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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)

CONNECTED TRANSACTION FINANCIAL ASSISTANCE TO A CONNECTED PERSON

On 4 April 2022, GS Blockchain, a wholly owned subsidiary of the Company, entered into the Loan Agreement with Ms. Zhou, pursuant to which GS Blockchain agreed to provide Ms. Zhou with the Loan in the principal amount of HK\$5,800,000 at an interest rate of 8% per annum for a period of six months.

Ms. Zhou holds 40% equity interest in Grandshores Creative Technology Limited, a 60%-owned subsidiary of the Company. Ms. Zhou is a substantial shareholder of a subsidiary of the Company and is therefore a connected person of the Company under the Listing Rules. The transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on all applicable percentage ratios, the transaction contemplated under the Loan Agreement is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

LOAN AGREEMENT

On 4 April 2022, GS Blockchain entered into the Loan Agreement with Ms. Zhou. The principal terms of the Loan Agreement are set out below:

Date:	4 April 2022
Lender:	GS Blockchain
Borrower:	Ms. Zhou
Principal amount of the Loan:	HK\$5,800,000
Interest rate:	8% per annum
Term:	Six months after the drawdown date

Repayment:	The principal amount of the Loan together with all accrued interests are to be repaid on or before six months after the drawdown date
Default interest:	If Ms. Zhou defaults in repayment on the due date of the Loan, interest or other amounts payable under the Loan Agreement, Ms. Zhou shall pay interest on such overdue sums from the due date until payment in full at the rate of 18% per annum

INFORMATION ON THE PARTIES TO THE LOAN AGREEMENT

GS Blockchain is a wholly owned subsidiary of the Company and is an investment holding company.

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.

Ms. Zhou is a minority shareholder of a subsidiary of the Company and is a merchant in the PRC.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Company understands that Ms. Zhou has ad hoc financing needs and the Group has sufficient resources to provide Ms. Zhou the Loan to satisfy her needs.

The terms of the Loan, including the interest rate, are determined after arm's length negotiation between the Group and Ms. Zhou with reference to the current costs of fund of the Group and prevailing market interest rate for loans in similar nature and tenure in Hong Kong. Having considered that (i) the interest rate of the Loan is higher than the interest rate received by the Group by placing cash deposits with commercial banks in Hong Kong; (ii) the Group's cash balance, current operating needs and the tenure of the Loan; and (iii) the Group has sufficient resources to provide for the Loan, the Directors (including all the independent non-executive Directors) consider that the terms of the Loan Agreement are fair and reasonable, the Loan Agreement is on normal commercial terms or better and is in the interests of the listed issuer and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Ms. Zhou holds 40% equity interest in Grandshores Creative Technology Limited, a 60%-owned subsidiary of the Company. Ms. Zhou is a substantial shareholder of a subsidiary of the Company and is therefore a connected person of the Company under the Listing Rules. The transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on all applicable percentage ratios, the transaction contemplated under the Loan Agreement is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

None of the Directors has a material interest in the Loan Agreement. Accordingly, none of the Directors was required to abstain from voting on the board resolution relating to the Loan Agreement.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Grandshores Technology Group Limited (stock code: 1647), the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“GS Blockchain”	Grand Shores Blockchain Group Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	a loan in the principal amount of HK\$5,800,000 provided by GS Blockchain to Ms. Zhou
“Loan Agreement”	the agreement dated 4 April 2022 entered into between GS Blockchain and Ms. Zhou in respect of the Loan
“Ms. Zhou”	Ms. Zhou Hongmei

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 4 April 2022

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.