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BRAINHOLE

TECHNOLOGY

BRAINHOLE TECHNOLOGY LIMITED

脑洞科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2203)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO FURTHER ACQUISITION OF LISTED SECURITIES; AND (2) DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF LISTED SECURITIES

The Board announces that the Company has entered into the following transactions involving acquisition and disposal of listed securities.

Further Acquisition of Super Micro Shares

On 24 August 2023 (after trading hours of the Stock Exchange), further to the acquisition of 5,230 Super Micro Shares as disclosed in the announcement of the Company dated 16 August 2023, the Company has further acquired an aggregate of 2,770 Super Micro Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) (excluding transaction costs).

Disposal of Li Auto Shares

On 24 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 19,600 Li Auto Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Further Acquisition of Super Micro Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Super Micro Shares and the Further Acquisition of Super Micro Shares involve the acquisition of Super Micro Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately US\$2.2 million (equivalent to approximately HK\$16.9 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the (i) Further Acquisition of Super Micro Shares (standing alone) and (ii) Acquisition of Super Micro Shares and Further Acquisition of Super Micro Shares (in aggregate) exceed 5% but all are less than 25%, the Further Acquisition of Super Micro Shares constitutes a discloseable transaction on the part of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Disposal of Li Auto Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Li Auto Shares and the Company's previous disposal of Li Auto Shares (for the avoidance of doubt, such disposal does not constitute a notifiable transaction on the part of the Company under the Listing Rules) involve the disposal of Li Auto Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of (i) the Disposal of Li Auto Shares (standing alone) and (ii) the Disposal of Li Auto Shares and the Company's previous disposal of Li Auto Shares (in aggregate) exceed 5% but all are less than 25%, the Disposal of Li Auto Shares constitutes a discloseable transaction on the part of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The Board announces that the Company has entered into the following transactions involving acquisition and disposal of listed securities.

Further Acquisition of Super Micro Shares

On 24 August 2023 (after trading hours of the Stock Exchange), further to the acquisition of 5,230 Super Micro Shares as disclosed in the announcement of the Company dated 16 August 2023, the Company has further acquired an aggregate of 2,770 Super Micro Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) (excluding transaction costs). The average price (excluding transaction costs) for the further acquisition of each Super Micro Share was approximately US\$275.84 (equivalent to approximately HK\$2,146.07). The aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Further Acquisition of Super Micro Shares was conducted in the open market, the identities of the counterparties of the acquired Super Micro Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Super Micro Shares are Independent Third Parties.

Disposal of Li Auto Shares

On 24 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 19,600 Li Auto Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Li Auto Share was approximately US\$38.87 (equivalent to approximately HK\$302.37).

As the Disposal of Li Auto Shares was conducted in the open market, the identities of the counterparties of the disposed Li Auto Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the disposed Li Auto Shares are Independent Third Parties.

INFORMATION ON SUPER MICRO AND LI AUTO

Super Micro

Super Micro is a Delaware corporation and a Silicon Valley-based provider of accelerated compute platforms that are application-optimized high-performance and high-efficiency server and storage systems for various markets, including enterprise data centers, cloud computing, artificial intelligence, 5G and edge computing. Super Micro's solutions include complete servers, storage systems, modular blade servers, blades, workstations, complete rack scale plug and play solutions delivering pre-defined and pre-tested full rack scale solutions, networking devices, server sub-systems, system management and security software.

The following financial information is extracted from the published documents of the Super Micro Group:

	For the year ended		For the year ended	
	30 June 2021		30 June 2022	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Net sales	3,557,422	27,676,743	5,196,099	40,425,650
Income before income tax provision	118,628	922,926	336,833	2,620,561
Net income	111,865	870,310	285,163	2,218,568

Based on Super Micro's published documents, the Super Micro Group has an audited consolidated net assets value of approximately US\$1,096 million (equivalent to approximately HK\$8,527 million) as at 30 June 2021 and US\$1,426 million (equivalent to approximately HK\$11,094 million) as at 30 June 2022.

Based on Super Micro's published documents, the Super Micro Group has an unaudited consolidated net asset value of approximately US\$1,972 million (equivalent to approximately HK\$15,342 million) as 30 June 2023.

Li Auto

Li Auto is a Cayman Islands holding company with no equity ownership in the VIEs and its subsidiaries. Li Auto conducts its operations through its PRC subsidiaries, VIEs and their respective subsidiaries in the PRC. Li Auto is a leader in the new energy vehicle market of the PRC. The Li Auto Group designs, develops, manufactures, and sells premium smart electric vehicles.

