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

INTERIM REPORT 2019

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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.*

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ha Chak Hung *(Chairman)*
Mr. Ip Chu Shing *(Chief Executive Officer)*
Mr. Han Shengjun

Non-executive Director

Mr. Lau Yik Lok

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, FCIS*

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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CORPORATE INFORMATION

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PRINCIPAL BANKER

Fubon Bank (Hong Kong) Limited

COMPLIANCE ADVISER

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COMPANY'S WEBSITE

www.grandtalentsgroup.com.hk

STOCK CODE

8516

HIGHLIGHTS

- The revenue of the Group was approximately HK$46.0 million for the six months ended 30 September 2019 representing a decrease from approximately HK$49.5 million for the same period ended 30 September 2018. Such decrease was mainly due to the completion of three repair and maintenance projects.

- The gross profit was approximately HK$7.5 million for the six months ended 30 September 2019, representing a decrease from approximately HK$14.3 million for the six months ended 30 September 2018. Such decrease was mainly due to the decrease in revenue and increase in cost of sales.

- The Group recorded a net loss of approximately HK$0.2 million for the six months ended 30 September 2019, as compared to a net profit of approximately HK$0.8 million recorded for the corresponding period ended 30 September 2018. Such deterioration was mainly due to the increase in payroll, material costs and administrative expenses.

- The board of directors of the Company (the "**Board**") does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (2018: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2019 (together with the comparative unaudited figures for the corresponding period in 2018) as follows:

		Six months ended 30 September	
		2019	2018
	Notes	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
Revenue	4	45,979	49,484
Cost of sales		(38,500)	(35,193)
Gross profit		7,479	14,291
Other income		265	20
Other gains and losses, net		—	(478)
Administrative expenses		(7,642)	(4,040)
Listing expenses		—	(7,311)
Finance costs	5	(316)	(154)
(Loss)/Profit before taxation		(214)	2,328
Income tax expense	6	—	(1,561)
(Loss)/Profit and total comprehensive income for the period, attributable to owners of the Company	7	(214)	767
		HK cents	HK cents
(Loss)/Earning per share:			
Basic	9	0.04	0.21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
ASSETS			
Non-current asset			
Plant and equipment	*10*	8,372	4,963
Right-of-use assets		275	—
		8,647	4,963
Current assets			
Contract assets	*11*	40,736	31,255
Trade and other receivables	*12*	52,278	60,686
Tax recoverable		2,426	489
Bank balances and cash		14,473	18,492
		109,913	110,922
Current liabilities			
Trade and other payables	*14*	16,385	13,013
Amount due to a related party	*13*	104	243
Amounts due to directors	*13*	3,400	—
Bank borrowings	*15*	8,517	12,739
Tax payable		—	453
Lease liabilities	*3(d)*	505	—
Obligations under finance leases	*16*	—	89
Bank overdraft		9,852	9,975
		38,763	36,512
Net current assets		71,150	74,410
Total assets less current liabilities		79,797	79,373

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	**30 September 2019 HK$'000 (Unaudited)**	31 March 2019 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities	*3(d)*	753	—
Obligations under finance leases	*16*	—	115
Deferred tax liabilities		528	528
		1,281	643
Net assets		78,516	78,730
Capital and reserve			
Share capital		4,800	4,800
Reserves		73,716	73,930
Total equity		78,516	78,730

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Attributable to owners of the Company				
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000 (Note)	Retained profits HK$'000	Total HK$'000
At 31 March 2018 (audited)	78	13,994	1,385	21,363	36,820
Profit and total comprehensive income for the period	—	—	—	767	767
Arising from the Reorganisation (Note i)	(78)	—	78	—	—
At 30 September 2018 (unaudited)	—*	13,994	1,463	22,130	37,587
At 31 March 2019 (audited)	4,800	35,187	15,457	23,286	78,730
Loss and total comprehensive expense for the period	—	—	—	(214)	(214)
At 30 September 2019 (unaudited)	4,800	35,187	15,457	23,072	78,516

* *Less than HK$1,000*

Note:

