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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 AGREEMENT WITH THE9 LIMITED

This is a voluntary announcement made by Grandshores Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest business developments of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company intends to set up a wholly owned subsidiary, namely Grandshores Digital Art Group Limited, for establishing non-fungible tokens (NFTs) that focus on Chinese artworks and cover global mainstream artworks. On 16 March 2021 (after trading hours), the Company and The9 Limited (“**The9**”) signed a strategic cooperation agreement (the “**Agreement**”) in respect of establishment of a joint venture company in exploring opportunities in the field of NFT. Under the Agreement:

1. The Company will principally engage in NFT project investment and selecting high-quality NFT projects – NFTs focusing on Chinese digital artworks, covering global mainstream digital artworks, and promoting unique digital artworks the ownership of which can be confirmed.
2. Digital and cryptocurrency-based artworks can improve the operation of auction houses, and help auction houses continue to find new ways and attract new audiences. Both parties will make use of their extensive experience in the blockchain industry to promote the development of digital artwork auction industry.
3. The9 will make use of its own blockchain technology, FIL distributed storage service and NFT-related research reserves, etc., to provide the relevant technical support to the Company. Further equity cooperation in the future may be possible.

The9, a company listed on Nasdaq (ticker symbol: NCTY), primarily operates and develops online games based in China and has recently stepped into blockchain-related business. According to the latest public information available, Mr. Zhu Jun (“**Mr. Zhu**”) can exercise approximately 66.4% of the voting rights in The9 and is the ultimate beneficial owner of The9. Except for Mr. Zhu, none of The9’s shareholders has a voting right of more than 10%. Mr. Zhu is the chief executive officer and the chairman of the board of directors of The9. On 4 January 2021, The9 announced that it signed a legally binding cooperation and investment term sheet with several investors in the cryptocurrencies mining industry including Mr. Kong Jianping (“**Mr. Kong**”). The9 will issue shares and warrants to the investors. The9 is expected to receive proceeds from the transactions contemplated under such term sheet, if materialised. The investors will exclusively assist The9 for its development of cryptocurrencies related business. The9 will build up cryptocurrencies mining machines that will expect to contribute 8% to 10% of the global hash rate of Bitcoin, 10% of the global hash rate of Ethereum and 10% of the global hash rate of Grin. On 16 February 2021, The9 announced that it signed a US\$10 million Filecoin (FIL) mining machine cooperation framework agreement. Mr. Kong invested in Canaan Inc. (“**Canaan**”), the first Bitcoin mining machine manufacturer listed on Nasdaq in November 2019 (ticker symbol: CAN), in 2015 and became a partner, an executive director and the co-chairman of the board of directors of Canaan. Mr. Kong has rich experience in the field of blockchain.

Mr. Yao Yongjie (“**Mr. Yao**”), the chairman of the Board and an executive Director, is a leader in the blockchain industry and an angel investor of Canaan. Mr. Yao is one of the founders of Yes Auction (<http://h5.yesauc.com>), one of the leading online artwork auction platforms in China and the world. Xiling Yinshe Auction Co., Ltd. (“**Xiling Yinshe**”), an artwork auction house, is one of the leading players in the artwork market for many years. Yes Auction is the only online auction platform of Xiling Yinshe and has gross merchandise value over US\$200 million. The Company and Mr. Yao have voting rights of approximately 0.04% and approximately 0.08% in the issued shares of The9 as at the date of this announcement, respectively.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, The9 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 The9, 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 the Company and The9, and does not constitute a legally binding contract or otherwise give rise to legally enforceable rights and obligations. Any possible cooperation contemplated under the Agreement is subject to a definitive agreement to be signed by the Company and The9.

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

Hong Kong, 16 March 2021

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