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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Grandshores Technology Group Limited (the “**Company**”) is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021 (the “**Review Period**”), together with the comparative figures for the corresponding six months ended 30 September 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended	
		30 September	
		2021	2020
	<i>Note</i>	S\$	S\$
		(Unaudited)	(Unaudited)
Revenue	4	18,146,703	17,328,873
Costs of sales and services		(13,230,937)	(11,888,504)
Gross profit		4,915,766	5,440,369
Other income		465,533	787,664
Other gains and losses		(196,962)	(687,413)
Selling expenses		(21,023)	(20,593)
Administrative expenses		(4,458,454)	(3,713,243)
Finance costs	5	(3,873)	(23,636)
Share of loss of an associate		(12,954)	(1,717)
Profit before taxation		688,033	1,781,431
Income tax expense	6	(294,867)	(610,909)
Profit for the period	7	393,166	1,170,522

		Six months ended	
		30 September	
		2021	2020
		S\$	S\$
Note		(Unaudited)	(Unaudited)
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		92,996	423,583
Total comprehensive income for the period		486,162	1,594,105
Profit/(loss) for the period attributable to:			
Owners of the Company		394,363	877,897
Non-controlling interests		(1,197)	292,625
		393,166	1,170,522
Total comprehensive income/(loss) attributable to:			
Owners of the Company		613,363	1,388,620
Non-controlling interests		(127,201)	205,485
		486,162	1,594,105
Basic and diluted earnings per share (S\$ cents)		0.04	0.09

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
	Note		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		6,940,040	7,407,434
Interest in an associate		743,343	737,781
Equity Investment at FVTOCI		1,714,759	207,230
Financial assets at fair value through profit or loss		603,330	597,688
Finance lease receivable	11	956,893	1,467,879
Loan receivable		—	75,878
		<u>10,958,365</u>	<u>10,493,890</u>
Current assets			
Inventories		1,953,315	2,570,484
Trade receivables	10	7,297,733	9,681,659
Other receivables, deposits and prepayments		22,718,389	27,672,661
Amounts due from related companies		734,580	746,604
Financial assets at fair value through profit or loss		1,303,823	1,163,662
Finance lease receivable	11	1,019,786	956,266
Pledged bank deposits		208,948	786,008
Bank balances and cash		26,472,133	21,698,546
		<u>61,708,707</u>	<u>65,275,890</u>
Current liabilities			
Trade and other payables	12	5,245,470	8,111,258
Amount due to a related company		520,788	508,600
Lease liabilities		212,344	268,603
Income tax payable		1,620,907	2,085,042
		<u>7,599,509</u>	<u>10,973,503</u>
Net current assets		<u>54,109,198</u>	<u>54,302,387</u>
Total assets less current liabilities		<u>65,067,563</u>	<u>64,796,277</u>

	30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
Non-current liabilities		
Deferred tax liabilities	205,701	205,701
Lease liabilities	50,924	128,100
	<u>256,625</u>	<u>333,801</u>
Net assets	<u>64,810,938</u>	<u>64,462,476</u>
EQUITY		
Capital and reserves		
Share capital	1,966,310	1,966,310
Reserves	<u>61,012,873</u>	<u>60,360,426</u>
Equity attributable to owners of the Company	62,979,183	62,326,736
Non-controlling interests	<u>1,831,755</u>	<u>2,135,740</u>
Total equity	<u>64,810,938</u>	<u>64,462,476</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016 and its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Companies Ordinance**”) on 13 June 2016.

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services and undertaking building and construction works in Singapore. The Group is also engaging in blockchain technology development and application business and industrial hemp business.

The functional currency of the Group is Singapore Dollars (“S\$”), which is also the presentation currency of the Group.

The unaudited consolidated financial statements for the six months ended 30 September 2021 were approved by the Board of the Company on 30 November 2021.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Companies Ordinance.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 September 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s consolidated financial statements:

- | | |
|---|--|
| • Amendments to IFRS 16 | Covid-19 Related Rent Concessions |
| • Amendments to IFRS 9, IAS 39, IFRS 7,
IFRS 4 and IFRS 16 | Interest Rate Benchmark Reform — Phase 2 |

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.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents income from (i) providing integrated building services, with a focus on maintenance and installations of mechanical and electrical (“**M&E**”) systems and including minor repairs and improvement works (“**Integrated Building Services**”), (ii) undertaking building and construction works (“**Building Construction Works**”), (iii) engaging in operation, maintenance and management of data centres and other high performance data processing facilities and equipment in relation to blockchain technologies, digital assets trading platform operation and blockchain strategic advisory services provision (“**Blockchain Technology Development and Application**”) and (iv) engaging in hemp seed research, hemp cultivation, Cannabidiol (“**CBD**”) extraction and CBD downstream product application (“**Industrial Hemp**”).

