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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Grandshores Technology Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

**MAJOR TRANSACTION**  
**ACQUISITION OF PROPERTY**

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Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 10 of this circular. A notice convening an EGM of the Company to be held at Room 3, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 10:00 a.m. on Tuesday, 15 August 2023 are set out on pages EGM-1 to EGM-3 of this circular. The proxy form for use at the aforesaid general meeting is enclosed with this circular. Such proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

28 July 2023

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Acquisition”	the acquisition of the Property pursuant to the Option to Purchase
“Annual Report 2022”	the annual report of the Company for the year ended 31 March 2022 published on 28 July 2022
“Board”	the board of Directors of the Company
“Company”	Grandshores Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Option to Purchase
“Consideration”	the consideration in the amount of S\$9,050,000 (exclusive of GST) for the Acquisition pursuant to the Option to Purchase
“COVID-19”	Coronavirus Disease 2019
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and approve the Acquisition
“Group”	the Company and its subsidiaries
“GST”	Goods and services tax in Singapore
“Interim Report 2022”	the interim report of the Company for the six months ended 30 September 2022 published on 29 December 2022
“Latest Practicable Date”	26 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication
“Listing”	the shares of the Company were listed on the Main Board of the Stock Exchange on 30 March 2017

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Proceeds from the Listing”	the actual net proceeds raised from the Listing, after deducting underwriting fees and commissions and other expenses in connection with the Listing, of approximately S\$21.6 million
“Option”	the option to purchase the Property pursuant to the terms and conditions of the Option to Purchase
“Option to Purchase”	the option to purchase agreement entered into between the Purchaser and the Vendor on 13 June 2023 in respect of the sales and purchase of the Property
“PRC”	the People’s Republic of China
“Property”	40 Kaki Bukit Crescent, Singapore 416266
“Purchaser”	SH Integrated Services Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“S\$”	Singapore dollars, the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unutilised Net Proceeds from the Listing”	the unutilised net proceeds from the Listing of approximately S\$7,029,000 as at 13 June 2023

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## DEFINITIONS

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“Vendor” Avenue Engineering Pte. Ltd., a company incorporated in Singapore with limited liability. The ultimate shareholder is Mr. Keh Soon Heng, who is a third party independent of the Company and its connected persons (as defined under the Listing Rules)

“%” per cent

*For the purpose of this circular, the exchange rate of S\$1.00 = HK\$5.84 and RMB1.00 = HK\$1.09 have been used for currency translation, where applicable. Such exchange rates are for illustrative purposes and do not constitute representations that any amount in HK\$, S\$ or RMB has been, could have been or may be converted at such rates.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Yao Yongjie (*Chairman*)

*Non-executive Directors:*

Mr. Chua Seng Hai

Ms. Lu Xuwen

Ms. Yu Zhuochen

*Independent Non-executive Directors:*

Mr. Chu Chung Yue, Howard

Mr. Li Kanlin

Mr. Fan Jianyin

*Registered Office:*

Cricket Square

Hutchins Drive P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business*

*in Hong Kong:*

Unit 1503, 15/F, Greenfield Tower

Concordia Plaza

1 Science Museum Road

Tsim Sha Tsui, Kowloon

Hong Kong

28 July 2023

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
ACQUISITION OF PROPERTY**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 13 June 2023. On 13 June 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Option to Purchase with the Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of S\$9,050,000 (exclusive of GST), subject to the terms and conditions of the Option to Purchase.

The purpose of this circular is to provide you with, among other things, further details of the Acquisition and other information required under the Listing Rules.

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## LETTER FROM THE BOARD

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### THE ACQUISITION

The principal terms of the Option to Purchase are set out below:

- Date: 13 June 2023
- Parties: (1) The Vendor
- (2) The Purchaser

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### Property to be acquired

The Property to be acquired is located at 40 Kaki Bukit Crescent, Singapore 416266. As at the date of this circular, the Vendor is the legal and beneficial owner of the Property. The Property comprises of a four-storey factory-workshop building (including carpark), with total gross floor area of 16,119 square feet. At Completion, the Property shall be sold to the Purchaser on an “as is where is” basis, subject to the existing tenancy of carpark, level 1 and level 2 in respect of the Property which will expire in August 2025. To the best knowledge, information and belief of the Director, having made all reasonable enquiries, as at the date of this circular, carpark, level 1 and level 2 of the Property have been leased to a tenant generating total annual rental income of approximately S\$147,000 (exclusive of GST), S\$114,000 (exclusive of GST) and S\$151,000 (exclusive of GST) for the three years ended 31 March 2023, respectively. The Company intends to use part of the Property as its own office (i.e. Level 1 and level 2) and part of the Property as its own foreign workers’ dormitories (i.e. Level 3 and level 4). Upon the completion of the Acquisition, the existing tenancy agreement of level 1 and level 2 of the Property will be assigned to the Company and the Company intends to liaise with the tenant for early termination. The Directors expected that the estimated annual expenses for the Property payable by the landlord shall be approximately S\$86,400, which include (i) property tax of approximately S\$36,000, which is calculated based on the estimated annual value of the property times the tax rate for non-residential property in Singapore; and (ii) utilities and maintenance expenses of approximately S\$50,400, which is calculated based on the average amount of utilities and maintenance expenses incurred by the Company's own dormitories per headcount times the estimated number of residents on Level 3 and Level 4 of the Property.

### Consideration and payment terms

The consideration is in the sum of S\$9,050,000 (exclusive of GST), which has been/will be paid in the following manners:

- (a) S\$90,500 (exclusive of GST) was paid by the Purchaser to the Vendor at the time of granting the Option to the Purchaser;
- (b) S\$362,000 (exclusive of GST) was paid by the Purchaser to the Vendor as deposit upon the exercise and acceptance of the Option; and

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## LETTER FROM THE BOARD

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- (c) S\$8,597,500 (exclusive of GST), being remaining balance of the Consideration, will be payable by the Purchaser to the Vendor upon Completion.

### **Basis of the Consideration**

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to (a) the preliminary property valuation of the Property of S\$9,050,000 carried out by Ravia Global Appraisal Advisory Limited (the "Valuer"), an independent property valuer appointed by the Company; and (b) the previous offer to purchase of a nearby property made by the Group in May 2023 amounting to S\$8,800,000 which was not accepted by the then potential vendor and such property was ultimately sold at S\$9,000,000. It is expected that the Consideration will be funded by the Unutilised Net Proceeds from the Listing and the Company's internal financial resources. For the details of change in use of the Unutilised Net Proceeds from the Listing, please refer to the announcement of the Company dated 13 June 2023.

