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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 2020

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 2020. This announcement, containing the full text of the FY2021 third quarterly report of the Company (the “**FY2021 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 FY2021 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.hkgem.com 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, 5 February 2021

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Ms. TANG Minzhen; the non-executive Director is Mr. CHEN Tao; 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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.

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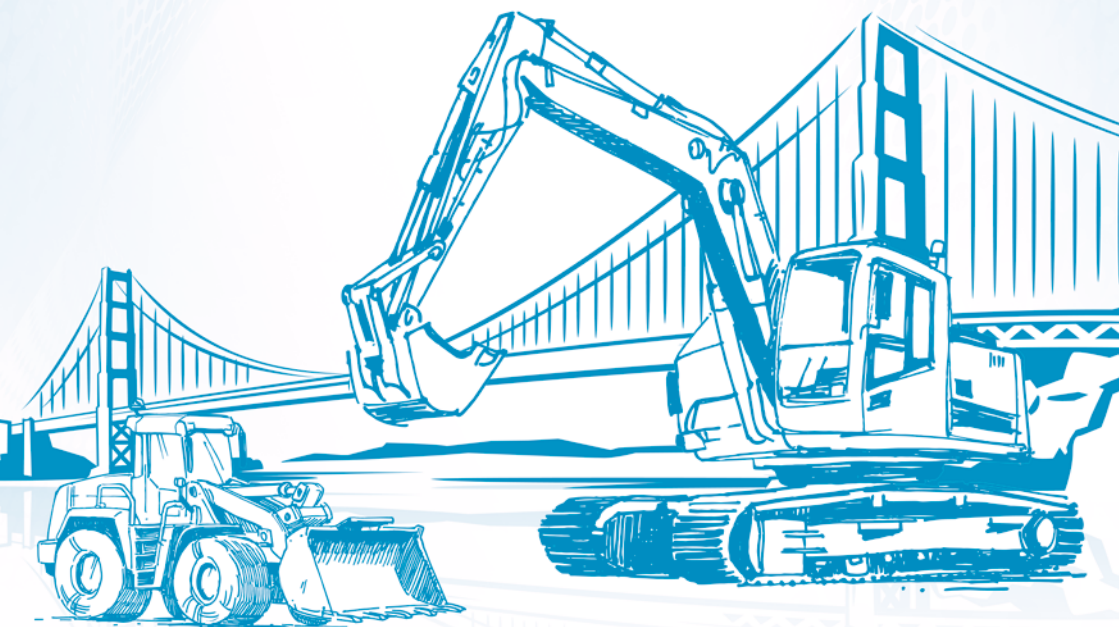
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*This report, for which the directors (the “**Directors**”) of Grand Talents Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars 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*)
Ms. Tang Minzhen

Non-executive Director

Mr. Chen Tao

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, FCG (CS, CGP)

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Ha Chak Hung

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

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Sun Hung Kai Centre
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

COMPLIANCE ADVISER

Pulsar Capital Limited
Room 1204, Jubilee Centre
18 Fenwick Street, Wanchai
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AUDITOR

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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\$35.9 million for the nine months ended 31 December 2020, representing a decrease from approximately HK\$67.5 million for the corresponding period ended 31 December 2019. Such decrease was mainly due to (i) the completion of six 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 gross profit of the Group was approximately HK\$5.3 million for the nine months ended 31 December 2020, representing an increase from approximately HK\$3.3 million for the corresponding period ended 31 December 2019. Such increase was mainly due to the decrease in cost of sales.
- The Group recorded a loss of approximately HK\$3.9 million for the nine months ended 31 December 2020, as compared to a loss of approximately HK\$9.0 million recorded for the corresponding period ended 31 December 2019. Such improvement in the Group’s loss position during the period was mainly due to the decrease in cost of sales and administrative expenses and increase in other income.



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

For the three months and nine months ended 31 December 2020

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 2020 (together with the comparative unaudited figures for the corresponding period in 2019) as follows:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2020	2019	2020	2019
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	10,408	21,527	35,907	67,506
Cost of sales		(7,486)	(25,751)	(30,574)	(64,251)
Gross profit/(loss)		2,922	(4,224)	5,333	3,255
Other income		235	58	2,079	323
Administration expenses		(3,646)	(4,445)	(9,974)	(12,087)
Finance costs	4	(416)	(215)	(1,289)	(531)
Loss before taxation		(905)	(8,826)	(3,851)	(9,040)
Income tax expense	5	—	—	—	—
Loss and comprehensive expenses for the period attributable to owners of the Company		(905)	(8,826)	(3,851)	(9,040)
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		(905)	(8,826)	(3,870)	(9,040)
Loss per share:		HK cents	HK cents	HK cents	HK cents
Basic and diluted	7	0.19	1.84	0.80	1.88