Information is reported to the Executive Directors, being the chief operating decision maker (“**CODM**”) of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. “Integrated Building Services”, “Building Construction Works”, “Blockchain Technology Development and Application” and “Industrial Hemp” and profit for the period as a whole. No analysis of the Group’s result, assets and liabilities is regularly provided to CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 “Operating Segments”.

An analysis of the Group’s revenue for the period is as follows:

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Integrated Building Services	16,633,764	11,267,580
Building Construction Works	2,174,548	413,710
Industrial Hemp	—	—
	18,808,312	11,681,290
Income from other sources		
Blockchain Technology Development and Application (<i>note</i>)	(661,609)	5,647,583
	18,146,703	17,328,873

Note:

	Six months ended	
	30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Income from blockchain technology development and application business		
Trading of digital assets	—	4,020,728
Fair value (loss)/gain on digital assets inventories	(661,609)	433,831
Others	—	1,193,024
	(661,609)	5,647,583

Information about the Major Customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	Six months ended	
	30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Customer I	4,344,738	3,691,941
Customer II	3,496,600	1,894,923
Customer III	1,902,263	<i>Note b</i>
Customer IV	<i>Note b</i>	1,809,853

Note:

- (a) For the six months ended 30 September 2021 and 2020, revenue from customers I, III and IV is generated from provision of integrated building services, while revenue from customer II is generated from provision of both integrated building services and building construction works.
- (b) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical Information

The Group's revenue from customers and information about its specified non-current assets, comprising property, plant and equipment and interest in an associate, by geographical location are detailed below:

	Six months ended	
	30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
<i>Revenue from external customers</i>		
Singapore	18,808,312	11,681,290
People's Republic of China ("PRC")	—	—
	18,808,312	11,681,290
<i>Income from external customers</i>		
Hong Kong	(661,609)	5,534,565
Canada	—	113,018
	18,146,703	17,328,873
	30 September	31 March
	2021	2021
	S\$	S\$
	(Unaudited)	(Audited)
<i>Non-current assets</i>		
Singapore	6,816,335	7,231,336
Hong Kong	867,048	913,879
Canada	—	—
PRC	—	—
	7,683,383	8,145,215

Disaggregation of revenue

Revenue from contracts with customers within the scope of IFRS15 is further analysed as follows:

Integrated Building Services		Building Construction Works		Industrial Hemp		Total	
2021	2020	2021	2020	2021	2020	2021	2020
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Disaggregation by timing of
revenue recognition

Over time	16,633,764	11,267,580	2,174,548	413,710	—	—	18,808,312	11,681,290
	<u>16,633,764</u>	<u>11,267,580</u>	<u>2,174,548</u>	<u>413,710</u>	<u>—</u>	<u>—</u>	<u>18,808,312</u>	<u>11,681,290</u>

5. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Interests on bank borrowings	—	16,550
Interest costs on lease liabilities	3,873	7,086
	<u>3,873</u>	<u>23,636</u>

6. INCOME TAX EXPENSE

Singapore corporate income tax has been provided at the rate of 17% (30 September 2020: 17%) on the estimated assessable profits arising in or derived from Singapore.

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits in Hong Kong (30 September 2020: provided at 16.5% of the assessable profits).

No PRC corporate income tax has been provided as the Group did not generate any assessable profits in the PRC for both periods.

