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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

PineStone 鼎石

THE PLACING

On 15 November 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 27,404,000 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\$0.120 per Placing Share.

The Placing Price of HK\$0.120 per Placing Share represents (i) equivalent to the closing price of HK\$0.120 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 1.15% to the average of the closing prices per Share of HK\$0.1214 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 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% 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\$3.3 million and the net proceeds will be approximately HK\$3.1 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 15 November 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

15 November 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 27,404,000 Shares under the Placing represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% 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 27,404,000 Placing Shares under the Placing will be HK\$2,740,400.

Placing Price

The Placing Price of HK\$0.120 per Placing Share represents:

- (i) equivalent to the closing price of HK\$0.120 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 1.15% to the average of the closing prices per Share of HK\$0.1214 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 3% of the aggregate gross proceeds from the actual number of the Placing Shares placed by the Placing Agent at the Placing Price. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors are of the view that the placing commission of 3% is fair and reasonable.

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 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. It is expected that none of the Placees nor their associates (has the meaning ascribed to it in the GEM Listing Rules) will become a substantial shareholder of the Company as a result of the Placing.

Conditions of the Placing

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

- (a) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the approval for the listing of and permission to deal in the Placing Shares, either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent; and
- (b) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect.

If the above conditions are not fulfilled on or before the Long Stop Date, the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent 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 27,404,000 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

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 12:00 noon on the Completion Date:

- (a) there shall have been, since the date of the Placing Agreement, such a change in national or national financial, political or economic conditions or taxation or exchange controls as world, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (b) 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 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 provisions of the Placing Agreement; or
- (c) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the Completion Date. In the event the Placing Agent terminates the Placing Agreement pursuant to the aforesaid clauses (i) to (iii), all obligations of each of the parties to the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

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\$0.9 million as at 31 March 2024. The Placing represents a good opportunity to strengthen the Group's financial position and provide additional working capital to the Group whilst enlarging the shareholder base and the capital 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\$3.3 million and the net proceeds will be approximately HK\$3.1 million (after deduction of commission and other expenses of the Placing). The net placing price will be approximately HK\$0.113 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

Save for the placing as disclosed below, the Company did not conduct any equity fund raising activity in the twelve months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Gross proceeds	Net proceeds	Intended use of proceeds
2 January 2024	Placing of 22,800,000 Shares under the General Mandate	Approximately HK\$2.28 million	Approximately HK\$2.10 million	100% used for general working capital of the Group

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	4.72	6,466,900	3.93
The Placees	—	0.00	27,404,000	16.67
Other public Shareholders	130,553,100	95.28	130,553,100	79.40
Total	<u>137,020,000</u>	<u>100.00</u>	<u>164,424,000</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 30 July 2024
“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 27,404,000 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”	15 November 2024, being the date of the Placing Agreement
“Long Stop Date”	6 December 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 27,404,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Pinestone Securities Limited, a corporation licensed to carry out business in 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 15 November 2024 in relation to the Placing
“Placing Price”	HK\$0.120 per Placing Share
“Placing Share(s)”	up to 27,404,000 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, 15 November 2024

As at the date of this announcement, the executive Directors are Mr. HA Chak Hung, Mr. IP Chu Shing and Mr. CHU Jinzhe; and the independent non-executive Directors are Dr. FOK Wai Sun, Ms. TANG Shui Man and Ms. LIU Yuchao.

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.