The amount represents the share capital of China Talents which is transferred to other reserve upon completion of the Reorganisation.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	(Unaudited) Six months ended 30 September	
	2019	2018
	HK$'000	HK$'000
Net cash from/(used in) from operating activities	1,652	(2,038)
Investing activities		
Advance to directors	3,400	—
Purchase of plant and equipment	(4,858)	(223)
Proceeds from disposal of plant and equipment	113	—
Repayment from directors	—	12
Interest received	108	1
Net cash used in investing activities	(1,237)	(210)
Financing activities		
Repayment of bank borrowings	(4,763)	(1,736)
Repayment of obligation under finance leases	(217)	(146)
Capital element of lease liabilities paid	(30)	—
Interest element of lease liabilities paid	(5)	—
Interest paid for bank borrowings	(316)	(154)
New bank borrowings raised	—	6,829
New finance leases	1,020	150
Net cash from financing activities	(4,311)	4,943
Net increase in cash and cash equivalents	(3,896)	2,695
Cash and cash equivalents at the beginning of the period	8,517	842
Cash and cash equivalents at the end of the period	4,621	3,537

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law 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 and repair and maintenance works for structures of roads and highways.

The 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 condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") which is also the functional currency of the Company.

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

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**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 Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

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

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

The principal accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019 as stated in the Annual Report 2019, 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 below, the adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated interim financial statements and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("**short-term leases**") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases (continued)

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in Note 7.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting *(continued)*

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

— right-of-use assets that meet the definition of investment property are carried at fair value;

— right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value; and

— right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting *(continued)*

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

(i) Classification of interest in leasehold land and buildings held for own use

In accordance with HKAS 16, *Property, plant and equipment*, the Group chooses to apply either the cost model or the revaluation model as its accounting policy for items of property, plant and equipment held for own use on a class-by-class basis. In applying this policy, the Group has concluded that its registered ownership interests in leasehold properties and the right to use other properties leased under tenancy agreements are two separate groupings of assets which differ significantly in their nature and use. Accordingly, they are regarded by the Group as separate classes of asset for subsequent measurement policies in accordance with the above accounting policies.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies (continued)

(i) Classification of interest in leasehold land and buildings held for own use *(continued)*

In making this judgement, the Group has taken into account that, as the registered owner of a leasehold property, the Group is able to benefit fully from any changes in the valuation of these properties whether as holding gains or by selling the property interest to others, as well as being able to use the properties in its operation free of paying market rents. In contrast, the shorter term tenancy agreements are typically for periods of no more than 10 years and are subject to other restrictions, in particular on transferability of the Group's tenancy rights to others. These shorter term tenancy agreements are executed in order to retain operational flexibility and to reduce the Group's exposure to the property market fluctuation. They may contain termination or extension clauses.

(ii) Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(c) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 April 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.65%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 March 2019 as an alternative to performing an impairment review.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(c) Transitional impact (continued)

The following table reconciles the operating lease commitments as disclosed in Note 29 in the Annual Report 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019 HK$'000
Operating lease commitments at 31 March 2019	65
Less: commitments relating to leases exempt from capitalisation:	
— short-term leases and other leases with remaining lease term ending on or before 31 March 2020	(48)
Less: total future interest expenses	(17)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019	563
Add: finance lease liabilities recognised as at 31 March 2019	(17)
Total lease liabilities recognised at 1 April 2019	546

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position at 31 March 2019.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of "obligations under finance leases", these amounts are included within "lease liabilities", and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset. There is no impact on the opening balance of equity.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Changes in accounting policies *(continued)*

HKFRS 16, Leases *(continued)*

(d) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's condensed consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the condensed consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the condensed consolidated statement of cash flows.

4. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 September	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Revenue		
The Group's revenue is analysed as follows:		
Repair and maintenance works	41,380	39,366
Civil engineering construction works	4,599	10,118
	45,979	49,484

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 Controlling Shareholders, 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 makes 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.

4. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment reporting *(continued)*

Six months ended 30 September 2019 (Unaudited)

	Civil engineering construction works HK$'000	Repair and maintenance works HK$'000	Total HK$'000
Segment revenue			
External sales	4,599	41,380	45,979
Segment results	966	6,513	7,479
Other income			265
Administrative expenses			(7,642)
Finance costs			(316)
Loss before taxation			(214)

Six months ended 30 September 2018 (Unaudited)

	Civil engineering construction works HK$'000	Repair and maintenance works HK$'000	Total HK$'000
Segment revenue			
External sales	10,118	39,366	49,484
Segment results	2,147	12,144	14,291
Other income			20
Other gains and losses, net			(478)
Administrative expenses			(4,040)
Listing expenses			(7,311)
Finance costs			(154)
Profit before taxation			2,328

5. FINANCE COSTS

	Six months ended 30 September	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interests on bank borrowings and bank overdraft	282	141
Interest elements on lease liabilities	34	—
Interests on obligations under finance leases	—	13
	316	154

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
— Current period	—	1,561

No Hong Kong Profits Tax is provided as the Group has no estimated assessable profit for the current period. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 September 2018.

7. (LOSS)/PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 30 September	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
(Loss)/profit and total comprehensive income for the period has been arrived at after charging/(crediting):		
Directors' remunerations	1,395	606
Other staff costs:		
Salaries and other allowances	16,687	12,146
Retirement benefit scheme contributions	791	499
Total staff costs	18,873	13,251
Auditor's remuneration	—	442
Minimum operating lease rentals in respect of office premises	—	148
Expenses relating to short-term leases and leases of low value assets	82	—
Depreciation of plant and equipment	270	456
Depreciation of right-of-use assets	55	—
Bank interest income	(108)	(1)

8. DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 September 2019 (for the six months ended 30 September 2018: Nil).

9. (LOSS)/EARNING PER SHARE

The calculation of basic (loss)/earning per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 September 2019 of 480,000,000 (for the six months ended 30 September 2018: 360,000,000:

	Six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
(Loss)/Earnings:		
(Loss)/Earnings for the purpose of basic earning per share (HK$'000)	(214)	767
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	480,000,000	360,000,000

No diluted (loss)/earnings per share are presented for both periods as there were no potential ordinary shares outstanding.

10. MOVEMENTS IN PLANT AND EQUIPMENT

During the six months ended 30 September 2019, the Group acquired approximately HK$4.6 million (six months ended 30 September 2018: approximately HK$1.1 million) of plant and equipment. The Group dispose of any plant and equipment with no aggregate carrying amount did not (for the six months ended 30 September 2018: nil) for no cash proceeds (for the six months ended 30 September 2018: nil).

11. CONTRACT ASSETS

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
Unbilled Revenue	35,594	24,433
Retention receivables	6,102	7,782
	41,696	32,215
Less: impairment loss	(960)	(960)
	40,736	31,255

The significant increase in contract assets of the Group during the period is primarily due to commencement of new projects during the period but not yet certified by the respective project employers, which resulted in an increase in unbilled revenue at the end of the period.

Allowance for impairment

No allowance for impairment in respect of contract assets during the current interim period was provided.

12. TRADE AND OTHER RECEIVABLES

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
Trade receivables	53,366	52,986
Less: impairment loss	(2,676)	(2,678)
	50,690	50,308
Other receivables, deposits and prepayments	1,588	10,378
	52,278	60,686

The Group recognises trade receivables upon issuance of payment application/invoice. The payment certificates will generally be issued by project employer one month to ten months after the issuance of payment application/invoice for billing purpose and the credit term granted to customers is generally 30 to 45 days from the date of issuance of payment application/invoice or payment certificate. In addition, for construction contracts, the Group allows 1-10% of total contract price as retention, which are normally due at the end of the defects liability period, ranging from 1 to 2 years from the date of completion of the respective projects.

12. TRADE AND OTHER RECEIVABLES *(continued)*

Trade receivables

The following is an aged analysis of trade receivables, net of impairment loss, presented based on date of payment application/invoice at the end of each reporting period:

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
0–30 days	1,300	12,858
31–60 days	1,105	10,361
61–90 days	1,328	7,251
91–180 days	24,712	9,096
181–365 days	16,713	8,857
> 365 days	5,532	1,885
	50,690	50,308

Allowance for impairment

Included in the Group's trade receivables as at 31 March 2019 and 30 September 2019 are debtors with aggregate carrying amount of HK$6,572,000 and HK$6,717,000 respectively, which are past due at the end of each reporting period for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

13. AMOUNTS DUE TO DIRECTORS/A RELATED PARTY

The Group

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
Amounts due to directors *(note a)*		
Mr. Ha	2,400	—
Mr. Ip	1,000	—
Amount due to a related party *(note b)*		
Kaiser Global (China) Company Limited ("**Kaiser Global**")	104	243

Notes:

a. The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.

b. Kaiser Global is controlled by a sister of Mr. Ha, a director of the Company. The amount due to Kaiser Global is trade in nature, interest-free, repayable on demand and has a credit term of 30 days.

