revolving loans (as at 31 March 2021: with principal amount HK\$7,017,000) advanced from a local bank in Hong Kong. The bank loans were obtained to finance the Group's operations. The loans are secured by a time deposit, carrying interest at 4.9% (as at 31 March 2021: 4.9%) per annum and repayable in one year.
- (b) It represents an unsecured loan from a financial institution (other than a bank), interest bearing at 14.0% per annum and repayable in March 2021.
- (c) The Group's banking facilities are secured by way of:
 - (i) unlimited personal guarantees executed by certain directors of the Company;
 - (ii) pledge of a time deposit of HK\$10 million.

During the six months ended 30 September 2021, the Group had repaid bank loans amounting to approximately HK\$5.0 million (for the six months ended 30 September 2020: HK\$1.0 million).

16. LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES

The Group leases office premises and certain motor vehicles in Hong Kong, which comprise only fixed payments over the lease terms.

The Group leased its motor vehicles under finance leases with originated terms of five years. The effective interest rate was 5.03% per annum during the year ended 31 March 2021. Interest rates are fixed at respective contract dates.

During the six months ended 30 September 2021, the Group had paid capital and interest elements of lease liabilities amounting to approximately HK\$193,000 (for the six months ended 30 September 2020: HK\$181,000).

Note: The balance which previously disclosed under obligations under finance leases was reclassified to lease liabilities upon initial application of HKFRS 16 on 1 April 2019 without restatement of comparative figures. Explanation of the transitional requirements that were applied as at April 2019 is set out in Note 2(a) in the Annual Report 2020. The accounting policies applied subsequent to the date of initial application of 1 April 2019.

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 civil engineering works with over ten 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 barrier-free access facilities and drainage systems in Hong Kong.

The Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as construction of covered walkway at pier and seawall; and (ii) civil engineering construction projects. During the period under review, the Company operated under a challenging atmosphere as the outbreak of COVID-19 in Hong Kong adversely impacted the Group’s construction activities. On the other hand, we had heard news from the government that the annual capital works expenditure in infrastructure to more than \$100 billion in coming years. Therefore, the Group has continued to focus on developing its business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong.

The outbreak of the COVID-19 throughout the year has created uncertainty to Hong Kong and imposed negative impacts on the construction industry, including supply chain disruptions, workforce shortages due to illness and preventive quarantines, and work stoppages due to measures imposed by the government. Looking forward, despite the outbreak of COVID-19 in Hong Kong, the government will resume to execute the infrastructure projects as planned in the coming years. But under the current competitive tendering market, the award tender price for the maintenance projects are really low. Our Group expect this low bid atmosphere will be short-term. Our Group will continue to submit tenders for civil engineering projects as well as the maintenance projects in order to gain more profit for the Group and the shareholders.



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 31.0% from approximately HK\$25.5 million for the six months ended 30 September 2020, to approximately HK\$17.6 million for the six months ended 30 September 2021. Such decrease was mainly attributable to (i) the completion of three repair and maintenance works projects during the period ended 30 September 2021; (ii) the negative impact arising from the outbreak of COVID-19 which affected the progress of several on-going construction projects and the number of available tenders in the industry; and (iii) the overall economic recession in Hong Kong.

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 26.8% from approximately HK\$23.1 million for the six months ended 30 September 2020 to approximately HK\$16.9 million for the six months ended 30 September 2021, which was mainly due to the decrease in payroll and contra costs in line with the decrease in revenue.

Gross profit and gross profit margin

The gross profit was approximately HK\$2.4 million and approximately HK\$0.7 million for the six months ended 30 September 2020 and 2021 respectively. The gross profit margin was approximately 9.5% and approximately 4.0% respectively for the same periods. The decrease in our gross profit was primarily due to the decrease in revenue.

Other income

The Group recorded other income of approximately HK\$0.8 million during the six months ended 30 September 2021 (six months ended 30 September 2020: approximately HK\$1.8 million). Such decrease was mainly due to receipt of government subsidies.



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 3.2% from approximately HK\$6.3 million for the six months ended 30 September 2020 to approximately HK\$6.1 million for the six months ended 30 September 2021. The decrease was mainly due to decreases in the salaries for staff.

Finance costs

The finance costs decreased by approximately 53.5% from approximately HK\$873,000 for the six months ended 30 September 2020 to approximately HK\$406,000 for the six months ended 30 September 2021. The increase was mainly due to the decrease in bank borrowings.

