

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



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING AGREEMENT

After trading hours of the Stock Exchange on 16 June 2021, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 91,200,000 Placing Shares at a price of HK\$0.105 per Placing Share.

The maximum number of 91,200,000 Placing Shares represent (i) 19.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.97% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing (assuming the Placing Shares are placed in full) will be HK\$912,000.

Assuming the maximum number of Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$9.6 million and the net proceeds will be approximately HK\$9.2 million. On such basis, the net issue price will be approximately HK\$0.101 per Placing Share. It is intended that the net proceeds from the Placing will be utilised for repayment of outstanding indebtedness and general working capital of the Group.

The Placing Price of HK\$0.105 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 17.3% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on 16 June 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 18.6% to the average closing price of HK\$0.129 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 30 July 2020. The allotment and issue of the Placing Shares is not subject to Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING

On 16 June 2021 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing. Details of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date: 16 June 2021 (after trading hours of the Stock Exchange)

Issuer: the Company

Placing Agent: Lego Securities Limited

The Placing Agent has conditionally agreed to procure, on a best efforts basis, not less than six Placées to subscribe for up to 91,200,000 Placing Shares. The Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Placing Agent may agree with the Company. The Placing Agent will receive a placing commission of 2.5% of the aggregate Placing Price for the Placing Shares actually placed by the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and was determined with reference to the prevailing market conditions.

Placees

The Placing Shares are to be placed on a best efforts basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company.

Placing Price

The Placing Price of HK\$0.105 per Placing Share represents:

- (a) a discount of approximately 17.3% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on 16 June 2021, being the date of the Placing Agreement; and
- (b) a discount of approximately 18.6% to the average closing price of approximately HK\$0.129 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The maximum number of 91,200,000 Placing Shares represent (i) 19.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.97% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing (assuming the Placing Shares are placed in full) will be HK\$912,000.

Ranking of the Placing Shares

The Placing Shares will rank, when issued and fully paid, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Placing Shares.

If the above condition is not satisfied on or before the Long Stop Date (or such later date as may be agreed between the Placing Agent and the Company), all rights, obligations and liabilities of the Placing Agent and the Company under the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place at 4:00 p.m. on the third Business Day following the date on which the above condition is satisfied (or such later date as may be agreed between the Company and the Placing Agent in writing).

Termination and force majeure

The Placing Agent shall be entitled by notice in writing to the Company given prior to 10:00 a.m. on the Completion Date to terminate the Placing Agreement if:

- (A) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in the political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong or any other jurisdiction relevant to the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (B) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (C) the introduction of any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or

- (D) any litigation or claim being instigated against any member of the Group, which has or may have a material effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (E) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (F) any material breach of any of the representations and warranties set out in Clause 4(A) comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect or there has been a material breach by the Company of any other provision of this Agreement; or
- (G) there is any material change (whether or not forming part of a series of changes) in market conditions in Hong Kong or any other jurisdiction relevant to the Group which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement as described above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to allot and issue up to 96,000,000 Shares until the revocation, variation or expiration of the General Mandate. No new Shares have been allotted and issued under the General Mandate as at the date of this announcement. Accordingly, the allotment and issue of the Placing Shares is not subject to Shareholders' approval.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an established subcontractor engaged in civil engineering works. The Company principally repairs and maintains structures of roads and highways in Hong Kong, with focus in Kowloon and Hong Kong Islands.

The Directors consider that the Placing represents a good opportunity for the Company to raise additional funds for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

Assuming the maximum number of Placing Shares is placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$9.6 million and HK\$9.2 million respectively, representing a net issue price of approximately HK\$0.101 per Placing Share. The Directors intend to use the net proceeds for repayment of outstanding indebtedness in the amount of approximately HK\$8.3 million and the remaining proceeds will be used for general working capital of the Group.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

Name of shareholder	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx.% (note 2)	Number of Shares	Approx.% (note 2)
Talent Prime Group Limited (note 1)	171,669,000	35.76%	171,669,000	30.05%
Public Shareholders				
Placees	—	—	91,200,000	15.97%
Other Public Shareholders	308,331,000	64.24%	308,331,000	53.98%
Total	<u>480,000,000</u>	<u>100%</u>	<u>571,200,000</u>	<u>100%</u>

Notes:

1. Talent Prime Global Limited is a company incorporated in the BVI with limited liability and is owned as to 50% each by Mr. Ha Chak Hung (“**Mr. Ha**”) being Chairman of the Board and executive Director, and Mr. Ip Chu Shing (“**Mr. Ip**”) being Chief Executive Officer and executive Director. Accordingly, Mr. Ha and Mr. Ip are deemed to be interested in all the Shares held by Talent Prime Group Limited under the SFO.
2. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 30 July 2020 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Company”	Grand Talents Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8516)
“Completion Date”	the third Business Day following the day on which the condition set out in the Placing Agreement is satisfied (or such later date as maybe agreed between the Company and the Placing Agent)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or grant additional 96,000,000 new Shares, representing 20% of the number of issued Shares as at the date of the AGM
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates
“Long Stop Date”	7 July 2021 or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Share
“Placing”	the proposed offer by way of private placing of the Placing Shares by or through the Placing Agent to the Placee(s), on a best effort basis, on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Lego Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 16 June 2021 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.105 per Placing Share
“Placing Share(s)”	a maximum of 91,200,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 16 June 2021

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Ms. Tang Minzhen; 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 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.