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note 1)	Exchange reserve HK\$'000 (Note 2)	Retained profits HK\$'000 (Note 3)	
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
At 1 April 2020 (audited)	4,800	35,187	15,457	(110)	6,761	62,095
Loss for the period	—	—	—	—	(3,851)	(3,851)
Other comprehensive expenses for the period	—	—	—	(19)	—	(19)
Total comprehensive expenses for the period	—	—	—	(19)	(3,851)	(3,870)
At 31 December 2020 (unaudited)	4,800	35,187	15,457	(129)	2,910	58,225

Note:

- 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 published on 2 July 2020 for the details of reorganisation).
- 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.
- It represents cumulative net profits recognised in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law Chapter 22 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 of road and highway related infrastructures 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.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

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

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

The principal accounting policies used in the unaudited condensed consolidated financial statements for the nine months ended 31 December 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2020 as stated in the Annual Report 2020, 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 unaudited condensed consolidated financial statements as stated in the interim report for the six months ended 30 September 2020, 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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

3. REVENUE AND SEGMENT INFORMATION

	Three months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
The Group's revenue is analysed as follows:				
Repair and maintenance works	10,408	13,037	35,907	54,417
Civil engineering construction works	—	8,490	—	13,089
	10,408	21,527	35,907	67,506

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 executive directors, 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 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 nine months ended 31 December 2020

3. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment reporting *(continued)*

Nine months ended 31 December 2020 (unaudited)

	Civil engineering construction works HK\$'000	Repair and maintenance works HK\$'000	Total HK\$'000
Segment revenue			
External sales	—	35,907	35,907
Segment results	—	5,333	5,333
Other income			2,079
Administrative expenses			(9,974)
Finance costs			(1,289)
Loss before taxation			(3,851)

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)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

4. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interests on bank borrowings and bank overdraft	410	205	1,262	487
Interest elements on lease liabilities	6	10	27	44
	416	215	1,289	531

5. INCOME TAX EXPENSE

No Hong Kong Profits Tax is provided as the Group has no estimated assessable profits for both periods. Hong Kong Profits Tax has been provided in accordance with the two-tiered profits tax rates regime (for the nine months ended 31 December 2019: at the rate of 16.5%) for the nine months ended 31 December 2020.

6. DIVIDEND

No dividend was paid or proposed for the nine months ended 31 December 2020, nor has any dividend been proposed since the end of reporting period (for the nine months ended 31 December 2019: Nil).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2020

7. 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 nine months ended 31 December 2020 of 480,000,000 (for the nine months ended 31 December 2019: 480,000,000):

	Three months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss:				
Loss attributable to owners of the Company for the purposes of basic loss per share (HK\$'000)	905	8,826	3,851	9,040
Number of shares:				
Weighted average number of ordinary shares for the purposes of basic loss per share	480,000,000	480,000,000	480,000,000	480,000,000

Diluted loss per share is the same as the basic loss per share of the Company for both periods as there were no dilutive potential ordinary shares for the nine months ended 31 December 2020 and 2019.

8. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred subsequent to 31 December 2020 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 over 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 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 pavilion and seawall; and (ii) civil engineering construction projects. During the period under review, the Company operated under a challenging atmosphere as public demonstrations and the outbreak of COVID-19 in Hong Kong adversely impacted the Group’s construction activities. In addition, the Group witnessed a decrease in the number of available tenders in the industry. Despite this, the Group has continued to focus on developing its business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong.

Looking forward, there are certain risks, that the Group will face in its future development such as the overall political stability and the development of COVID-19 outbreak in Hong Kong, and the ability to control and manage the performance of the subcontractors as directly and efficiently as with our own staff. However, the Group remains cautiously optimistic of the 2021 prospects, and believes that the Group has to retain existing labour and/or ensure sufficient labour. Of the four submitted tenders of civil engineering construction projects mentioned in the Outlook section of the Annual Report 2020, one was successfully accepted, three were rejected.

The Group has submitted four tenders for repair and maintenance works projects pending acceptance. Our Directors expect to receive the tender results in around March 2021.



MANAGEMENT DISCUSSION AND ANALYSIS

Risk management and internal control

As at 31 December 2020 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.

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 2020.