14. TRADE AND OTHER PAYABLES

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
Trade payables	7,714	7,526
Retention payables	783	751
Accrued expenses	4,908	1,376
Accrued payroll expenses	2,980	3,360
	16,385	13,013

Trade payables

All trade payables are expected to be settled or recognised as income within one year or are repayable on demand.

The average credit period on trade payables is 30 days. The following is an aged analysis of trade payables presented based on the date of invoices/payment certificates at the end of each reporting period:

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
0–30 days	868	2,683
31 to 60 days	894	794
61 to 90 days	1,062	946
Over 90 days	4,890	3,103
	7,714	7,526

14. TRADE AND OTHER PAYABLES *(continued)*

Retention payables

The retention payables are to be settled within 1 year, based on the expiry of defects liability period, at the end of each reporting period.

The following is an aged analysis of retention payables presented based on the dates of invoices/payment certificates at the end of each reporting period:

	30 September 2019 HK$'000 (Unaudited)	31 March 2019 HK$'000 (Audited)
Within one year	783	751

15. BANK BORROWINGS

During the six months ended 30 September 2019, the Group had repaid bank loans amounting to approximately HK$7.9 million (for the six months ended 30 September 2018: HK$1.7 million).

16. OBLIGATIONS UNDER FINANCE LEASES

The Group leased its motor vehicles under finance leases with originated terms of five years. The effective interest rate was 5.03% per annum during the year ended 31 March 2019, respectively. Interest rates are fixed at respective contract dates.

During the six months ended 30 September 2019, the Group had repaid finance leases amounting to approximately HK$327,000 (for the six months ended 30 September 2018: HK$146,000).

The balance was reclassified to lease liabilities (note 3(d)) upon initial application of HKFRS 16 on 1 April 2019.

BUSINESS REVIEW

The Group is an established subcontractor engaged in civil engineering construction works with 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 sewerage, waterworks and barrier-free access facilities.

The Group has undertaken (i) repair and maintenance projects for roads and highways and other infrastructures such as slopes; and (ii) civil engineering construction projects. In respect of repair and maintenance projects, they are term contracts normally for a duration ranging from one to six years. As for the civil engineering construction works, the duration of the projects usually ranged from two to four years, depending on the complexity of the works undertaken. During the period under review, the Group has continued to focus on developing business of undertaking repair and maintenance works and civil engineering construction works in Hong Kong.

FUTURE PROSPECTS

Risk management and internal control

As at 30 September 2019 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 six months ended 30 September 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

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

The revenue of the Group decreased by approximately 7.1% from approximately HK$49.5 million for the six months ended 30 September 2018, to approximately HK$46.0 million for the six months ended 30 September 2019. Such decrease was mainly attributable to the completion of three repair and maintenance projects during the period ended 30 September 2019.

Cost of sales

The cost of sales primarily consists of staff costs, sub-contracting fees, and construction materials and supplies. The cost of sales increased by approximately 9.4% from approximately HK$35.2 million for the six months ended 30 September 2018 to approximately HK$38.5 million for the six months ended 30 September 2019, which was mainly due to increase in staff costs.

Gross profit and gross profit margin

The gross profit was approximately HK$14.3 million and HK$7.5 million for the six months ended 30 September 2018 and 2019 respectively. The gross profit margin was approximately 28.9% and 16.3% respectively. The decrease in our gross profit and gross profit margin was primarily due to the decrease in revenue and increase in cost of sales.

Other income

The Group recorded other income of HK$265,000 during the six months ended 30 September 2019 (six months ended 30 September 2018: HK$20,000).

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 increased by approximately 89.3% from approximately HK$4.0 million for the six months ended 30 September 2018 to approximately HK$7.6 million for the six months ended 30 September 2019. The increase was mainly due to the increase in staff costs and the increase in directors' remunerations because of the increased number of directors.