### **Valuation of the Property**

#### *Experience and qualifications of the Valuer assessed by the Directors*

The Directors has reviewed and enquired into the qualifications and experience of the Valuer in relation to the preparation of the Property Valuation Report. The Directors understand that Dr. Alan Lee ("Dr. Lee"), the director of the Valuer and the signor of the Property Valuation Report, has over 18 years of experience in the valuation of properties in the Asia Pacific Region. The Directors have also obtained information on the Valuer's track records on other property valuations and noted that the Valuer had been the valuer for similar properties in Singapore. As such, the Directors are of the view that the Valuer and Dr. Lee are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Property.

#### *Valuation methodology and the key assumptions adopted*

Based on the communication with the Valuer, the Directors understand that there is no specific purpose for which the building and structures of the Property has been constructed, so there are readily identifiable market comparables. Taking into consideration that (i) direct comparison approach is the most commonly adopted practice; (ii) there are readily identifiable market comparables; and (iii) availability of recent market transactions, direct comparison approach is adopted rather than alternative valuation methods such as income approach and cost approach.

Further, the Directors understand that the valuation has been made on the assumption that the owner sells the property in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser. The Directors noted from the Valuer that these assumptions are commonly adopted in the valuation of properties and the Directors consider it objective and appropriate to appraise the Property the same way as other similar properties on an open market.



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## **LETTER FROM THE BOARD**

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Having considered the above, the Directors consider that valuation methodology, together with the key assumptions adopted, are fair and reasonable and that the valuation report is an appropriate reference for determining the valuation of the Property.

### **Completion**

The sale and purchase of the Property shall be completed on 29 November 2023 or on such date as may be agreed by the Vendor and the Purchaser.

### **INFORMATION OF THE GROUP AND THE PURCHASER**

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in providing integrated building services and undertaking building and construction works in Singapore. The Group is also engaging in information technology development and application business. The Purchaser is a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company, which is a licensed building contractor.

### **INFORMATION OF THE VENDOR**

The Vendor is a company incorporated in Singapore with limited liability which is principally engaged in civil engineering and building construction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY**

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 information technology development and application business.

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## LETTER FROM THE BOARD

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The Group currently hires over 270 foreign workers to carry out integrated building works and building and construction works. In accordance with the Employment of the Foreign Manpower Act, employers must ensure that their migrant workers live in proper housing, and provide the workers' residential addresses to Ministry of Power. Currently, 70% of the Group's foreign workers are staying in dormitories operated by third parties. Since early 2023, the Group has experienced a significant increase in monthly rental rates of foreign workers' dormitories by approximately 50% as compared to the monthly rental rates in 2021. The Group is currently leasing foreign workers' dormitories operated by third parties and such dormitory leases are expected to be renewed with increased rental rates in the second half of 2023 and the first half of 2024. The Directors expected that the rental rates of foreign workers' dormitories will continue to increase in the near future having considered (i) the Group has experienced a significant increase in monthly rental rates since early 2023 upon renewal of leases of foreign workers' dormitories; (ii) based on news reported on the capacity of dormitories in Singapore, the Directors noted that the capacity of dormitories was full since early 2023 and there is unlikely to have significant increase in dormitories bed supply in the next few years.

In view of the above, the Group intends to use part of the Property as its own foreign workers' dormitories and part of the Property as its own office. As level 1 and level 2 of the Property are currently used as office and level 3 and level 4 of the Property are currently used as workers' dormitories, the Directors expected that about 40% foreign workers of the Group could be moved to level 3 and level 4 of the Property after the Acquisition which could save rental expenses of foreign workers' dormitories for the Group of approximately S\$800,000 annually. In addition, the Group can also provide more spacious working area for back office employees or for future expansion if necessary. After the Acquisition, the Board will liaise with the tenant for the existing tenancy arrangement.

The Directors are of the view that the acquisition of the Property could secure available foreign workers' dormitories for the Group's foreign workers and could save rental expenses of leasing foreign workers' dormitories operated by third parties in the long run and therefore intend to change the use of the Unutilised Net Proceeds from the Listing to fund the Acquisition.

Due to the outbreak and spread of COVID-19 and keen competition in Singapore's building and construction industry, the Group has been facing challenges in expanding its integrated building services and building construction works businesses as planned in the previous financial years. The Group is still mainly focusing on providing integrated building services and undertaking building and construction works in Singapore but the business expansion plan has been made under a more prudent approach and with a prolonged timeline than originally expected.

Although the Group intends to change the use of the Unutilised Net Proceeds from business expansion to the acquisition of the Property at the moment, the Directors considered that the Group is still able to fund any potential future expansion for construction activities through its internal financial resources if any opportunities arise.

Having considered all of the above, the Directors believe that it is an appropriate time to acquire the Property, and the Directors (including the non-executive Directors and the independent non-executive Directors) consider that the terms and conditions of the Option to Purchase are reasonable and fair and in the interests of the Shareholders as a whole. The Board also considered that the proposed change in use of Unutilised Net Proceeds from the Listing will not have any material adverse impact on the operations of the

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## LETTER FROM THE BOARD

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Group and is fair and reasonable as this would allow the Group to deploy its financial resources more effectively to enhance the profitability of the Group and is therefore in the best interests of the Company and its shareholders as a whole.

### FINANCIAL EFFECT OF THE ACQUISITION

#### Earnings

As set out in “Unaudited Financial Information of the Property” in Appendix II to this circular, the gross rental income generated from existing tenancy of the Property for each of the three years ended 31 March 2023 amounted to approximately S\$147,000 (exclusive of GST), S\$114,000 (exclusive of GST) and S\$151,000 (exclusive of GST) for the three years ended 31 March 2023, respectively.

#### Assets and Liabilities

As set out in “Unaudited Pro Forma Financial Information” in Appendix III to this circular, upon Completion, there will be a decrease in total assets of approximately S\$478,000, with an increase in property, plant and equipment of approximately S\$9.5 million (representing the sum of the Consideration and other estimated transaction costs such as stamp duty and legal costs incurred for the Acquisition), an increase in other receivable, deposits and prepayments of approximately S\$342,000 and a decrease in trade and other payables of approximately S\$382,000 (representing the GST payable by the Group in connection with the Acquisition), and a decrease in bank balances and cash of approximately S\$10.3 million.

### IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) for the Company in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

A notice convening the EGM to be held at Room 3, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 10:00 a.m. on Tuesday, 15 August 2023 is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the transactions contemplated under the Option to Purchase and no Shareholder is required from abstain from voting.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board consider that the terms and conditions of the Option to Purchase are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Grandshores Technology Group Limited**  
**Yao Yongjie**  
*Chairman and Executive Director*

**1. FINANCIAL SUMMARY**

Financial information of the Group for the three financial years ended 31 March 2020, 2021, 2022 and 2023 were disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.grandshorestech.com](http://www.grandshorestech.com)):

- (a) announcement of annual results for the year ended 31 March 2023 published on 30 June 2023 (pages 1 to 12)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0630/2023063002652.pdf>);
- (b) annual report of the Company for the year ended 31 March 2020 published on 31 July 2020 (pages 49 to 145)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0731/2020073100319.pdf>);
- (c) annual report of the Company for the year ended 31 March 2021 published on 30 July 2021 (pages 51 to 147)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0730/2021073000645.pdf>); and
- (d) annual report of the Company for the year ended 31 March 2022 published on 28 July 2022 (pages 63 to 159)  
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800341.pdf>).

**2. STATEMENT OF INDEBTEDNESS**

As at 31 May 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the Group had the following indebtedness:

**(a) Other facility**

Subsequent to the year ended 31 March 2023 and as at 31 May 2023, the Company has utilised approximately RMB6.5 million of a margin facility granted by a security broker firm. Such margin facility is secured by collateral securities and cash in the margin account.

**(b) Lease liabilities**

As at 31 May 2023, the Group had lease liabilities of approximately S\$449,000.

(c) **General**

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, as at 31 May 2023, the Group did not have any other debt securities issued, outstanding and authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 March 2023.

**3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in providing integrated building services and undertaking building and construction works in Singapore. The Group is also engaging in information technology development and application business.

The Group's revenue increased from approximately S\$44.7 million for the year ended 31 March 2022 to approximately S\$57.8 million for the year ended 31 March 2023. Such increase in revenue was mainly due to the increase in amount of the integrated building services works performed resulted from a more aggressive pricing strategy implemented by the Group for the year ended 31 March 2023. However, the Group's gross profit decreased from approximately \$12.0 million for the year ended 31 March 2022 to approximately S\$9.1 million for the year ended 31 March 2023, and the Group's gross profit margin decreased from approximately 26.8% for the year ended 31 March 2022 to approximately 15.7% for the year ended 31 March 2023 as a result of (i) the implementation of an aggressive pricing strategy during the year ended 31 March 2023 as mentioned above; and (ii) the construction labour shortage in Singapore has driven up the direct labour costs and subcontracting charges during the year ended 31 March 2023 as the Group is facing difficulties in recruiting workers to meet the increased job orders hence increased the use of subcontractors during the year ended 31 March 2023 to meet the committed projects timeline which further reduced its gross profit margins. Furthermore, the Group's administrative expenses increased from approximately S\$9.9 million for the year ended 31 March 2022 to approximately S\$12.8 million for the year ended 31 March 2023, which was mainly resulted from (i) increased employee numbers, as well as the labour shortage in Singapore driving up the salary and foreign worker levy expenses in Singapore; and (ii) more setup and payroll costs were incurred for the Group's newly developed financial service and widened-scope information technology development and application businesses. In view of the above, the Group's loss attributable to owners of the Company has increased from approximately S\$982,000 for the year ended 31 March 2022 to approximately S\$6.4 million for the year ended 31 March 2023. As at 31 March 2023, the Group had bank balances and cash of approximately S\$15.3 million and the current ratio of the Group was approximately 5.6 times.

The Group believes that the outlook for the construction sector will remain challenging for 2023 in view of the continued uncertainties in the external environment and negative economic outlook in Singapore and major economies around the world impacted by COVID-19. All of these constraints make tenders far more competitive and profitability far lesser than were the cases previously. Another challenge is the labour shortage in Singapore has driven up the Group's labour costs and subcontracting charges. The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

The Group intends to continue the existing principal businesses, except for industrial hemp business. The Group's industrial hemp business was not active since the year ended 31 March 2021 and ceased to operate for the year ended 31 March 2023. 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.

Mr. Yao Yongjie (“**Mr. Yao**”), who was appointed as our executive Director on 30 May 2018. Mr. Yao is currently the chairman of a private equity investment company, Hangzhou Tunlan Investment Management Co., Ltd (杭州瞰瀾資管理有限公司), which is specialised in private equity investment and fund management. In view of his private equity investment and fund management experience in the PRC and having considered Hong Kong as an international financial centre which serves as mainland China's gateway to the world, Mr. Yao would like to apply his relevant experience and expand fund management business in Hong Kong. As disclosed in the Company's announcement dated 17 May 2022, in May 2022, the Securities and Futures Commission approved Grandshores Asset Management Limited (“**GSAM**”), a wholly-owned subsidiary of the Company, to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined in Schedule 5 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). As disclosed in Interim Report 2022, the Company reserved approximately HK\$2.3 million for developing new financial services business which includes fund management. GSAM has currently employed two responsible officers who have over 8 years of experience in asset management and corporate finance areas. GSAM has been exploring opportunities to setup up or launch funds related products in which target to generate return from fund management service, and will hire more staff to cater the business development when such opportunities arise.

Furthermore, the Group continues to expand into more comprehensive scope of internet technologies related businesses, including but not limited to e-commerce, digital media marketing, live commerce, multi-channel network, artificial intelligence, industrial internet, virtual reality technology and mobile internet video products production, etc.; instead of simply focus on blockchain technology application and development.

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 currencies other than Singapore dollars. The Group is subject to foreign exchange rate risk with respect to recognised assets and liabilities which are denominated in currencies other than Singapore dollars. During the year ended 31 March 2023, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk. The Group recorded a foreign exchange loss of approximately S\$720,000 for the year ended 31 March 2023.

**4. WORKING CAPITAL**

The Directors, after due and careful enquiry and consideration, are of the opinion that, after taking into account the Group's internal resources, existing bank balances and cash and the impact of the Acquisition, the Group has sufficient working capital for its requirements for at least twelve months from the date of this circular.

The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

**5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial position or trading position or prospects of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial results of the Group were made up.



**PROFIT AND LOSS STATEMENT OF THE PROPERTY**

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of any revenue generating assets (other than a business or a company) with an identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement for the three preceding financial years or less, where the asset has been held by the vendor for a shorter period, on the identifiable net income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. In the case of the Company in relation to the Acquisition, such period covers the three financial years ended 31 March 2021, 2022 and 2023 (the “**Relevant Period**”).

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendor covering the Relevant Period is required. However, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group to gain full access to the abovementioned underlying books and records of the Vendor nor have they agreed to provide to the Group the above information in relation to the Property, except for copies of the tenancy agreements of the Property (the “**Tenancy Agreements**”) during the Relevant Period. Without the aforesaid full access to the underlying books and records of the Property granted by the Vendor, it would not be possible for the Company to properly compile a profit and loss statement for the Property’s net income stream for the Relevant Period for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules.

