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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO**  
**THE ANNUAL REPORT FOR THE YEARS ENDED**  
**31 MARCH 2019 AND 2020**

Reference is made to the annual reports of Grand Talents Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2019 (the “**2019 Annual Report**”) published on 1 July 2019 and for the year ended 31 March 2020 published on 2 July 2020 (the “**2020 Annual Report**”). Unless otherwise defined, terms used herein shall bear the same meanings as those defined in the 2019 Annual Report and the 2020 Annual Report.

Based on the prospectus of the Company dated 29 September 2018 (“**Prospectus**”), the net proceeds from the share offer (“**Share Offer**”) of the Group at the time of its listing on GEM of The Stock Exchange of Hong Kong Limited on 15 October 2018 (“**Listing Date**”) was approximately HK\$23.5 million.

Reference is made to the paragraph headed “Use of Proceeds” of the 2019 Annual Report and the 2020 Annual Report, the board of directors (“**Directors**”) of the Company would like to provide further information on the timing of any unutilised portion of proceeds generated from the listing as follows:

## 2019 Annual Report — Use of Proceeds

The table below set out the proposed applications of the net proceeds from the Listing Date to 31 March 2019:

	<b>Planned use of the net proceeds up to 31 March 2019 (HK\$ million)</b>	<b>Actual use of the net proceeds up to 31 March 2019 (HK\$ million)</b>	<b>Unutilised net proceeds up to 31 March 2019 (HK\$ million)</b>
Acquisition of additional machinery and equipment	6.1	4.1	2.0
Strengthening our manpower	2.8	1.2	1.6
Strengthening our financial capabilities:			
(i) Surety bond for the render of new projects	3.0	—	3.0
(ii) Surety bond for a project	2.0	—	2.0
Working Capital	3.2	3.2	—
<b>Total:</b>	<b><u>17.1</u></b>	<b><u>8.5</u></b>	<b><u>8.6</u></b>

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. The net proceeds were not fully utilised up to 31 March 2019 as previously disclosed in the Prospectus because of the reasons elaborated below:

1. As for the acquisition of an additional machinery and equipment, the unutilised portion amounted to approximately HK\$2.0 million as at 31 March 2019. Whilst the Company is actively exploring suitable machinery and equipment for acquisition, the Board took a cautious approach by scouting for machinery and equipment that is worth its value;
2. As for the strengthening of the manpower, the unutilised portion amounted to approximately HK\$1.6 million as at 31 March 2019. The pace of hiring additional employees depends on, amongst others, the estimated demand for direct labours in future projects and the utilisation rate of the current staff in the Company. The Company failed to win certain tenders and the pace of hiring additional staff was delayed as a result; and

3. As for the strengthening of financial capabilities, the unutilised portion amounted to approximately HK\$5.0 million as at 31 March 2019. The Company planned to use the fund to undertake more projects by satisfying the surety/performance bond requirement for these projects that may potentially be awarded to it in the future. The Company failed to win certain tenders for which surety/performance bond are required.

As at 31 March 2019, the net proceeds of approximately HK\$8.6 million had not yet been utilised as planned, but is expected to be utilised during the financial year ending 31 March 2020. The Group will continue to apply the net proceeds from the listing in the same manner as specified in the section headed “Future Plans and Use of Proceeds” set out in the Prospectus.

## 2020 Annual Report — Use of Proceeds

The table below sets out the proposed application of the net proceeds from the Listing Date to 31 March 2020:

	<b>Planned use of the net proceeds up to 31 March 2020 (HK\$ million)</b>	<b>Actual use of the net proceeds up to 31 March 2020 (HK\$ million)</b>	<b>Unutilised net proceeds up to 31 March 2020 (HK\$ million)</b>
Acquisition of additional machinery and equipment	8.8	8.5	0.3
Strengthening our manpower	9.3	5.2	4.1
Strengthening our financial capabilities:			
(i) Surety bond for the tender of new projects	3.0	—	3.0
(ii) Surety bond for a project	2.0	—	2.0
Working Capital	0.4	0.4	—
<b>Total:</b>	<b><u>23.5</u></b>	<b><u>14.1</u></b>	<b><u>9.4</u></b>

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. The net proceeds were not fully utilised up to 31 March 2020 as previously disclosed in the Prospectus because of the reasons elaborated below:

1. As for the acquisition of an additional machinery and equipment, the unutilised portion amounted to approximately HK\$0.3 million as at 31 March 2020. Whilst the Company is actively exploring suitable machinery and equipment for acquisition, the Board took a cautious approach by scouting for machinery and equipment that is worth its value;
2. As for the strengthening of the manpower, the unutilised portion amounted to approximately HK\$4.1 million as at 31 March 2020. The Company hires additional employees by taking into account of, amongst others, the estimated demand for direct labours in future projects and the utilisation rate of the current staff in the Company. Since the construction activities were affected by public demonstrations and the outbreak of the coronavirus in Hong Kong, the Company decided to delay the hiring process until the market is back to normal;
3. As for the strengthening of financial capabilities, the unutilised portion amounted to approximately HK\$5.0 million as at 31 March 2020. While the Company planned to use the fund to undertake more projects by satisfying the surety/performance bond requirement for these projects that may potentially be awarded to it, the number of available tenders in the industry dropped during the year ended 31 March 2020. Therefore, the Company did not need to utilize this additional fund during this period of time.

As at 31 March 2020, the net proceeds of approximately HK\$9.4 million had not yet been utilised as planned, but is expected to be utilised during the financial year ending 31 March 2021. Such unutilised proceeds has been placed as deposits into licenced banks in Hong Kong. The Group will continue to apply the net proceeds from the listing in the same manner as specified in the section headed "Future Plans and Use of Proceeds" set out in the Prospectus.

The expected timeline for utilising the remaining unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It is subject to change of market conditions including, to large extent, the future development of COVID-19 outbreak in Hong Kong.

The above supplemental information provided in this announcement does not affect other information contained in the 2019 Annual Report and 2020 Annual Report and save as disclosed above, all other information in the 2019 Annual Report and 2020 Annual Report remain unchanged.

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

Hong Kong, 25 August 2020

*As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Mr. HAN Shengjun; and 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](http://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](http://www.grandtalentsgroup.com.hk).*