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 jurisdiction other than Hong Kong during the six months ended 30 September 2020 and 2021. 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 Hong Kong Profit Tax is provided during the six months ended 30 September 2021 and 2020 as the Group has no estimated assessable profit for both periods.

Loss for the period

As a result of the foregoing, the Group recorded a loss of approximately HK\$4.9 million for the six months ended 30 September 2021 as compared to a loss of approximately HK\$2.9 million for the six months ended 30 September 2020, which is mainly due to the decrease in revenue.



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has been maintaining its capital adequacy ratios during the period under review.

As at 30 September 2021, the Group had net current assets of approximately HK\$36.3 million (as at 31 March 2021: approximately HK\$29.9 million), of which the cash and cash equivalents were approximately HK\$17.6 million (as at 31 March 2021: approximately HK\$13.1 million). The Group's current ratio as at 30 September 2021 is approximately 44.8% (as at 31 March 2021: approximately 43.8%). The gearing ratio as at 30 September 2021 was approximately 46.8% (as at 31 March 2021: approximately 72.3%) which is calculated on the basis of the Group's all interest-bearing borrowings, lease liabilities, obligations under finance leases and bank overdraft over the total equity.

Total bank overdraft, bank and other borrowings and lease liabilities for the Group amounted to approximately HK\$18.3 million as at 30 September 2021 (as at 31 March 2021: approximately HK\$23.3 million). As at 30 September 2021, all bank and other borrowings are due within one year.

The Group adopts centralized financing and treasury policies in order to ensure its funding is utilized efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

CAPITAL EXPENDITURE

Capital expenditure primarily comprised of purchase of construction equipment, furniture fixtures and equipment, computers and motor vehicles. The capital expenditure was funded by net proceeds from the Listing, internal resources, finance leases and bank borrowings during the six months ended 30 September 2021.

The following sets forth the Group's capital expenditure as at the dates indicated:

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Property, plant and equipment	250	711



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

On 5 July 2021, 91,200,000 shares of HK\$0.01 each of the company were issued at a price of HK\$0.105 by way of placing under general mandate (the “**Placing**”). The share capital of the Group only comprises ordinary shares.

As at 30 September 2021, the Company had 571,200,000 ordinary shares in issue and the Company’s issued share capital was HK\$5,712,000.

For details in relation to the Placing, please refer to the paragraph headed “Placing under General Mandate” below and the announcements of the Company dated 16 June 2021 and 5 July 2021.

PLACING UNDER GENERAL MANDATE

On 16 June 2021, the Company entered into a placing agreement with Lego Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as placing agent (the “**Placing Agent**”), pursuant to which the Company agreed to issue and the Placing Agent agreed to place up to 91,200,000 new ordinary shares of the Company to not less than six places at the Placing price of HK\$0.105 per Placing share. After deducting the expenses involved in the Placing, the net issue price of each Placing share was approximately HK\$0.101. The Placing was completed on 5 July 2021 and the Placing Agent successfully placed an aggregate of 91,200,000 Placing shares, representing approximately 15.97% of the issued share capital of the Company as enlarged by the issue of the 91,200,000 Placing shares, to not less than six independent places at the Placing Price of HK\$0.105 per Placing share.

The gross and net proceeds from the Placing, after deduction of expenses related to the Placing, amounted to approximately HK\$9.6 million and HK\$9.2 million respectively, which were intended to be used as the Group’s general working capital and repayment of outstanding indebtedness of the Group.

CONTINGENT LIABILITIES

Save as disclosed under the paragraph headed “Contingent Liabilities” in the “Management Discussion and Analysis” section of the Annual Report 2021 of the Company, the Group did not have any significant contingent liability as at 30 September 2021.

PLEDGE OF ASSETS

As at 30 September 2021, other than those disclosed in note 10 to the unaudited condensed consolidated financial statements, the Group did not have any pledged assets.



MANAGEMENT DISCUSSION AND ANALYSIS

COMMITMENTS

Upon initial application of HKFRS 16, it is not required to disclose operating lease commitments for the six months ended 30 September 2021 and 2020.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had 51 employees in total (as at 31 March 2021: 63).

The Directors and senior management receive compensation in the form of director fees, salaries, benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any significant investments or material acquisition and disposal of subsidiaries, associated companies or joint ventures during the six months ended 30 September 2021.

