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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)

DISCLOSEABLE TRANSACTION CAPITAL INCREASE IN AN ASSOCIATE

On 27 May 2022 (after trading hours), GT(HK), a wholly owned subsidiary of the Company, and Lion WM agreed to increase their capital contribution in Aquarius by subscription of 49 new Aquarius Shares and 51 new Aquarius Shares for an aggregate subscription price of US\$1,592,500 and US\$1,657,500, respectively. The Group will fund the Capital Increase by its internal resources.

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. The Group will continue to account for the financial results of Aquarius in its consolidated financial statements by equity method.

Based on all applicable percentage ratios, the Capital Increase by GT(HK) constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 27 May 2022 (after trading hours), GT(HK), a wholly owned subsidiary of the Company, and Lion WM agreed to increase their capital contribution in Aquarius.

CAPITAL INCREASE

On 27 May 2022 (after trading hours), GT(HK) and Lion WM agreed to increase their capital contribution in Aquarius by subscription of 49 new Aquarius Shares and 51 new Aquarius Shares for an aggregate subscription price of US\$1,592,500 and US\$1,657,500, respectively. The amount of the Capital Increase was determined after arm's length negotiation between GT(HK) and Lion WM with reference to Aquarius' funding needs.

The Group will fund the Capital Increase by its internal resources.

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. The Group will continue to account for the financial results of Aquarius in its consolidated financial statements by equity method.

INFORMATION ON AQUARIUS

Aquarius is incorporated on 4 May 2021 for the purpose of engaging in SPAC sponsorship business. Aquarius invests in SPAC at the pre-IPO level to participate in the potential gains and returns on the day of the IPO, and also during and after the later acquisitions of a SPAC.

Aquarius is an associate of the Company and is owned as to 49% and 51% by GT(HK) and Lion WM, respectively, since its incorporation and as at the date of this announcement. The incorporation of Aquarius did not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules. Aquarius holds approximately 93.04% of issued shares of Aquarius II Acquisition Corp. as at the date of this announcement.

The unaudited consolidated financial information of Aquarius is set out below:

	From incorporation to 31 December 2021
	<i>US\$</i>
Loss before income tax	93,265
Loss after income tax	93,265

The unaudited consolidated net liabilities of Aquarius as at 31 December 2021 was approximately US\$93,258.

INFORMATION ON THE PARTIES TO THE CAPITAL INCREASE

GT(HK), a wholly owned subsidiary of the Company, is an investment holding company.

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

Lion WM, a wholly owned subsidiary of Lion Group, is an investment holding company.

Lion Group, the shares of which is listed on Nasdaq (ticker symbol: LGHL), operates an all-in one, state-of-the-art trading platform that offer a wide spectrum of products and services, including (i) total return service (TRS) trading, (ii) contract-for-difference (CFD) trading, (iii) insurance brokerage, and (iv) futures and securities brokerage. In addition, Lion Group owns a professional and experienced SPAC sponsorship team to become a leader in the SPAC arena, helping guide private companies through their listing journey while creating value for Lion Group itself. Lion Group is also fully committed to building the world's top one-stop, cross-chain, high-expansion non-fungible token (NFT) marketplace and entering metaverse space through blockchain technology. Mr. Wang Jian (“**Mr. Wang**”) is the ultimate beneficial owner of Lion Group and exercises approximately 69.4% of the voting rights in Lion Group as at the date of this announcement.

Except for Mr. Wang, none of Lion Group’s shareholders has a voting right of more than 20%. Mr. Wang is the co-founder of Lion Group and is the chairman of the board of directors of Lion Group. Lion Group owns approximately 5.89% of the issued shares of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

Aquarius is a sponsor of Aquarius II Acquisition Corp. which is a blank check company for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or similar business combination with one or more businesses or entities. Aquarius II Acquisition Corp. is undergoing its application with the United States Securities and Exchange Commission to list its units on Nasdaq. Aquarius requires additional funding to support the listing process of Aquarius II Acquisition Corp.

As mentioned in the announcement of the Company dated 17 May 2022, the Group intends to devote resources to develop its new financial services business, including asset management and other financial services. The Company considers partnering with Lion Group and leveraging Lion Group’s networks, resources and experiences is a prudent but critical step to tap into financial services business.

The Company also considers Aquarius may derive gain from the founder units if the price of Aquarius II Acquisition Corp. units increases after listing. The Group will be benefited from sharing the financial results of Aquarius in its consolidated financial statements by equity method.

Having considered the above factors and reasons, the Directors believe that the terms of the Capital Increase are fair and reasonable and the Capital Increase is in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on all applicable percentage ratios, the Capital Increase by GT(HK) constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Aquarius”	Aquarius II Sponsor Ltd.
“Aquarius Share(s)”	ordinary share(s) with no par value in the issued share capital of Aquarius
“Board”	the board of Directors

“Capital Increase”	subscription of 49 new Aquarius Shares and 51 new Aquarius Shares for an aggregate subscription price of US\$1,592,500 and US\$1,657,500 by GT(HK) and Lion WM, respectively
“Company”	Grandshores Technology Group Limited (stock code: 1647), the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“GT(HK)”	Grandshores Technology (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lion Group”	Lion Group Holding Limited
“Lion WM”	Lion Wealth Management Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SPAC”	special purpose acquisition company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 27 May 2022

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