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Grandshores Technology Group Limited
雄岸科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1647)

SUPPLEMENTAL INFORMATION TO
2019 ANNUAL REPORT AND 2020 ANNUAL REPORT

Reference is made to (i) the prospectus of Grandshores Technology Group Limited (the “**Company**”) dated 20 March 2017 (the “**Prospectus**”); (ii) the annual report of the Company for the year ended 31 March 2019 (the “**2019 Annual Report**”); and (iii) the annual report of the Company for the year ended 31 March 2020 (the “**2020 Annual Report**”, together with the 2019 Annual Report, the “**Annual Reports**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Reports, unless otherwise defined.

The Board would like to provide the following supplemental information under the sub-section headed “Use of proceeds from the share offer” of the section headed “Management discussion and analysis” in the Annual Reports.

EXPECTED TIMELINE FOR USING THE REMAINING PROCEEDS

The table below sets out the planned and actual usage of the net proceeds up to 31 March 2019 and 31 March 2020 and the expected timeline for using the unutilised net proceeds as at 31 March 2020 (the “**Remaining Proceeds**”):

Business objectives	Net proceeds S\$ '000	Amount utilised	Amount utilised	Unutilised net proceeds	Expected timeline for utilising the remaining proceeds up to		
		as at 31 March 2019 S\$ '000	as at 31 March 2020 S\$ '000	as at 31 March 2020 S\$ '000	31 March 2021 S\$ '000	31 March 2022 S\$ '000	31 March 2023 S\$ '000
Various investment for expanding the scale of operation and undertaking more intergrated building services projects in Singapore	12,475	1,884	3,239	9,236	1,800	3,000	4,436
Various investments for expanding the in-house capabilities and reducing the use of subcontractors in relation to plumbing and sanitary works, electrical works and air-conditioning works	6,971	2,317	3,142	3,829	1,000	1,300	1,529
General working capital	<u>2,137</u>	<u>2,137</u>	<u>2,137</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>21,583</u></u>	<u><u>6,338</u></u>	<u><u>8,518</u></u>	<u><u>13,065</u></u>	<u><u>2,800</u></u>	<u><u>4,300</u></u>	<u><u>5,965</u></u>

REASONS FOR PROLONGING THE TIMELINE FOR USING THE REMAINING PROCEEDS

The Group has been facing challenges in expanding its integrated building services and building construction works businesses as planned in the past two financial years due to keen competition in Singapore’s building and construction industry. Furthermore, the Ministry of Health of Singapore issued a press release on “Circuit Breaker to Minimise Further Spread of Coronavirus Disease 2019 (or COVID-19)” which outlined enhanced safe distancing measures to reduce the risk of further local transmission of COVID-19. The measures include the closure of workplace premises and have caused delay in project progress. In the upcoming year, we expect challenge in the construction industry in Singapore given the COVID-19 outbreak has created ripple effect on all sectors.

The Remaining Proceeds are expected to be used in accordance with the Company's plan as disclosed in the Prospectus, except that the original timeline for the Group's expansion plan has been prolonged due to the aforesaid factors. The Board believes that it is financially prudent to prolong the timeline for implementing the business expansion as this would enhance the liquidity management of the Group and allows greater flexibility in responding to different challenges ahead.

Save as disclosed above, all other information and content set out in the 2019 Annual Report and the 2020 Annual Report remain unchanged.

By order of the Board
Grandshores Technology Group Limited
Yao Yongjie
Chairman and Executive Director

Hong Kong, 25 August 2020

As at the date of this announcement, the Board comprises Mr. Yao Yongjie as an executive Director; Mr. Chua Seng Hai and Ms. Lu Xuwen as non-executive Directors; and Mr. Chu Chung Yue, Howard, Dr. Zhang Weining and Mr. Yu Wenzhuo as independent non-executive Directors.