EVENTS AFTER THE REPORTING PERIOD

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

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the paragraph headed "Use of Proceeds" in this section, the Company did not have other plans for material investments or capital assets.



MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM PLACING UNDER GENERAL MANDATE

The net proceeds (after deducting the placing fee and other related expenses incurred in the Placing) from the Placing was approximately HK\$9.2 million. During the six months ended 30 September 2021, the Company had applied all of the net proceeds according to the disclosure as set out in the announcement dated 16 June 2021 (the “**Announcement**”).

An analysis of the utilisation of the net proceeds from the Placing as at 30 September 2021 is set out below:

	Planned use of net proceeds as stated in the Announcement (HK\$'000)	Actual use of net proceeds up to 30 September 2021 (HK\$'000)	Net proceeds utilised during the six months ended 30 September 2021 (HK\$'000)	Unutilised net proceeds as at 30 September 2021 (HK\$'000)	Expected timeline for intended use of net proceeds
Repayment of outstanding indebtedness	8,300	4,000	4,000	4,300	By November 2021
General working capital	900	900	900	—	By September 2021
Total	9,200	4,900	4,900	4,300	

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: 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

DISCLOSURE OF INTERESTS

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

As at 30 September 2021, the Directors and chief executive 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 of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (“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:



OTHER INFORMATION

(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	171,669,000 (L)	30.05%
Mr. Ip (Note 2)	Interest of a controlled corporation	171,669,000 (L)	30.05%

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 Group Limited. Therefore, Mr. Ha and Mr. Ip are deemed to be interested in all the Shares held by Talent Prime Group Limited for the purpose of the SFO. Mr. Ha, Mr. Ip and Talent Prime Group Limited 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 30.05% of the issued share capital of the Company upon completion of Share Offer. Mr. Ha and Mr. Ip are directors of Talent Prime Group Limited.*



OTHER INFORMATION

(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 September 2021, 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 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 September 2021, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision 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, 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	Beneficial owner	171,669,000 (L)	30.05%
Ms. Chung Ching Yan (Note 2)	Interest of spouse	171,669,000 (L)	30.05%
Ms. Lee Ming Ho (Note 3)	Interest of spouse	171,669,000 (L)	30.05%

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.



OTHER INFORMATION

Save as disclosed above, so far as is known to the Directors, as at 30 September 2021, 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.

CORPORATE GOVERNANCE PRACTICE

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 interim report.

The Board is of the view that the Company has complied with all the principles and applicable code provisions of the CG Code throughout the six months ended 30 September 2021.

The Board acknowledge its responsibility for preparing the unaudited financial statements for the six months ended 30 September 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (“**Model Code**”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of directors’ securities transactions (“**Required Standard of Dealing**”). Specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealing throughout the six months ended 30 September 2021.

The Company has adopted a compliance manual for securities transactions by senior management as written guidelines no less exacting than the Required Standard of Dealing for relevant employees (“**Written Guidelines**”) in respect of dealing in the Company’s shares. During the six months ended 30 September 2021, the Company is not aware of any incident of non-compliance of the Model Code and Written Guidelines by the relevant employees.



OTHER INFORMATION

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three INEDs representing at least one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. As such, there is a strong element in the Board to provide independent judgment.

In accordance with code provision A.4.1 of the CG Code, the Company has entered into a letter of appointment with each of the INEDs for initially a fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by either party giving not less than three months' written notice to the other party.

CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Ms. Tang Minzhen was resigned as executive director of the Company with effect from 6 September 2021.

Save as disclosed above and upon specific enquiry by the Company, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the Company's last published annual report.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 21 September 2018 (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. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted or exercised under the Scheme during the six months ended 30 September 2021. No share option was outstanding as at 30 September 2021.

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 six months ended 30 September 2021.



OTHER INFORMATION

COMPETING BUSINESS

Other than members of the Group, none of the Directors nor the controlling shareholder of the Company nor any of 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.

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 Rules 5.28 and 5.29 of 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 with written terms of reference in accordance with code provision C.3.3 and C.3.7 of the CG code.

The unaudited financial information for the six months ended 30 September 2021 in this interim report 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 unaudited financial results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the Group's customers, business partners and shareholders for their continuous support for and trust in the Group. The Board also wishes to express its heartfelt appreciation to all of the staff of the Group for their dedication and hard work throughout the period.

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

Hong Kong, 10 November 2021

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

