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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 INVESTMENT IN BLOCKCHAIN INDUSTRY

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 27 October 2019, Hangzhou Grandshores Weicheng Technology Co., Ltd. (杭州雄岸偉成科技有限公司) (“**GS Weicheng**”, a wholly owned subsidiary of the Company) and Canaan Creative Co., Ltd. (杭州嘉楠耘智信息科技有限公司) (“**Canaan**”) entered into a strategic cooperation framework agreement (the “**Agreement**”).

Pursuant to the Agreement, both parties agree that:

1. GS Weicheng intends to purchase from Canaan or distribute on behalf of Canaan blockchain equipment with an aggregate amount of not more than USD150 million up to 31 December 2020. Canaan will provide GS Weicheng with preferential prices and technical guidance;
2. Both parties will cooperate to explore the development of the blockchain industry, carry out research on blockchain technology and application fields, and cultivate leading talents in the blockchain industry; and
3. Both parties will exchange the latest developments and the phased results achieved in the blockchain industry regularly to explore the development trend.

Canaan is a world-renowned blockchain equipment manufacturer and artificial intelligence (AI) chip research and development enterprise. It focuses on the research and development, design and sales of application-specific integrated circuit (ASIC) chips. It has invented the world’s first blockchain-specific computing chip, and has also made a major breakthrough in the development of AI chips. Canaan’s 8.78% shareholder is an associate (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the shareholders of the controlling shareholder (as defined under the Listing Rules) of the Company. Save as disclosed above, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Canaan and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules)).

The Board believes that, given the respective strength, resources and expertise of the Group and Canaan, the proposed cooperation is expected to enable the Group to further expand its blockchain business and bring long term value to the Group.

The Agreement only provides a strategic cooperation framework between GS Weicheng and Canaan, and does not constitute a legally binding contract or otherwise give rise to legally enforceable rights and obligations. All transactions contemplated under the Agreement are subject to the signing of a definitive agreement by GS Weicheng and Canaan. The transactions contemplated under the Agreement, 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
Yao Yongjie
Chairman and Executive Director

Hong Kong, 27 October 2019

As at the date of this announcement, the Board comprises Mr. Yao Yongjie as an executive Director; 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.