In view of the aforesaid, we hereby apply for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules after taking into account the following factors:

- (a) the Property comprises of a four-storey factory-workshop building, with total gross floor area of 16,119 square feet. At Completion, the Property shall be sold to the Purchaser on an “as is where is” basis, subject to the existing tenancy of level 1 and level 2 in respect of the Property which will expire in August 2025. To the best knowledge, information and belief of the Director, having made all reasonable enquiries, as at the date of the Circular, level 1 and level 2 of the Property have been leased to a tenant generating total annual rental income of approximately S\$147,000 (exclusive of GST), S\$114,000 (exclusive of GST) and S\$151,000 (exclusive of GST) for the three years ended 31 March 2023, respectively. The Company intends to use part of the Property as its own office (i.e. Level 1 and level 2) and part of the Property as its own foreign workers’ dormitories (i.e. Level 3 and level 4). Upon the completion of the Acquisition, the existing tenancy agreement of level 1 and level 2 of the Property will be assigned to the Company and the Company intends to liaise with the tenant for early termination. The Directors expected that the estimated annual expenses for the Property payable by the landlord shall be approximately S\$86,400, which include (i) property tax of approximately S\$36,000, which is calculated based on the estimated annual value of the property times the tax rate for non-residential property in Singapore; and (ii) and utilities and maintenance expenses of approximately S\$50,400, which is calculated based on the average amount of utilities and maintenance expenses incurred by the Company’s own dormitories per headcount times the estimated number of residents on Level 3 and Level 4 of the Property.

- (b) as Vendor is not a public company, its accounts, books and records are not available to the public. Despite the Company's request, the Vendor refused to provide the relevant information in relation to the Property as it has no legal obligation to provide the relevant information in relation to the Property for the Relevant Period to the Purchaser. Without the aforesaid full access to the underlying books and records of the Property, the Company is unable to properly compile the profit and loss statement for the Relevant Period;
- (c) an independent valuation report of the Property as appraised by the independent professional valuer is set out in Appendix IV to the Circular;
- (d) there will be alternative disclosures in the Circular including (i) a summary of the tenancy agreement including monthly rental income; and (ii) the estimated gross rental income for the Property for the Relevant Period; and
- (e) the provision of the historical profit and loss figures of the Property will not be meaningful in determining the Consideration for the Acquisition, which is based on the valuation report.

Based on the reasons set out above, the Directors are of the view that omission of a profit and loss statement for the Property's net income stream in the past would not render the Circular materially incomplete or misleading or deceptive. Therefore, the Board considers that the waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules would not create undue risk for the Shareholders and its investors.

The Stock Exchange has granted a waiver to the Company from the strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, on the condition that the Company would disclose the waiver (including details of the waiver application and the alternative disclosures) in the circular.

The unaudited financial information of the Property for each of the Relevant Period set out below (including a summary of the tenancy agreements including monthly rental income and the estimated gross rental income for the Property for the Relevant Period as set out in Appendix A and Appendix B, respectively) has been prepared by the Directors solely based on the Tenancy Agreements provided by the Vendor and represents an alternative to and does not represent the profit and loss statement of the Property. Accordingly, it may not give a full picture of the performance of the Property during the Relevant Period.

Pursuant to the current tenancy agreement, the tenant is responsible for all water, gas, electricity, other utilities expenses supplied to the Property and for all telecommunication services and other services supplied to the Property. The Vendor, as the landlord of the Property, is responsible for the property tax imposed on the Property. The Directors expected that the estimated annual expenses for the Property payable by the landlord shall be approximately S\$86,400, which include (i) property tax of approximately S\$36,000, which is calculated based on the estimated annual value of the property times the tax rate for non-residential property in Singapore; and (ii) utilities and maintenance expenses of approximately S\$50,400, which is calculated based on the average amount of utilities and maintenance expenses incurred by the Company's own dormitories per headcount times the estimated number of residents on Level 3 and Level 4 of the Property. Due to limited information available, the Directors are unable to ascertain whether there were any

other expenses such as depreciation, finance costs and other tax incurred for the Relevant Period. As such, all the above expenses are not included in the unaudited financial information of the Property set out in this appendix.

Based on the Tenancy Agreements, the gross rental income of the Property during the Relevant Period is as follows:

	For the year ended 31 March		
	2021	2022	2023
	S\$'000	S\$'000	S\$'000
Gross rental income	147	114	151

*Notes:*

1. The rental income for the Relevant Period is compiled from the Tenancy Agreements provided by the Vendor.
2. The financial information in relation to the Property set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published announcement of annual results of the Company for the year ended 31 March 2023.
3. The following procedures have been undertaken by Crowe (HK) CPA Limited (“**Crowe**”), the auditor of the Company, in accordance with Hong Kong Standard on Related Services (“**HKSRS**”) 4400 (Revised), Agreed-Upon Procedures Engagements issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), with respect to the Tenancy Agreements. The procedures have been determined by and are the responsibility of the Directors.

Crowe has performed the procedures as summarised below:

**Procedures**

- (i) Obtain a summary of tenancy agreements (the “**Summary of Tenancy Agreements**”) summarising the tenancy agreements of the Property during the Relevant Period from the Directors.
- (ii) Obtain the schedule setting out the monthly rent in respect of each tenancy agreement and corresponding gross rental income for each of the financial years for the Relevant Period from the Directors (the “**Statement of Gross Rental Income**”) and compare the amounts as shown in the Summary of Tenancy Agreements with the corresponding amounts shown in the Statement of Gross Rental Income.
- (iii) Recalculate the amount of gross rental income for the Relevant Period presented on the Statement of Gross Rental Income based on the information set out in the Summary of Tenancy Agreements.

**Crowe’s findings are summarised below:**

- (i) Crowe obtained the Summary of Tenancy Agreements as set out in Appendix A.
- (ii) Crowe obtained the Statement of Gross Rental Income as set out in Appendix B and compared the amounts shown in the Summary of Tenancy Agreements with the corresponding amounts shown in the Statement of Gross Rental Income. Crowe found that the monthly rental income of S\$12,000 under Tenancy Agreement 2 for the period from 1 September 2022 to 31 March 2023 totalling S\$84,000 as stated in the Summary of Tenancy Agreements was not included in the Statement of Gross Rental Income. The directors of the Company found

that the lease period of Tenancy Agreement 2 and Tenancy Agreement 3 was overlapping for the period from 1 September 2022 to 14 June 2024. The directors of the Company have represented to Crowe that the Tenancy Agreement 2 was terminated on 31 August 2022 verbally and there was no written documentation for the termination. Therefore, the directors of the Company did not include the rental income under the Tenancy Agreement 2 in the Statement of Gross Rental Income since 1 September 2022.