FINANCIAL REVIEW

Revenue

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

The revenue of the Group decreased by approximately HK\$31.6 million from approximately HK\$67.5 million for the nine months ended 31 December 2019, to approximately HK\$35.9 million for the nine months ended 31 December 2020. Such decrease is mainly attributable to (i) the completion of six repair and maintenance works projects during the period ended 31 December 2020; (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.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

The cost of sales primarily consists of staff costs, sub-contracting fees, and construction materials and supplies. The cost of sales decreased by approximately HK\$33.7 million from approximately HK\$64.3 million for the nine months ended 31 December 2019 to approximately HK\$30.6 million for the nine months ended 31 December 2020, which was mainly due to the decrease in payroll and material costs in line with the decrease in revenue.

Gross profit and gross profit margin

The gross profit was approximately HK\$3.3 million and HK\$5.3 million for the nine months ended 31 December 2019 and 2020 respectively. The gross profit margin was approximately 4.8% and 14.9% respectively. The increase in our gross profit and gross profit margin was primarily due to the decrease in cost of sales.

Other income

The Group recorded other income of approximately HK\$2.1 million during the nine months ended 31 December 2020 (for the nine months ended 31 December 2019: approximately HK\$323,000). Such increase was mainly due to receipt of government subsidies.

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 17.4% from approximately HK\$12.1 million for the nine months ended 31 December 2019 to approximately HK\$10.0 million for the nine months ended 31 December 2020. The decrease was mainly due to the decrease in legal and professional fee, staff cost, motor vehicle expenses and sundry expenses.

Finance costs

The finance costs increased by approximately 160.0% from approximately HK\$0.5 million for the nine months ended 31 December 2019 to approximately HK\$1.3 million for the nine months ended 31 December 2020. The increase was mainly due to the increase in bank and other borrowings.



MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expenses

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 2019 and 2020. The Group's operations in Hong Kong are subject to the two-tiered profits tax rates 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 Profits Tax is provided during the nine months ended 31 December 2019 and 2020 as the Group has no estimated assessable profits for both periods.

Loss for the period

As a result of the foregoing, the Group recorded a loss of approximately HK\$3.9 million for the nine months ended 31 December 2020 as compared to a loss of approximately HK\$9.0 million for the nine months ended 31 December 2019. Such improvement in the Group's loss position during the period was mainly due to the decrease in cost of sales and administrative expenses and increase in other income.

CAPITAL STRUCTURE

There was no change in the Company's capital structure for the nine months ended 31 December 2020.

EVENTS AFTER THE REPORTING PERIOD

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

DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2020 (for the nine months ended 31 December 2019: Nil).

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are mainly 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 as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company’s compliance with the code provision in the CG Code and disclosures in this report.

The Board is of the view that the Company has complied with all the principles and applicable code provisions of the CG Code during the nine months ended 31 December 2020.

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 (the “**Required Standard of Dealings**”). 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 nine months ended 31 December 2020.

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 nine months ended 31 December 2020, the Company is not aware of any incident of non-compliance of the Model Code and Written Guidelines by the relevant employees.

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 nine months ended 31 December 2020. No share option was outstanding as at 31 December 2020.



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 2020.

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 2020, 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 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:

(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	201,300,000 (L)	41.94%
Mr. Ip (Note 2)	Interest of a controlled corporation	201,300,000 (L)	41.94%

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 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 41.94% of the issued share capital of the Company upon completion of Share Offer. Mr. Ha and Mr. Ip are the directors of Talent Prime Group Limited.

(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 2020, 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 31 December 2020, 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO, of 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 Group Limited	Beneficial owner	201,300,000 (L)	41.94%
Ms. Chung Ching Yan (Note 2)	Interest of spouse	201,300,000 (L)	41.94%
Ms. Lee Ming Ho (Note 3)	Interest of spouse	201,300,000 (L)	41.94%
Mr. Li Bin	Beneficial owner	80,400,000 (L)	16.75%
Ms. Yi Huan (Note 4)	Interest of spouse	80,400,000 (L)	16.75%

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.
4. Ms. Yi Huan is the spouse of Mr. Li Bin. Under the SFO, Ms. Yi Huan is deemed, or taken to be, interested in the same number of Shares in which Mr. Li Bin is interested.

OTHER INFORMATION

Save as disclosed above, so far as is known to the Directors, as at 31 December 2020, 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.

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.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Pulsar Capital Limited ("**Pulsar Capital**"), as at 31 December 2020, 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.



OTHER INFORMATION

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 nine months ended 31 December 2020 in this 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.

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

Hong Kong, 5 February 2021

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