Finance costs

The finance costs increased by approximately 101.9% from approximately HK$154,000 for the six months ended 30 September 2018 to approximately HK$316,000 for the six months ended 30 September 2019. The increase was mainly due to the increase in obligations under finance lease.

Income tax

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 jurisdiction other than Hong Kong during the six months ended 30 September 2018 and 2019. The Group's operations in Hong Kong are subject to a statutory profit tax rate of 16.5%. It recorded income tax of nil during the six months ended 30 September 2019, as compared to approximately HK$1.6 million for the six months ended 30 September 2018.

Loss for the period

As a result of the foregoing, the Group recorded a loss of approximately HK$0.2 million for the six months ended 30 September 2019 as compared to a profit of approximately HK$0.8 million decrease for the six months ended 30 September 2018. Such deterioration was mainly due to the increase in payroll, material cost and administrative expenses.

CAPITAL ADEQUACY RATIOS

The Group has been maintaining its capital adequacy ratios during the period under review.

As at 30 September 2019, the Group had net current assets of approximately HK$71.2 million (as at 31 March 2019: approximately HK$74.4 million), of which the cash and cash equivalents were approximately HK$14.5 million. The Group's current ratio as at 30 September 2019 is approximately 2.8 times (as at 31 March 2019: approximatley 3.0 times). The gearing ratio as at 30 September 2019 was approximately 23.4% (as at 31 March 2019: approximately 29.1%) which is calculated on the basis of the Group's all interest-bearing borrowings, obligations under finance leases and bank overdraft over the total equity.

Total bank overdraft, bank borrowings and obligations under finance lease for the Group amounted to approximately HK$18.4 million as at 30 September 2019 (as at 31 March 2019: approximately HK$22.9 million). As at 30 September 2019, bank borrowings in the amounts of approximately HK$8.5 million within one year while nil are due after one year.

The Group adopts centralized financing and treasury policies in order to ensure its funding is utilized efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

CAPITAL EXPENDITURE

Capital expenditure primarily comprised of purchase of construction equipment, furniture fixtures and equipment, computers and motor vehicles. The capital expenditure was funded by net proceeds from the Listing, internal resources, finance leases and bank borrowings during the six months ended 30 September 2019.

The following sets forth the Group's capital expenditure as at the dates indicated:

	As at 30 September 2019 HK$'000 (Unaudited)	As at 31 March 2019 HK$'000 (Audited)
Plant and equipment	2,946	5,117
Deposit for acquisition of property, plant and equipment	—	—
	2,946	5,117

CAPITAL STRUCTURE

There was no change in the Company's capital structure for the six months ended 30 September 2019.

CONTINGENT LIABILITIES

As at 30 September 2019, the Group did not have any significant contingent liability (31 March 2019: nil).

COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases payable within one year amounted to HK$168,000 as at 30 September 2019 (as at 31 March 2019: HK$65,000), while the total future minimum lease payments under non-cancellable operating leases payable after one year but within five years amounted to Nil (as at 31 March 2019: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2019, the Group had 98 employees in total (as at 31 March 2019: 127).

The Directors and senior management receive compensation in the form of director fees, salaries, benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any significant investments or material acquisition and disposal during the six months ended 30 September 2019.

EVENTS AFTER THE REPORTING PERIOD

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

USE OF PROCEEDS

Based on the Offer Price of HK$0.40 per Offer Share and 120,000,000 Shares offered by the Company, the net proceeds from the Share Offer received by the Company, after deducting the underwriting fees and commissions and estimated expenses paid and payable by the Company in relation to the Share Offer, are approximately HK$23.0 million. Such net proceeds are intended to be or have been applied for the purposes of (i) acquisition of additional machinery and equipment; (ii) strengthening our manpower; (iii) strengthening our financial capabilities; and (iv) working capital.