- (iii) Crowe recalculated the amount of gross rental income for the Relevant Period presented on the Statement of Gross Rental Income based on the information set out in the Summary of Tenancy Agreements and found that the monthly rental income of S\$12,000 under Tenancy Agreement 2 for the period from 1 September 2022 to 31 March 2023 totalling S\$84,000 stated in the Summary of Tenancy Agreements was not included in the Statement of Gross Rental income. The directors of the Company found that the lease period of Tenancy Agreement 2 and Tenancy Agreement 3 was overlapping for the period from 1 September 2022 to 14 June 2024. The directors of the Company have represented to Crowe that the Tenancy Agreement 2 was terminated on 31 August 2022 verbally and there was no written documentation for the termination. Therefore, the directors of the Company did not include the rental income under the Tenancy Agreement 2 in the Statement of Gross Rental Income since 1 September 2022.

**APPENDIX A**

Summary of Tenancy Agreements of the Property located at 40 Kaki Bukit Crescent, Singapore 416266.

**Tenancy Agreement 1**

Location:	Level 1 and Level 2
Tenant:	KDY Automotive Pte Ltd
Monthly rental income:	S\$14,000 per month plus GST
Lease period:	15 February 2018 to 14 February 2021

**Tenancy Agreement 2**

Location:	Level 1, Carpark and Level 2
Tenant:	Eighteen Motto Pte Ltd
Monthly rental income:	S\$12,000 per month plus GST
Lease period:	15 June 2021 to 14 June 2024

**Tenancy Agreement 3**

Location:	Level 1, Carpark and Level 2
Tenant:	HTS Motor Cars Pte Ltd
Monthly rental income:	S\$13,000 per month plus GST
Lease period:	1 September 2022 to 31 August 2025

*Note:* To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the tenants (i.e. KDY Automotive Pte Ltd, Eighteen Motto Pte Ltd and HTS Motor Cars Pte Ltd) and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## STATEMENT OF GROSS RENTAL INCOME

Month	For the year ended		
	31 March 2021	31 March 2022	31 March 2023
April	14,000	–	12,000
May	14,000	–	12,000
June	14,000	6,000 ( <i>note 2</i> )	12,000
July	14,000	12,000	12,000
August	14,000	12,000	12,000 ( <i>note 3</i> )
September	14,000	12,000	13,000
October	14,000	12,000	13,000
November	14,000	12,000	13,000
December	14,000	12,000	13,000
January	14,000	12,000	13,000
February	7,000 ( <i>note 1</i> )	12,000	13,000
March	–	12,000	13,000
Total	<u>147,000</u>	<u>114,000</u>	<u>151,000</u>

*Note*

- (1) The lease period was ended on 14 February 2021.
- (2) The lease period was commenced on 15 June 2021.
- (3) The Directors confirm that the Tenancy Agreement 2 was terminated on 31 August 2022 verbally and there was no written documentation for the termination.

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## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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### 1. INTRODUCTION

The following is the unaudited pro forma financial information of Grandshores Technology Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), comprising the unaudited pro forma financial information as at 31 March 2023 and related notes (collectively, the “**Unaudited Pro Forma Financial Information**”).

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), for the purpose of illustrating the effect of the proposed major acquisition of property (the “**Acquisition**”) as described in the section headed “Letter from the Board” in financial information in this circular.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate the consolidated statement of assets and liabilities of the Group as at 31 March 2023 as if the Acquisition had been completed on 31 March 2023.

The Unaudited Pro Forma Financial Information of the Group is based upon the consolidated financial information of the Group for the year ended 31 March 2023, which has been derived from the Company’s published announcement of annual results for the year ended 31 March 2023, dated 30 June 2023, after taking pro forma adjustments as summarised in the accompanying notes that are clearly shown explained, factually supportable and directly attributable to the Acquisition.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions, estimates and current available information. Accordingly, because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group had the Acquisition been completed as at the specified dates or any other dates.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the historical financial information of the Group as set out in the published announcement of annual results for the year ended 31 March 2023, dated 30 June 2023, and other financial information included elsewhere in this circular.

## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION

### 2.      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	Audited consolidated statement of assets and liabilities of the Group as at 31 March 2023 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)		S\$'000 (Note 3)	Unaudited pro forma consolidated statement of assets and liabilities of the Group S\$'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6,772	9,050	429		16,251
Interest in associates	2,865				2,865
Equity investments at fair value through other comprehensive income ("FVOCI")	318				318
Financial assets at fair value through profit or loss	392				392
	10,347				19,826
<b>Current assets</b>					
Inventories	787				787
Trade receivables	12,748				12,748
Finance lease receivable	329				329
Other receivable, deposits and prepayments	3,302		342		3,644
Financial assets at fair value through profit or loss	3,707				3,707
Fixed bank deposits	21,996				21,996
Bank balance and cash	15,317	(9,050)	(1,249)		5,018
	58,186				48,229
<b>Current liabilities</b>					
Trade and other payables	7,494		(382)		7,112
Amounts due to related companies	50				50
Amount due to an associate	2,286				2,286
Lease liabilities	374				374
Income tax payable	145				145
	10,349				9,967
<b>Net current assets</b>	47,837				38,262
<b>Total assets less current liabilities</b>	58,184				58,088



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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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	Audited consolidated statement of assets and liabilities of the Group as at 31 March 2023 S\$'000 (Note 1)	Pro forma adjustments S\$'000 (Note 2)	S\$'000 (Note 3)		Unaudited pro forma consolidated statement of assets and liabilities of the Group S\$'000
<b>Non-current liabilities</b>					
Lease liabilities	138				138
Deferred tax liabilities	65				65
	203				203
<b>Net assets</b>	57,981				57,885
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	2,143				2,143
Reserves	55,411		(96)		55,315
<b>Equity attributable to owners of the Company</b>	57,554				57,458
Non-controlling interests	427				427
<b>Total equity</b>	57,981				57,885

**Notes to the Unaudited Pro Forma Financial Information**

1. The Group's financial information is based upon the consolidated financial information of the Group for the year ended 31 March 2023, which has been derived from the Group's published announcement of annual results for the year ended 31 March 2023, dated 30 June 2023.
  