The following financial information is extracted from the published documents of the Li Auto Group:

	For the year ended		For the year ended	
	31 December 2021		31 December 2022	
	(audited)		(audited)	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	27,009,779	30,521,050	45,286,816	51,174,102
(Loss) before income tax expenses	(152,812)	(172,678)	(2,159,355)	(2,440,071)
Net (loss)	(321,455)	(363,244)	(2,032,348)	(2,296,553)

Based on Li Auto's published documents, the Li Auto Group has an audited consolidated net assets value of approximately RMB41,064 million (equivalent to approximately HK\$46,402 million) as at 31 December 2021 and RMB45,186 million (equivalent to approximately HK\$51,060 million) as at 31 December 2022.

Based on Li Auto's published documents, the Li Auto Group has an unaudited consolidated net asset value of approximately RMB46,632 million (equivalent to approximately HK\$52,694 million) as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITION OF SUPER MICRO SHARES

The Group is principally engaged in the manufacturing and trading of semiconductors, broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities).

The Group believes that technological innovation is an important engine for future economic development, and it can also drive the emerging applications in the smart living sector. The Group always hopes to leverage our own advantages in the field of smart technology to actively diversify the investments in the field of innovative technologies, in order to facilitate the technological development and create greater value for the Shareholders.

Super Micro is an information technology company in United States. The Board holds positive views towards the financial performance and future prospect of Super Micro. The Group considers that the Further Acquisition of Super Micro Shares can increase our holdings in this attractive investment and to further expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Further Acquisition of Super Micro Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Further Acquisition of Super Micro Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF LI AUTO SHARES

As a result of the Disposal of Li Auto Shares, the Group is expected to recognise a gain of approximately US\$0.06 million (equivalent to approximately HK\$0.5 million) being the difference between the consideration received from the Disposal of Li Auto Shares and the acquisition cost of disposed Li Auto Shares.

The Group considers that the Disposal of Li Auto Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied all the proceeds from the Disposal of Li Auto Shares of approximately US\$0.8 million (equivalent to approximately HK\$5.9 million) for the consideration for the Further Acquisition of Super Micro Shares.

As the Disposal of Li Auto Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of Li Auto Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Further Acquisition of Super Micro Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Super Micro Shares and the Further Acquisition of Super Micro Shares involve the acquisition of Super Micro Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately US\$2.2 million (equivalent to approximately HK\$16.9 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the (i) Further Acquisition of Super Micro Shares (standing alone) and (ii) Acquisition of Super Micro Shares and Further Acquisition of Super Micro Shares (in aggregate) exceed 5% but all are less than 25%, the Further Acquisition of Super Micro Shares constitutes a discloseable transaction on the part of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Disposal of Li Auto Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Li Auto Shares and the Company's previous disposal of Li Auto Shares (for the avoidance of doubt, such disposal does not constitute a notifiable transaction on the part of the Company under the Listing Rules) involve the disposal of Li Auto Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of (i) the Disposal of Li Auto Shares (standing alone) and (ii) the Disposal of Li Auto Shares and the Company's previous disposal of Li Auto Shares (in aggregate) exceed 5% but all are less than 25%, the Disposal of Li Auto Shares constitutes a discloseable transaction on the part of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition of Super Micro Shares”	acquisition of 5,230 Super Micro Shares by the Company as disclosed in the announcement dated 16 August 2023
“Board”	the board of Directors of the Company

“Company”	Brainhole Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2203)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal of Li Auto Shares”	disposal of 19,600 Li Auto Shares by the Company as disclosed in this announcement
“Further Acquisition of Super Micro Shares”	further acquisition of 2,770 Super Micro Shares by the Company as disclosed in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Li Auto”	Li Auto Inc., a Cayman Islands holding company whose American depository shares are listed on Nasdaq (trading symbol: LI)
“Li Auto Group”	Li Auto and its subsidiaries
“Li Auto Share(s)”	American depository share(s) of Li Auto
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nasdaq”	National Association of Securities Dealers Automated Quotations Stock Market
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Micro”	Super Micro Computer, Inc., a Delaware corporation whose common stocks are listed on Nasdaq (trading symbol: SMCI)
“Super Micro Group”	Super Micro and its subsidiaries
“Super Micro Share(s)”	Common stock(s) of Super Micro
“United States”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Brainhole Technology Limited
Zhang Liang Johnson
Chairman and Executive Director

Hong Kong, 25 August 2023

For the purpose of this announcement, all amounts denominated in US\$ has been translated (for information only) into HK\$ using the exchange rate of US\$1.00: HK\$7.78 and all amounts denominated in RMB has been translated (for information only) into HK\$ using the exchange rate of RMB1: HK\$1.13. Such translations shall not be construed as a representation that amounts of US\$ and RMB were or may have been converted.

As at the date of this announcement, the Board comprises Mr. Zhang Liang Johnson and Ms. Wan Duo as executive Directors and Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo as independent non-executive Directors.