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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)

STRATEGIC COOPERATION FRAMEWORK AGREEMENT BETWEEN THE TARGET COMPANY AND HONGQI GOVERNMENT

Reference is made to the announcement of Grandshores Technology Group Limited dated 10 June 2019 in respect of the acquisition of 51% equity interest in the Target Company (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 the Target Company and Harbin Nangang District Hongqi Manchu Ethnic Township Government* (哈爾濱市南崗區紅旗滿族鄉人民政府) (“**Hongqi Government**”) have recently entered into a strategic cooperation framework agreement (the “**Framework Agreement**”).

Under the “Heilongjiang Province Hemp Industry Three-Year Specific Action Plan (2018-2020)”* (《黑龍江省漢麻產業三年專項行動計劃》(2018-2020)) (the “**Specific Action Plan**”), hemp industry is classified as a target for new growth area in Heilongjiang Province and Heilongjiang Province shall be made as the largest hemp industry base in domestic or even in the world by 2020.

Under the Framework Agreement, subject to compliance with all applicable laws and regulations, both parties intend to make Hongqi Manchu Ethnic Township* (南崗區紅旗滿族鄉) as a hemp cultivation core area, a processing cluster area and an emerging industrial cluster with hemp industry as the core industry, and to promote the implementation of the Specific Action Plan. Given that the Target Company has completed the sowing of LongDaMa No. 5* (龍大麻5號) at the demonstration base in Hongqi Manchu Ethnic Township, Hongqi Government shall provide full support to the Target Company in respect of manpower, field management, field care, etc. during its hemp cultivation in the future. Depending on the trial situation and the market demand, Hongqi Government shall provide not more than 20,000 mu of farm land in 2020 to the Target Company for its hemp cultivation. In addition, Hongqi Government shall assist the Target Company to invest and construct a hemp rough processing factory for promoting legitimate hemp planting, processing and selling to layout the hemp industry chain in Hongqi Manchu Ethnic Township. Subject to compliance

with all applicable laws and regulations and relevant regulatory policies, Hongqi Government shall actively coordinate the implementation of policies. The Target Company shall be responsible for providing capital support and a professional management team to the project, as well as setting up a localised management team in Hongqi Manchu Ethnic Township.

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, 2 July 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.

** for identification purposes only*