2. The Property is classified as property, plant and equipment as the Group intends to use the Property as its own foreign workers' dormitories and office after the completion of the Acquisition. It is expected that the Consideration will be funded by the Unutilised Net Proceeds from the Listing and the Company's internal resources. In preparing the Unaudited Pro Forma Financial Information, the Directors has assumed that the Group will settle the Consideration of S\$9,050,000 and all expenses of approximately S\$1,249,000 by internal resources and Unutilised Net Proceeds from the Listing of approximately S\$7,029,000.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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3. The expenses in relation to the Acquisition comprise: (i) stamp duty and legal costs amounting to approximately S\$429,000, (ii) GST amounting to approximately S\$724,000 and (iii) professional fees and other expenses related to the Acquisition amounting to approximately S\$96,000.

	<i>Notes</i>	<i>S\$'000</i>
Stamp duty and legal costs	<i>(i)</i>	429
GST	<i>(ii)</i>	724
Professional fees and other expenses	<i>(iii)</i>	<u>96</u>
		<u><u>1,249</u></u>

*Note i:*

The amount represents the stamp duty and legal costs of approximately S\$429,000 payable by the Group in connection with the Acquisition.

*Note ii:*

The amount represents the GST of approximately S\$724,000 payable by the Group in connection with the Acquisition.

*Note iii:*

The amount represents estimated professional fees and other expenses of approximately S\$96,000 payable by the Group in connection with the Acquisition.

4. No adjustment has been made to the unaudited pro forma financial information to reflect any trading results or other transaction of the Group entered into subsequent to 31 March 2023.

**3.      INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILED OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report from Crowe (HK) CPA Limited, the independent reporting accountant, in respect of the unaudited pro forma financial information of the Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Grandshores Technology Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Grandshores Technology Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of the assets and liabilities of the Group as at 31 March 2023 and related notes as set out on pages III-1 to III-4 of Appendix III to the circular issued by the Company dated 28 July 2023 (the “**Circular**”) in connection with the proposed acquisition of the Property (the “**Acquisition**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-4 of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group’s financial position as at 31 March 2023 as if the Acquisition had taken place at 31 March 2023. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Company’s audited consolidated financial statements for the year ended 31 March 2023, on which an announcement of annual results has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rule and with reference to AG 7 issued by the HKICPA.

For the purposes of this engagement, we are not responsible for updating or reissuing and reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluation the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Crowe (HK) CPA Limited**  
*Certified Public Accountants*  
Hong Kong, 28 July 2023

**Lam Cheung Shing**  
Practising Certificate Number P03552

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with its valuation as at 31 May 2023 of the Group's property in Singapore.*



17/F., 83 Wan Chai Road,  
Wan Chai, Hong Kong,  
T: (852) 2811 1876 F: (852) 3007 8501  
W: [www.raviagroup.com](http://www.raviagroup.com)  
E: [general@raviagroup.com](mailto:general@raviagroup.com)

28 July 2023

**Grandshores Technology Group Limited**

Unit 1503, 15/F.,  
Greenfield Tower, Concordia Plaza,  
1 Science Museum Road, Tsim Sha Tsui,  
Kowloon, Hong Kong

Dear Sirs/Madams,

**Re: Property Valuation of 40 Kaki Bukit Crescent, Singapore 416266**

In accordance with the instructions of Grandshores Technology Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to value the captioned property in Singapore, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 May 2023 (the “**Valuation Date**”) for the purpose of incorporation in the circular of the Company dated 28 July 2023.

**1. BASIS OF VALUATION**

Our valuation of property is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

**2. VALUATION METHODOLOGY**

We have valued the property by direct comparison approach assuming sale of the property in its existing state and by making reference to comparable sales transactions as available in the relevant market.

**3. TITLE INVESTIGATION**

For the property in Singapore, we have carried out title search at the Singapore Land Authority. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

**4. VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market value of such property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

**5. SOURCE OF INFORMATION**

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

**6. VALUATION CONSIDERATION**

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the property under consideration, but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market value.

In valuing the property, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

## **7. REMARKS**

Unless otherwise stated, all monetary amounts stated in our valuation are in Singapore Dollars.

Our Valuation Certificate is attached herewith.

Yours faithfully,

For and on behalf of

**RAVIA GLOBAL APPRAISAL ADVISORY LIMITED**

**Dr. Alan W K Lee**

PhD(BA) MFin BCom(Property)

MHKIS RPS(GP) AAPI CPV CPV(Business)

**Director**

*Note:* Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 18 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.



## VALUATION CERTIFICATE

## Property to be acquired by the Group in Singapore

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2023												
40 Kaki Bukit Crescent, Singapore 416266	<p>The property comprises a 4-storey factory-workshop building, completed in about 1994, with a total gross floor area (“GFA”) of about 16,119 sq.ft. erected on a parcel of land with a site area of about 6,745 sq.ft. (Lot Number: MK23-5195X).</p> <p>As advised by the Group, the usages and GFA breakdown of the building is summarized as below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">GFA (sq.ft.)</th> </tr> </thead> <tbody> <tr> <td>1/F Workshop</td> <td style="text-align: right;">3,300</td> </tr> <tr> <td>2/F Office/Showroom</td> <td style="text-align: right;">4,273</td> </tr> <tr> <td>3/F Dormitory</td> <td style="text-align: right;">4,273</td> </tr> <tr> <td>4/F Dormitory</td> <td style="text-align: right;"><u>4,273</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u><u>16,119</u></u></td> </tr> </tbody> </table> <p>The property is held under leasehold estate for a term of 60 years from 25 September 1993 to 24 September 2053.</p>	Usage	GFA (sq.ft.)	1/F Workshop	3,300	2/F Office/Showroom	4,273	3/F Dormitory	4,273	4/F Dormitory	<u>4,273</u>	Total	<u><u>16,119</u></u>	<p>Level 1, Carpark, and Level 2 of the property is subjected to a tenancy agreement for a term of 36 months from 1 September 2022 to 31 August 2025 with a rent of S\$13,000 plus GST per month.</p> <p>As advised by the Group, Level 3 and Level 4 of the property is occupied by the current owner.</p>	S\$9,050,000
Usage	GFA (sq.ft.)														
1/F Workshop	3,300														
2/F Office/Showroom	4,273														
3/F Dormitory	4,273														
4/F Dormitory	<u>4,273</u>														
Total	<u><u>16,119</u></u>														

*Notes:*

1. The registered owner of the property is Avenue Engineering Pte. Ltd. vide instrument transfer ID/659733D registered on 30 September 2013.
2. The property situates within Kaki Bukit Techpark I, Kaki Bukit region in Central East region of Singapore. The vicinity of the property is predominated by various factory workshop developments. Kaki Bukit MRT station situates about 200m from the property. According to the Singapore Master Plan 2019, the property falls in an area zoned "Business 2".
3. The property is subject to an Option to Purchase with an expiry date on 19 June 2023 and the sale price of the property is S\$9,050,000, subject to 8% GST or latest GST prevailing rate.
4. The property is subject to a mortgage vide MORTGAGE IH/405279P registered on 5 October 2022. The mortgage will be repaid upon payment of the remaining consideration.
5. The property is not subject to any investigations, notices and no pending litigation breaches of law or title defects.
6. According to the current tenancy agreement, the landlord of the Property shall be responsible for the property tax imposed on the Property.
7. The inspection was performed by Mr. Richard Se, who is a chartered surveyor with over 10 years experience on 5 July 2023.
8. Our valuation has been made by direct comparison approach.

