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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



GLOBAL MASTERMIND SECURITIES LIMITED
環球大通證券有限公司

THE PLACING

On 2 January 2024 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 22,800,000 Placing Shares, to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at the Placing Price of HK\$0.10 per Placing Share.

The Placing Price of HK\$0.10 per Placing Share represents (i) a discount of approximately 3.85% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 2.15% to the average of the closing prices per Share of HK\$0.1022 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum number of the Placing Shares represents (i) approximately 19.96% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be HK\$2.28 million and the net proceeds will be approximately HK\$2.10 million (after deduction of commission and other expenses of the Placing). The Directors intend to apply the net proceeds from the Placing for general working capital of the Group.

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

The Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

On 2 January 2024 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement. The principal terms of the Placing Agreement are summarised below:

Date

2 January 2024

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Placing Agent and its respective ultimate beneficial owner(s) is an Independent Third Party.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of Placing Shares of up to 22,800,000 Shares under the Placing represents (i) approximately 19.96% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum of 22,800,000 Placing Shares under the Placing will be HK\$2,280,000.

Placing Price

The Placing Price of HK\$0.10 per Placing Share represents:

- (i) a discount of approximately 3.85% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 2.15% to the average of the closing prices per Share of HK\$0.1022 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Placing commission

The Placing Agent will be entitled to a commission equivalent to 2% of the aggregate gross proceeds from the actual number of the Placing Shares placed by the Placing Agent at the Placing Price, and a fixed documentation fee of HK\$40,000. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

Placees

Pursuant to the terms of the Placing Agreement, the Company shall appoint the Placing Agent as its agent to procure on a best effort basis, not less than six independent institutional, corporate or individual investors to subscribe for the Placing Shares on and subject to the terms set out in the Placing Agreement.

The Placing Agent shall use its best endeavours to ensure that (i) each of the Placees and/or their respective ultimate beneficial owner(s) is an Independent Third Party and is not acting in concert (has the meaning as ascribed to it in the Takeovers Codes) with the Company and its connected persons; and (ii) immediately after the Placing, none of the Placees will become a substantial Shareholder (has the meaning as ascribed to it in the GEM Listing Rules).

Conditions of the Placing

The Completion is conditional upon the fulfilment of the following conditions:

- (a) the GEM Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares;
- (b) any other necessary consent(s), approval(s) and/or waiver(s) to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (c) the Placing Agreement not having been terminated in accordance with its terms.

If any of the foregoing conditions is not fulfilled on or prior to the Long Stop Date, the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Completion

The Completion shall take place on a day falling within four (4) Business Days after the fulfilment of the conditions as set out above are satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing).

Application for listing

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20.00% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 22,844,000 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Ranking of Placing Shares

The Placing Shares shall rank *pari passu* in all respects among themselves and with the Shares in issue, including as to the right to receive all dividends and distributions which may be declared made or paid after the Completion Date and will be issued free and clear of all liens, encumbrances, equities or other third party rights.

Termination

If any of the following events occurs at any time prior to 10:00 a.m. on the Completion Date, the Placing Agent may by giving a written notice to the Company, at any time prior to 10:30 a.m. on the Completion Date rescind the Placing Agreement without liability to the Company or any thereof and (save and except for certain clauses in relation to confidentiality, notice and governing law in the Placing Agreement which survive termination and shall continue to have full force and effect) the Placing Agreement shall thereupon cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof, save for any antecedent breaches:

- (a) in the reasonable opinion of the Placing Agent, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls, which would have a material adverse effect on the Placing;
- (b) the introduction of any new law, rule or regulation or any change in existing law, rule or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever, which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;

- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to 10:00 a.m. on the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which are in the reasonable opinion of the Placing Agent material in the context of the Placing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is engaged in civil engineering works regarding repairing and maintaining structures of roads and highways in Hong Kong, with focus in Kowloon and Hong Kong Islands.

The Directors are of the view that the Placing can replenish the capital with the Company given that the Group recorded bank balances and cash of HK\$2.12 million as at 30 September 2023. The Placing represents a good opportunity to strengthen the Group's financial position whilst enlarging the shareholder base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms after 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 in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be HK\$2.28 million and the net proceeds will be approximately HK\$2.10 million (after deduction of commission and other expenses of the Placing). The net placing price will be approximately HK\$0.092 per Placing Share. The Directors intend to apply the net proceeds from the Placing for general working capital of the Group.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date):

Name of the Shareholder	As at the date of this announcement		Immediately after the Completion (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date)	
	No. of Shares	Approximate % (Note 2)	No. of Shares	Approximate % (Note 2)
Talent Prime Group Limited (Note 1)	6,466,900	5.66	6,466,900	4.72
The Placees	—	0.00	22,800,000	16.64
Other public Shareholders	107,753,100	94.34	107,753,100	78.64
Total	<u>114,220,000</u>	<u>100.00</u>	<u>137,020,000</u>	<u>100.00</u>

Notes:

1. Talent Prime Global Limited is a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% each by Mr. Ha Chak Hung (“**Mr. Ha**”) being Chairman of the Board and an executive Director, and Mr. Ip Chu Shing (“**Mr. Ip**”) being Chief Executive Officer of the Company and an 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.

The Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 25 August 2023
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“Company”	Grand Talents Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8516)
“Completion”	the completion of the Placing upon and subject to the terms and conditions set out in the Placing Agreement
“Completion Date”	a date falling within four (4) Business Days after the fulfilment of all the conditions precedent of the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and otherwise deal with up to 22,844,000 Shares, representing 20.00% of the total number of the then issued Shares as at the AGM
“Group”	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 People’s Republic of China
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of its connected persons
“Last Trading Day”	2 January 2024, being the date of the Placing Agreement
“Long Stop Date”	22 January 2024 (or such later date as the Company and the Placing Agent may agree in writing)
“Placee(s)”	independent institutional, corporate or individual investor(s) which the Placing Agent will procure on a best effort basis to subscribe for the Placing Shares pursuant to and in accordance with the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 22,800,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Global Mastermind Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 2 January 2024 in relation to the Placing
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	up to 22,800,000 new Shares to be placed pursuant to the Placing Agreement
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Shares Buy-backs issued by the SFC (as may be supplemented and amended from time to time)
“%”	per cent.

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

Hong Kong, 2 January 2024

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 website of the Stock Exchange at www.hkexnews.hk on “Latest Listed Company Information” page 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.