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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)

**MEMORANDUM OF UNDERSTANDING
WITH SUBLIMATION INC.
IN RESPECT OF POSSIBLE COOPERATION**

The board (the “**Board**”) of directors (the “**Directors**”) of Grandshores Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 3 June 2019, the Company and Sublimation Inc. (“**Sublime**”) entered into a memorandum of understanding (the “**MOU**”), pursuant to which both parties desire to enter into one or more agreements (collectively, the “**Definitive Agreement**”) to define in greater detail the respective intended rights and obligations with respect to mutually beneficial partnership and investment opportunities.

Subject to the terms of the Definitive Agreement, both parties agree to cooperate in the following areas:

- (a) the Company shall conduct further due diligence of Sublime with the intent of participating in Sublime’s series B preferred shares offering for not less than US\$500,000;
- (b) both parties will jointly explore whether there are any potential cross-border import-export opportunities which are mutually beneficial and in compliance with applicable laws and regulations;
- (c) in jurisdictions where hemp and/or cannabis products are legal, Sublime, with its existing experience in building a supply chain and manufacturing facilities in the field of hemp/cannabis related products, will act as an adviser for the Company on matters falling within its area of expertise; and
- (d) the Company, with its reach and networks in China, subject to compliance with all applicable laws and regulations, will explore and seek to discover opportunities which can be beneficial to Sublime.

The MOU shall continue to be in effect from the date of the MOU until 90 days after the date of the MOU, or upon the entering of any Definitive Agreement(s) governing the cooperation. The MOU does not constitute a legally binding contract or otherwise give rise to legally enforceable rights and obligations, save for provisions relating to preliminary discussions, effect, governing law and arbitration.

Sublime is a private company in the United States that specializes in manufacturing and distribution of hemp and cannabis based products. Sublime has a wide range of hemp/cannabis related products and one of the established production lines and distribution channels in the United States. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sublime and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

The Board believes that, given the respective strength, resources and expertise of the Group and Sublime, the proposed cooperation is expected to enable the Group to further expand its industrial/medical hemp related businesses and bring long term value to the Group.

Shareholders and potential investors of the Company should note that the MOU only sets out the intention of the parties in relation to the proposed cooperation, and that the MOU may or may not lead to the entering into of the Definitive Agreement. The Board wishes to emphasize that no binding agreement in relation to the proposed cooperation has been entered into by the Company as at the date of this announcement. The proposed cooperation, if materialized, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) in respect of the proposed cooperation as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 June 2019

As at the date of this announcement, the Board comprises Mr. Yao Yongjie, Ms. Li Jia 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.