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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**  
**IN RESPECT OF**  
**PROPOSED FORMATION OF JOINT VENTURE**

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 14 August 2019, Silver Fame Investment Limited (“**Silver Fame**”, a wholly owned subsidiary of the Company) and ESUN Technology (Shenzhen) Co., Ltd.\* (深圳益爽科技有限公司) (“**ESUN**”) entered into a strategic cooperation framework agreement (the “**Agreement**”).

Pursuant to the Agreement, Silver Fame and ESUN intend to establish a joint venture company in Hong Kong (the “**Joint Venture**”) to jointly expand the electronic cigarette business in overseas markets. The registered capital of the Joint Venture shall not exceed HK\$100 million. Each of Silver Fame and ESUN will own 50% equity interest in the Joint Venture. Silver Fame and ESUN will (i) research and develop and sell cannabidiol (CBD) and other types of cannabis electronic cigarettes in countries that are permitted under the relevant laws and regulations; and (ii) sell other nicotine-containing and non-nicotine e-cigarettes in the People’s Republic of China and overseas. Silver Fame and ESUN will also cooperate to (i) develop corresponding e-cigarette research and development centres and production bases in North America and Southeast Asia; and (ii) create an electronic industrial cluster integrating research and development, filling, production and sales.

The Agreement only provides a strategic cooperation framework between Silver Fame and ESUN, and does not constitute a legally binding contract or otherwise give rise to legally enforceable rights and obligations. All transactions contemplated under the Agreement, including the proposed formation of the Joint Venture, are subject to the signing of a definitive agreement by Silver Fame and ESUN.

ESUN, a company established in 2018, focuses on the development of atomization technology and the construction of atomization-based large health ecosystem based on atomization technology. It has matured products and continuous product iteration ability in the field of electronic cigarettes. ESUN is a member and a member of standing committee of the Electronic Cigarette Industry Committee, China Electronics Chamber of Commerce. It is one of the leading companies in the electronic

\* for identification purposes only

cigarette industry. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, ESUN 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 ESUN, 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.

The proposed formation of the Joint Venture, if materialized, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) as and when appropriate in compliance with the Listing Rules.

By order of the Board  
**Grandshores Technology Group Limited**  
**Zou Chendong**  
*Co-Chairman and Executive Director*

Hong Kong, 14 August 2019

*As at the date of this announcement, the Board comprises Mr. Yao Yongjie 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.*