Details of the Group's intended use of the net proceeds from the Share Offer are set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

The use of net proceeds from the Listing as at 30 September 2019 was as follows:

	Planned use of the net proceeds up to 30 September 2019 (HK$'000)	Actual use of the net proceeds up to 30 September 2019 (HK$'000)
Acquisition of additional machinery and equipment	8,800	8,452
Strengthening our manpower	4,263	3,038
Strengthening our financial capabilities:		
(i) Surety bond for the tender of new projects	3,000	—
(ii) Surety bond for a project	2,000	—
Working capital	400	400
Total:	18,463	11,890

The business objectives, implementation plans and planned use of proceeds were based on the estimation and assumption of future market conditions made by the Group for the purpose of Listing. The actual use of proceeds was based on the Group's business operations and development.

As at 30 September 2019, approximately HK$11.9 million of the net proceeds from the Listing had been used. The remaining unutilised net proceeds were deposited in licensed banks in Hong Kong. The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group's business objectives and may change or modify the Group's plans against the changing market condition to attain sustainable business growth of the Group.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (for the six months ended 30 September 2018: Nil).

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

CORPORATE GOVERNANCE PRACTICE

The Board is responsible for performing the corporate governance duties in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out 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.

Except the deviation in Code Provision E.1.5 and Mandatory Disclosure Requirement L.(d)(ii) of the CG Code and Rule 17.104 of the GEM Listing Rule due to administration oversight, the Company has complied with the principles and applicable code provisions of the CG Code for the six months ended 30 September 2019.

Pursuant to Code Provision E.1.5 in the CG Code, the Company is required to have a dividend policy. Also pursuant to Mandatory Disclosure Requirement L.(d)(ii) of the Code and Rule 17.104 in the GEM Listing Rules, the Company is required to have a policy for nomination of directors and board diversity policy. The Company has not adopted the aforesaid policies.

The Company is considering to adopt these policies as soon as practicable.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares (the "**Code of Conduct**"). Having made specific enquiries to all Directors, each of them has confirmed that he/she has fully complied with the required standard of dealings set out in the Code of Conduct during the six months ended 30 September 2019.

SHARE OPTION SCHEME

The Company adopted a share option scheme (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.

No share option has been granted or exercised under the Scheme during the six months ended 30 September 2019. No share option was outstanding as at 30 September 2019.

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 six months ended 30 September 2019.

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 30 September 2019, 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 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 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	334,800,000 (L)	69.75%
Mr. Ip *(Note 2)*	Interest of a controlled corporation	334,800,000 (L)	69.75%
Mr. Lau Yik Lok *(Note 3)*	Interest of a controlled corporation	25,200,000 (L)	5.25%

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 69.75% of the issued share capital of the Company upon completion of Share Offer. Mr. Ha and Mr. Ip are directors of Talent Prime Group Limited.*

3. *Mr. Lau Yik Lok beneficially owns the entire issued share capital of Infinite Honor. Therefore, Mr. Lau Yik Lok is deemed to be interested in all the Shares held by Infinite Honor Limited for the purpose of the SFO. Mr. Lau Yik Lok is the sole director of Infinite Honor.*

(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 30 September 2019, 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.

(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 30 September 2019, the following persons (not being a Director or chief executive of the Company) had 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 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.

Name of substantial shareholder	Capacity	Number of Shares *(Note 1)*	Percentage of interest in our Company
Talent Prime Group Limited	Beneficial owner	334,800,000 (L)	69.75%
Ms. Chung Ching Yan *(Note 2)*	Interest of spouse	334,800,000 (L)	69.75%
Ms. Lee Ming Ho *(Note 3)*	Interest of spouse	334,800,000 (L)	69.75%
Infinite Honor Limited	Beneficial owner	25,200,000 (L)	5.25%
Ms. Zhao Yue *(Note 4)*	Interest of spouse	25,200,000 (L)	5.25%

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. Zhao Yue is the spouse of Mr. Lau Yik Lok. Under the SFO, Ms. Zhao is deemed, or taken to be, interested in the same number of Shares in which Mr. Lau Yik Lok is interested for the purpose of the SFO.*

Save as disclosed above, so far as is known to the Directors, as at 30 September 2019, 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Other than members of the Group, none of the Directors or 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 30 September 2019, 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 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. The financial information for the six months ended 30 September 2019 in this interim 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 financial results comply with the applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the Group's customers, business partners and shareholders for their continuous support for and trust in the Group. The Board also wishes to express its heartfelt appreciation to all of the staff of the Group for their dedication and hard work throughout the period.

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

Hong Kong, 13 November 2019

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