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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)

HEMP MEDICINAL GERMPLASM INNOVATION COOPERATION AGREEMENT BETWEEN THE TARGET COMPANY AND CRIHAAS

Reference is made to the announcement of Grandshores Technology Group Limited dated 25 April 2019 in respect of the Acquisition of 40% equity interest in the Target Company by the Group (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless otherwise defined.

The Board was informed by the Vendor that, on 29 April 2019, the Target Company and CRIHAAS entered into a cooperation agreement relating to hemp germplasm resources innovation and new varieties breeding work (the “**Target Company Cooperation Agreement**”). The term of the Target Company Cooperation Agreement is five years.

Under the Target Company Cooperation Agreement, during the term of the Target Company Cooperation Agreement:

- (i) CRIHAAS and the Target Company shall jointly innovate five or more varieties of excellent germplasm, and select two or more new varieties for medicinal industry. Cannabidiol (**CBD**) content of the new varieties shall be 20% or more higher than that of LongDaMa No. 5* (龍大麻 5 號), and the yield of mosaic must be 100 kilograms or more;
- (ii) CRIHAAS shall not cooperate with more than two breeding and germplasm innovation partners. The rights of use and operation of varieties jointly developed by the Target Company and CRIHAAS will be vested to the Target Company.
- (iii) For the new varieties solely developed by CRIHAAS, including but not limited to the products with higher content of CBD than LongDaMa No. 5* (龍大麻 5 號), the Target Company will have priority to use under the same conditions; and

(iv) the Target Company will provide outlays for scientific research to CRIHAAS by stages in five years. CRIHAAS will carry out screening and identification of excellent resources suitable for CBD industry, and the Target Company will carry out the collection of excellent resources and germplasm innovation.

CRIHAAS was founded in 1964 and is the only comprehensive research institute in Heilongjiang Province to carry out research on characteristic economic crops. It is also the Harbin Flax Centre of China National Hemp Improvement Centre* (中國國家麻類改良中心哈爾濱亞麻分中心). Since the 1960s, CRIHAAS has been engaged in hemp germplasm innovation, new breed selection, molecular cytogenetics, cultivation, plant protection and other technical research. Its research level is in the leading position in the field of hemp research in China.

The Acquisition has yet to be completed as at the date of this announcement. The Company will make further announcement(s) and will comply with the applicable provisions under the Listing Rules in relation to the Acquisition if and when appropriate.

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

Hong Kong, 29 April 2019

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

** for identification purposes only*