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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)

**PAST DISCLOSEABLE TRANSACTIONS AND CONNECTED
TRANSACTIONS**

THE TRANSACTIONS

Reference is made to the 2023 Annual Report and the 2023 Annual Results Announcement.

During the year ended 31 March 2023, TMD, an indirect wholly-owned subsidiary of the Company, provided the Advance to Mr. Ha, the executive Director of the Company, which was recorded as an amount due from Mr. Ha of approximately HK\$5.869 million. The Advance was unsecured, interest-free and repayable on demand.

IMPLICATIONS OF THE GEM LISTING RULES

Mr. Ha is an executive Director of the Company. Under Chapter 20 of the GEM Listing Rules, Mr. Ha is a connected person of the Company. The Advance constituted financial assistance by the Group to a connected person under Chapter 20 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the Advance, are more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the Advance were subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Since one or more of the applicable percentage ratios in respect of the Advance are more than 5% but less than 25%, the provision of the Advance also constituted discloseable transactions for the Company and were subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

REASONS AND RATIFICATION AND REMEDIAL ACTIONS

Due to reasons set out in the paragraph headed “Reasons for the transactions” of this announcement, the Company inadvertently breached the relevant requirements under Chapter 19 and Chapter 20 of the GEM Listing Rules.

In order to prevent the reoccurrence of the current instance of non-compliance, the Company is taking several remedial measures as set out in this announcement.

THE TRANSACTIONS

Reference is made to the 2023 Annual Report and the 2023 Annual Results Announcement.

During the year ended 31 March 2023, TMD, an indirect wholly-owned subsidiary of the Company, provided the Advance to Mr. Ha, the executive Director of the Company, which was recorded as an amount due from Mr. Ha of approximately HK\$5.869 million. The Advance was unsecured, interest-free and repayable on demand.

IMPLICATIONS OF THE GEM LISTING RULES

Mr. Ha is an executive Director of the Company. Under Chapter 20 of the GEM Listing Rules, Mr. Ha is a connected person of the Company. The Advance constituted financial assistance by the Group to a connected person under Chapter 20 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the Advance, are more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the Advance were subject to the reporting and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

Since one or more of the applicable percentage ratios in respect of the Advance are more than 5% but less than 25%, the Advance also constituted discloseable transactions for the Company and were subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

REASONS FOR THE TRANSACTIONS

The Advance originated from the refund of deposits initially paid by TMD to the suppliers for the purchase of construction equipment during the year ended 31 March 2022. Due to the adverse impact of the COVID-19 pandemic, these suppliers were unable to fulfil their obligations to provide the construction equipment and inadvertently refunded the deposits to Mr. Ha. Upon Mr Ha's receipt of these deposit refunds, the Company was promptly informed, and the deposit refunds were subsequently recorded as amounts due from Mr. Ha. Accordingly, the Advance constituted the financial assistance provided by the Group to Mr. Ha. Considering Mr. Ha has also provided financial assistance to the Company, being the Shareholder's Loan, and taking into account the financial position of the Group, the Company, TMD and Mr. Ha decided to set-off the Advance against the outstanding Shareholder's Loan through the Set-Off Arrangement. However, due to inadvertent mistakes and miscommunications regarding the formalities of the Set-Off Arrangement, the Company only became aware in June 2023 that the Set-Off Arrangement did not occur as planned. Consequently, this unintentional oversight led to the Company inadvertently breached the relevant requirements under Chapter 19 and Chapter 20 of the GEM Listing Rules. The Directors would like to emphasise that such non-compliance was purely inadvertent due to the reasons as stated above.

Upon realising the Set-Off Arrangement had not taken place, on 30 July 2023, the Company, TMD and Mr. Ha entered into the Deed of Set-Off, pursuant to which the Advance, being approximately HK\$5.869 million, was set-off against the outstanding principal amount of the Shareholder's Loan, being HK\$7.95 million. Further, Mr. Ha has waived the accrued interest on the Shareholder's Loan in the amount of HK\$960,000. Having consider the Advance would be followed by the Set-off Arrangement, the Directors are of the view that the terms of the Advance, including its interest-free nature, together with the terms of the Set-Off Arrangement, are on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

RATIFICATION AND REMEDIAL ACTIONS

As stated above, on 30 July 2023, the Advance was fully settled pursuant to the Deed of Set-Off.

Upon reviewing the existing internal control policies of the Company, the Directors are of the view that, while there are policies and measures already in place, the current one-off incident, resulting from inadvertent mistakes and miscommunication, indicates the need to further strengthen the existing internal control policies. Accordingly, the Company intends to adopt the following measures to prevent the recurrence of similar non-compliance:

- (i) review and strengthen the Company’s internal controls and processes. This will involve (a) conducting a thorough review of the existing internal control policies to assess the effectiveness of the current measures and identify areas for improvement, (b) enhancing operational procedures, specifically the refund process, by clarifying the steps involved, improving documentation requirements, and providing training to personnel involved in this process, and (c) enhancing the documentation process to ensure all transactions are properly recorded and substantiated;
- (ii) provide internal training on notifiable transaction(s) and connection transaction(s) to the Directors and senior management and all relevant personnel of the Company to reinforce their understanding of and importance of compliance with the GEM Listing Rules; and
- (iii) for any potential transaction(s) which may constitute new notifiable transaction(s) and/or connected transaction(s) of the Group, engage and consult relevant professional advisers and the Stock Exchange (where necessary) in a timely manner prior to the entering into such transaction(s) to ensure compliance with the relevant requirements under the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms shall have the following meanings in this announcement:

“2023 Annual Report”	the annual report of Grand Talents Group Holdings Limited for the year ended 31 March 2023;
“2023 Annual Results Announcement”	the annual results announcement of Company for the year ended 31 March 2023 dated 28 June 2023, which has annexed the full text of the 2023 Annual Report;
“Advance”	the amounts due from Mr. Ha in the amount of approximately HK\$5.869 million as at 31 March 2023;
“Board”	the board of Directors;
“Company”	Grand Talents Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8516);
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;

“COVID-19”	Coronavirus disease 2019;
“Deed of Set-Off”	the deed of set-off entered between the Company, TMD and Mr. Ha in relation to the Set-Off Arrangement;
“Directors”	the directors of the Company;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Special Region of the PRC;
“Loan Agreement”	the loan agreement dated 12 July 2021, as amended and supplemented by agreements dated 10 January 2022 and 10 January 2023, between the Company as borrower and Mr. Ha as lender, pursuant to which Mr. Ha has agreed to provide the Shareholder’s Loan in the principal sum of HK\$8 million to the Company;
“Mr. Ha”	Mr. Ha Chak Hung, an executive Director of the Company as at the date of this announcement;
“percentage ratio”	has the meaning ascribed to it under the GEM Listing Rules;
“Set-Off Arrangement”	the arrangement to set-off the Advance against the outstanding Shareholder’s Loan pursuant to the Deed of Set-off;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shareholder’s Loan”	the loan in the principal amount of HK\$8 million granted by Mr. Ha to the Company pursuant to the terms of the Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“TMD” Talent Mark Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;

“%” per cent.

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

Hong Kong, 7 September 2023

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung and Mr. IP Chu Shing; and 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 on the Stock Exchange’s website at www.hkexnews.hk 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.