**Direct comparison approach**

In arriving at our opinion of the market values of the Property, our valuations are based on transactions of comparable properties in the vicinity with the transaction time close to the Valuation Date.

In arriving at our opinion of the market values of the Property, we have identified various relevant sales evidence which satisfied the criteria on timing, usage and location, including (i) the transaction dates of sales transactions are within 6 months prior to the Valuation Date; (ii) the sold properties are industrial unit; and (iii) the sold properties are located in Kaki Bukit district.

We have taken into consideration the prevailing market conditions and have made due adjustments for differences between the Property and the comparables in terms of age of the comparable properties, quality, location and transaction time.

The sales comparables and adjustments are set out below:

<b>Comparables</b>	<b>A</b>	<b>B</b>	<b>C</b>
Property	EURO TECHNOLINK	PREMIER @ KAKI BUKIT	PREMIER @ KAKI BUKIT
Address	KAKI BUKIT ROAD 1	KAKI BUKIT AVENUE 4	KAKI BUKIT AVENUE 4
Property Type	Factory	Factory	Factory
Approximate Total GFA (sq.ft.)	2,766	1,593	1,604
Year of Completion	1996	2010	2010
Consideration (\$\$)	1,520,000	900,000	900,000
Unit Rate (\$\$/sq.ft.)	549	565	561
<b>Adjustment factors:</b>			
Quality	Inferior than the Property	Slightly superior than the Property	Slightly superior than the Property
Location	Similar with the Property	Similar with the Property	Similar with the Property
Transaction time	Same period	Same period	Upward adjustment due to rising market
Total adjustments	8.3%	-4.0%	-2.5%
Adjusted unit rate	595.0	542.3	547.1

For Comparable A, as the Property has better building maintenance as compared to Comparable A, its adjustment factor "Quality" is considered inferior than the Property and therefore its unit rate has been adjusted upward.

For Comparables B and C, as the Property was completed in 1994 while Comparables B and C were completed in 2010, its adjustment factor "Quality" is considered slightly superior than the Property and therefore their unit rates have been adjusted downward.

After making the above due adjustments, the adjusted unit rates of the comparables are ranging from S\$542.3 per sq.ft. to S\$595.0 per sq.ft. on the basis of total GFA. The three adjusted unit rates are assigned with the same weight and represent a weighted average of S\$561.5 per sq.ft. on the basis of total GFA. We multiply the adjusted unit rate (i.e. S\$561.5) by total GFA of the Property (i.e. 16,119 sq.ft.) in deriving the market value of the Property (i.e. approximately S\$9,050,000).

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of directors and chief executives of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) which (i) were required 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 were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Listing Rules, were as follows:

#### (I) Long position in ordinary shares of the Company

Name of Director	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
Mr. Yao Yongjie (“Mr. Yao”)	Through a controlled corporation	366,175,000 (Note 1)	30.64%

Note:

- (1) As at Latest Practicable Date, 365,175,000 shares are held by Morgan Hill Holdings Limited (“Morgan Hill”) which is owned as to 51% by Great Scenery Ventures Limited, a company wholly and beneficially owned by Mr. Yao, 1,000,000 shares were personally owned by Mr. Yao.

Save as disclosed above, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which

they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

(b) **Interests of substantial shareholders and other persons in the shares and underlying shares**

As at the Latest Practicable Date, the following persons/entities (not being Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

*Long position in the ordinary shares of the Company*

Name	Capacity/ Nature of interest	Number of Shares held	Percentage of the Company's total issued share capital
<i>Substantial shareholders</i>			
Morgan Hill	Directly beneficially owned	365,175,000 (Note 1)	30.56%
Great Scenery Ventures Limited (“ <b>Great Scenery</b> ”) (Note 2)	Through a controlled corporation	365,175,000 (Note 1)	30.56%
Emperor Grand International Limited (“ <b>Emperor Grand</b> ”) (Note 4)	Through a controlled corporation	365,175,000 (Note 1)	30.56%
Mr. Zhu Guangping (“ <b>Mr. Zhu</b> ”) (Note 3)	Through a controlled corporation	365,175,000 (Note 1)	30.56%
<i>Other persons</i>			
Mr. Liu Zihao	Directly beneficially owned	100,000,000	8.37%
Mr. Leung Shek Kong	Directly beneficially owned	66,665,000	5.58%

*Notes:*

- (1) The shareholding interests in 365,175,000 shares of the Company represents the same block of shares.
- (2) Great Scenery's deemed shareholding interests were held by virtue of the 51% shareholding interests in Morgan Hill.
- (3) Emperor Grand's deemed shareholding interest were held by virtue of its 49% shareholding interests in Morgan Hill. Emperor Grand is wholly and beneficially owned by Mr. Zhu.

Save as disclosed above, as at Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **3. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors had, either directly or indirectly, an interest in a business which may cause any significant competition with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

### **4. DIRECTORS' SERVICE CONTRACTS**

Mr. Yao Yongjie has entered into a service contract with the Company which is not for a fixed term and could be terminated by either party by giving a specified prior notice.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for a term of three years.

As at the Latest Practicable Date, save as disclosed above, none of the Directors had any existing or proposed service contract with any member of the Group excluding contracts expiring or determinable within one year without payment of compensation (other than statutory compensation)).