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current income tax		
— Singapore corporate income tax	445,011	456,654
— Hong Kong profits tax	—	154,255
— PRC corporate income tax	—	—
Overprovision in respect of prior years	(150,144)	—
	<u>294,867</u>	<u>610,909</u>

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	348,391	496,034
Depreciation of right-of-use assets	130,649	336,725
Staff costs (including directors' remuneration)		
— Salaries and other benefits	3,708,294	3,036,226
— Contributions to Singapore CPF & Hong Kong MPF	131,792	155,747
— Equity-settled share-based payment	39,083	386,051
Total staff costs	<u>3,879,169</u>	<u>3,578,024</u>
Cost of materials	1,751,780	735,913
Subcontractor costs	<u>9,718,455</u>	<u>4,911,559</u>

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2021 (Six months ended 30 September 2020: Nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	Six months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to the owners of the Company (S\$)	394,363	877,897
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	1,095,040,000	1,030,540,000
Basic and diluted earnings per share (S\$ cents)	0.04	0.09

10. TRADE RECEIVABLES

	30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
Billed trade receivables	5,821,151	8,222,562
Unbilled trade receivables (Note a)	1,476,582	1,459,097
	7,297,733	9,681,659

Note:

- (a) Unbilled trade receivables represent (i) the accrued revenue from Integrated Building Services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed Building Construction Works contracts which are entitled for billing.

The Group grants credit terms to customers typically between 15 and 60 days from the invoice date for trade receivables. The following is an analysis of trade receivables by age presented based on the invoice date at the end of each reporting period:

	30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
Within 90 days	5,000,190	7,359,036
91 days to 180 days	336,185	672,807
181 days to 365 days	345,636	97,562
Over 1 year but not more than 2 years	89,551	48,195
More than 2 years	49,589	44,962
	5,821,151	8,222,562

11. FINANCE LEASE RECEIVABLE

	Minimum lease payments receivable		Present value of minimum lease payments receivable	
	30 September 2021 (Unaudited) S\$	31 March 2021 (Audited) S\$	30 September 2021 (Unaudited) S\$	31 March 2021 (Audited) S\$
Finance lease receivable comprises:				
Within one year	1,188,112	1,160,306	1,072,286	1,008,766
After one year but within three years	990,093	1,547,074	956,893	1,467,879
	2,178,205	2,707,380	2,029,179	2,476,645
Less: Unearned finance lease income	(149,026)	(230,735)	—	—
	2,029,179	2,476,645	2,029,179	2,476,645
Less: Provision for impairment loss	(52,500)	(52,500)	(52,500)	(52,500)
Present value of minimum lease payments receivable	1,976,679	2,424,145	1,976,679	2,424,145

	30 September 2021 (Unaudited) S\$	31 March 2021 (Audited) S\$
Representing		
Current	1,019,786	956,266
Non-current	956,893	1,467,879
	1,976,679	2,424,145
Effective interest rates		
Finance lease receivable	7.5%	7.5%

The ageing analysis of finance lease receivable as at the reporting date based on past due, and net of loss allowance is as follows:

	30 September 2021 (Unaudited) S\$	31 March 2021 (Audited) S\$
Not past due	1,976,679	2,424,145

Finance lease receivable is secured by lease assets.

12. TRADE AND OTHER PAYABLES

	30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
Trade payables	3,221,619	5,593,779
Trade accruals	950,428	1,151,447
	4,172,047	6,745,226
Accrued operating expenses	706,168	768,232
Other payables		
GST payable	323,760	455,374
Others	43,495	142,426
	5,245,470	8,111,258

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 September 2021 S\$ (Unaudited)	31 March 2021 S\$ (Audited)
Within 90 days	2,446,818	3,030,069
91 days to 180 days	292,120	1,805,252
181 days to 365 days	297,906	612,932
Over 1 year but not more than 2 years	139,307	94,668
Over 2 years	45,468	50,858
	<u>3,221,619</u>	<u>5,593,779</u>

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days (31 March 2021: 15 to 90 days) or payable upon delivery.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group's revenue for the six months ended 30 September 2021 was approximately S\$18.1 million (30 September 2020 was approximately S\$17.3 million). The Group's gross profit decreased from approximately S\$5.4 million for the six months ended 30 September 2020 to approximately S\$4.9 million for the six months ended 30 September 2021, while the Group's gross profit margin decreased from approximately 31.2% for the six months ended 30 September 2020 to approximately 27.1% for the six months ended 30 September 2021.

According to Singapore Building and Construction Authority ("BCA"), the total construction demand in 2021 is projected to recover. In the medium term, BCA expects a steady improvement in construction demand. Demand is projected to reach between S\$25 billion and S\$32 billion per year from 2022 to 2025. Similarly, the public sector is expected to lead the demand and contribute some S\$14-18 billion per year from 2022 to 2025, with similar proportions of demand coming from building projects and civil engineering works. Meanwhile, private sector construction demand is also expected to improve steadily in the same period, to reach between S\$11 billion and S\$14 billion per year. This is in anticipation of a gradual recovery of the global economy, contingent on the successful deployment and effectiveness of COVID-19 treatment and vaccines as well as easing of lockdown restrictions.

The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will work with the relevant Singapore Government authorities and customers to mitigate any potential issues and continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

The Group's blockchain technology development and application business includes operation, maintenance and management of data centres and high performance data processing facilities and equipment in relation to blockchain technologies, digital assets trading platform, blockchain strategic advisory service. During the Review Period, the blockchain technology development and application business recorded a decrease in revenue from approximately S\$5.6 million revenue for the six months ended 30 September 2020 to approximately S\$662,000 loss for the six months ended 30 September 2021. The loss for the Review Period was due to the decrease in Bitcoin price from approximately US\$59,000 at the end of March 2021 to approximately US\$43,000 at the end of September 2021. However, after the end of the Review Period the price of Bitcoin regained momentum and hit record high, so the Group is expected to benefit from such surge in price afterwards. The market price of Bitcoin was approximately US\$57,000 as at the date of this announcement.

The Group's industrial hemp business was not active during the Review Period.

Future Prospects

The Group intends to continue the existing principal businesses that provides integrated building services and undertakes building construction works in Singapore. At the same time, the Group intends to expand and diversify our business by investing into new business opportunities which can enhance shareholder value as well as complement and leverage existing business lines.

Although the revenue and gross profit of the blockchain technology development decreased during the Review Period, our Directors are positive about the future of the blockchain technology development and application business, considering the ongoing expansion of blockchain technology applications in different field and industries.

For industrial hemp business, the Group will review the market condition regularly to explore the development and expansion opportunities in this industry.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2021, the Group recorded a revenue of approximately S\$18.1 million (30 September 2020: approximately S\$17.3 million), an increase of approximately S\$0.8 million or approximately 4.6%.

The revenue from the integrated building services increased from approximately S\$11.3 million for the six months ended 30 September 2020 to approximately S\$16.6 million for the six months ended 30 September 2021, an increase of approximately S\$5.3 million or 46.9%. The increase is mainly due to the lifting of the Circuit Breaker measures imposed by Singapore Government from 7 April 2020 to 1 June 2020 (the “**Circuit Breaker Period**”) to combat the local transmission of Coronavirus Disease 2019 (“**COVID-19**”) in Singapore. Majority of the Group’s projects were halted during the Circuit Breaker Period and resulted in a significant slowdown in the progress of the Group’s integrated building services and building construction works in prior period, six months ended 30 September 2020.

Revenue attributable to the building construction works increased approximately S\$1.8 million or approximately 450%, from approximately S\$0.4 million for the six months ended 30 September 2020 to approximately S\$2.2 million for the six months ended 30 September 2021, mainly due to the lifting of the Circuit Breaker measures imposed by Singapore Government as discussed above.

The increase in revenue was partly offset by the decrease in revenue generated from the blockchain technology development and application business of approximately S\$6.3 million, decreased from approximately S\$5.6 million revenue for the six months ended 30 September 2020 to approximately S\$662,000 loss for the six months ended 30 September 2021. The loss for the Review Period is mainly due to the drop in price of Bitcoin during the Review Period so that the Group recorded negative fair value change.

Cost of sales and services

The Group's cost of sales and services increased from approximately S\$11.9 million for the six months ended 30 September 2020 to approximately S\$13.2 million for the six months ended 30 September 2021, representing an increase of approximately S\$1.3 million or approximately 10.9%, which was mainly due to the increase in revenue from integrated building service business and building constructions works business as discussed above.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately S\$5.4 million for the six months ended 30 September 2020 to approximately S\$4.9 million for the six months ended 30 September 2021, a decrease of approximately S\$0.5 million or approximately 9.3%. Such decrease was mainly due to the decrease in the revenue from the blockchain technology development and application business discussed above.

The Group's gross profit margin decreased from 31.2% for the six months ended 30 September 2020 to approximately 27.1% for the six months ended 30 September 2021 which is also due to the increase in the revenue contributed from integrated building services and building construction works which are traditionally at a lower gross profit margin.

Other gains and losses

The Group's other gains and losses changed from loss of approximately S\$687,000 for the six months ended 30 September 2020 to loss of approximately S\$197,000 for the six months ended 30 September 2021. Such change was partly due to the foreign exchange gain of approximately S\$333,000 (30 September 2020: loss of approximately S\$911,000) for the monetary items and cash and cash equivalent denominated in Hong Kong dollars as Hong Kong dollars appreciate against Singapore dollars for the six months ended 30 September 2021. The other reason for the change in the Group's other gains and losses was the fair value loss of approximately S\$513,000 (30 September 2020: gain of approximately S\$230,000) for the financial assets at fair value through profit or loss during the period.

Administrative expenses

The Group's administrative expenses increased from approximately S\$3.7 million for the six months ended 30 September 2020 to approximately S\$4.5 million for the six months ended 30 September 2021, an increase of approximately S\$0.8 million or approximately 21.6%. In prior period, the Group benefitted from the support measures by the Singapore Government to the construction sector on the COVID-19 situation. The Group enjoyed the foreign worker levy waiver and rebates, as well as the grants to subsidize the local employees' salaries. As a result, the administrative expenses for prior period dropped significantly.

Finance costs

The Group's finance costs decreased from approximately S\$24,000 for the six months ended 30 September 2020 to approximately S\$4,000 for the six months ended 30 September 2021. As the mortgage loan was fully repaid before the beginning of the Review Period, there was no bank loan interest for the six months ended 30 September 2021 (30 September 2020: approximately S\$17,000). Lease interest also reduced from approximately S\$7,000 for the six months ended 30 September 2020 to approximately S\$4,000 for the six months ended 30 September 2021.

Income tax expense

The Group's income tax expense decreased from approximately S\$611,000 for the six months ended 30 September 2020 to approximately S\$295,000 for the six months ended 30 September 2021, a decrease of approximately S\$316,000 or approximately 51.7% which is due to the decrease in profit before taxation.

Profit attributable to owners of the Company

The Group has profit attributable to owners of the Company of approximately S\$394,000 for the six months ended 30 September 2021 (Six months ended 30 September 2020: approximately S\$878,000), a decrease of approximately S\$484,000. This was mainly due to the unsatisfactory performance of the blockchain technology development and application business during the Review Period.

Interim dividend

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2021 (Six months ended 30 September 2020: Nil).

Liquidity and financial resources

The Group maintained a healthy financial position during the six months ended 30 September 2021. As at 30 September 2021, the Group had total bank balances and cash of approximately S\$26.5 million (31 March 2021: approximately S\$21.7 million). The current ratio of the Group as at 30 September 2021 was approximately 8.1 times (31 March 2021: approximately 5.9 times).

Exposure to foreign exchange rate risks

The functional currency of the Group's major operating subsidiaries is Singapore dollars. However, certain subsidiaries of the Company have their assets and liabilities denominated in Hong Kong dollars and Renminbi. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and Renminbi. During the six months ended 30 September 2021, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk. The Group recorded a foreign exchange gain of approximately S\$333,000 for the six months ended 30 September 2021 (30 September 2020: loss of approximately S\$911,000).

Material acquisitions and disposals of subsidiaries and associates and joint ventures

There was no material acquisitions and disposals of subsidiaries and associates and joint ventures during the six months ended 30 September 2021.

Employees and remuneration policy

As at 30 September 2021, the Group employed a total of 249 full-time employees (including executive Director), as compared to 257 full-time employees as at 31 March 2021. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group's foreign workers of the Singapore integrated building service business and building construction works business are typically employed on two-year basis depending on the period of their work permits and subject to renewal based on their performance, and are remunerated according to their work skills. Other staff benefits include the provision of retirement benefits, medical benefits and sponsorship of training courses.

Events after the Reporting Period

Subsequent to the six months ended 30 September 2021 and up to the approval date of these financial statements, the market price of Bitcoin has been increased to approximately US\$57,000 resulting to fair value gain on digital assets inventories of approximately US\$420,000 (equivalent to approximately S\$575,000).

Compliance with the Corporate Governance Code

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability. The Company has adopted the corporate governance code (the “**CG code**”) contained in Appendix 14 of the Listing Rules. To the best of the knowledge of the Board, the Company has complied with the CG code for the six months ended 30 September 2021.

Purchase, Sales or Redemption of the Company's Securities

For the six months ended 30 September 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Review of Interim Results by the Audit Committee

The unaudited consolidated financial results of the Group for the six months ended 30 September 2021 have been reviewed by the Audit Committee of the Company.

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

Hong Kong, 30 November 2021

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