### **5. DIRECTORS' INTEREST IN ASSETS**

As at the Latest Practicable Date, save as disclosed above, none of the Directors had any direct or indirect interest in any asset which had been, since 31 March 2023 (being the date to which the latest published audited consolidated financial results of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**6. DIRECTORS' INTEREST IN CONTRACT**

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

**7. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**8. QUALIFICATION AND CONSENTS OF EXPERTS**

- (a) The following is the qualification of the experts who have given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Crowe (HK) CPA Limited	Certified Public Accountants
Ravia Global Appraisal Advisory Limited	Independent property valuer

- (b) As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.
- (d) As at the Latest Practicable Date, each of the above experts did not have any interest, direct or indirect, in any assets which have been, since 31 March 2023, being the date to which the latest published audited consolidated financial results of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

**9. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) The Option to Purchase;

- (b) On 3 October 2022, Grand Shores Blockchain Group Limited (“**GS Blockchain**”), a wholly-owned subsidiary of the Company, and Ms. Zhou Hongmei (“**Ms. Zhou**”) entered into agreement, under which GS Blockchain as purchaser has conditionally agreed to acquire, and Ms. Zhou as vendor has conditionally agreed to sell 40% of the total issued share capital of Grandshores Creative Technology Limited (“**GS Creative**”) for a consideration of HK\$6,050,000. Upon completion, GS Creative will become a wholly-owned subsidiary of the Company. For details, please refer to the announcement of the Company dated 3 October 2022.
- (c) On 27 May 2022, Grandshores Technology (Hong Kong) Limited (“**GS (HK)**”), a wholly-owned subsidiary of the Company, and Lion Wealth Management Limited (“**Lion WM**”), agreed to increase their capital contribution in Aquarius II Sponsor Ltd. (“**Aquarius**”) by subscription of 49 and 51 new ordinary shares with no par value in the issued share capital of Aquarius for an aggregate subscription price of US\$1,592,500 and US\$1,657,500, respectively (the “**Capital Increase**”). Aquarius is an associate of the Company and is owned as to 49% and 51% by GS (HK) and Lion WM, respectively, since its incorporation. Upon completion of the Capital Increase, the Group will continue to hold 49% of the issued shares of Aquarius and will continue to account for its interest in Aquarius as an associate. For details, please refer to the announcement of the Company dated 27 May 2022.
- (d) On 25 April 2022, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Mr. Liu Zihao (“**Mr. Liu**”) pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Liu has conditionally agreed to subscribe for 100,000,000 new ordinary shares (“**Subscription Shares**”) of the Company at the subscription price of HK\$0.1438 per Subscription Share (the “**Subscription**”). All the conditions precedent under the Subscription Agreement have been fulfilled and completion took place on 30 May 2022. For details, please refer to the announcement of the Company.
- (e) On 4 April 2022, GS Blockchain, a wholly owned subsidiary of the Company, entered into a loan agreement with Ms. Zhou, pursuant to which GS Blockchain agreed to provide Ms. Zhou with a loan in the principal amount of HK\$5,800,000 at an interest rate of 8% per annum for a period of six months (the “**Loan**”). Ms. Zhou holds 40% equity interest in GS Creative, 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. For details, please refer to the announcement of the Company dated 4 April 2022.

## 10. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company is at 18 Kaki Bukit Place, Eunos Techpark, Singapore, 416196.



- (c) The principal place of business in Hong Kong is at Unit 1503, 15/F, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (d) The principal place of business in the People's Republic of China is 101-999, Building 21, No. 1399 Liangmu Road, Cangqian Street, Yuhang District, Hangzhou, Zhejiang Province.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The company secretary of the Company is Mr. Wong Ngai, who is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants.
- (g) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

#### **11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.grandshorestech.com>) from the date of this circular up to 14 days thereafter:

- (a) the Option to Purchase;
- (b) the report on the unaudited pro forma financial information prepared by Crowe (HK) CPA Limited, the text of which is set out in Appendix III to this circular;
- (c) the valuation report from Ravia Global Appraisal Advisory Limited, the text of which is set out on Appendix IV to this circular;
- (d) the written consents referred to in the paragraph headed "Qualification and Consent of Experts" in this appendix;
- (e) "Material Contracts" set out in item 9 of Appendix V to the Circular;
- (f) the memorandum and articles of association of the Company;
- (g) the annual reports of the Company for the financial years ended 31 March 2020, 2021 and 2022; and
- (h) the Circular.

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of Grandshores Technology Group Limited (the “Company”) will be held at Room 3, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 10:00 a.m. on Tuesday, 15 August 2023 for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT**

- (a) the option to purchase (the “**Option to Purchase**”) dated 13 June 2023 and entered into between Avenue Engineering Pte. Ltd. as vendor and SH Integrated Services Pte. Ltd. as purchaser in relation to the acquisition of the property located at 40 Kaki Bukit Crescent, Singapore 416266 (details of the Option to Purchase are set out in the circular of the Company dated 5 July 2023, and a copy of the Option to Purchase is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and
- (b) any one or more director(s) of the Company (each a “**Director**”) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal of the Company, where applicable) which he/they consider(s) necessary, desirable or expedient to give effect to the Option to Purchase and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

Yours faithfully,

For and on behalf of the Board of  
**Grandshores Technology Group Limited**

**Yao Yongjie**

*Chairman and Executive Director*

Hong Kong, 28 July 2023

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## NOTICE OF EGM

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*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business*

*in Hong Kong:*  
Unit 1503, 15/F,  
Greenfield Tower, Concordia Plaza,  
1 Science Museum Road,  
Tsim Sha Tsui, Kowloon,  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space for the name of your proxy on the form of proxy, the chairman of the EGM will act as your proxy.
6. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment of such meeting.
7. Personal Information Collection Statement: Your supply of Personal Data to the Company and/or the Company's Registrars in Cayman Islands and Hong Kong in the form of proxy is on a voluntary basis. If you fail to provide sufficient information, we may not be able to process your appointment of proxy and instructions. "Personal Data" in this statement has the meaning defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "PDPO"), which may include but is not limited to the Personal Data you supplied to us in the form of proxy. Your Personal Data is collected for the purposes of processing and administration by the Company (or its Registrars in Cayman Islands and Hong Kong (as the case may be)) of proxies appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) (the "Purposes"). The Personal Data may be retained for such period as may be necessary for our verification and record purposes. If you have provided Personal Data of individuals other than yourself in the form of proxy, you confirm that you have informed and sought the requisite consent from those individuals to the collection, use and disclosure of their Personal Data for the stated purposes. The Company may disclose or transfer the Personal Data to its subsidiaries, its Registrars, its agent, its contractor, and/or third party service provider who provides administrative, computer and other services to the Company for use in connection with the Purposes and to such parties who are authorised by law to request the Personal Data or are otherwise relevant for the Purposes and need to receive the Personal Data. You have the right to request access to and/or correction of your Personal Data respectively in accordance with the provisions of the PDPO.

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## NOTICE OF EGM

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8. The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.
9. As at the date of this notice, the Board comprises (i) one executive Director, namely Mr. Yao Yongjie; (ii) three non-executive Directors, Mr. Chua Seng Hai, Ms. Lu Xuwen and Ms. Yu Zhuochen; and (iii) three independent non-executive Directors, namely Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin.