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BRA**IN**H**O**L**E**
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 ACQUISITION OF LISTED SECURITIES;**
(2) DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF LISTED SECURITIES; AND
(3) DISCLOSEABLE TRANSACTION IN RELATION TO FURTHER ACQUISITION OF LISTED SECURITIES

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

Acquisition of TSMC Shares

On 24 January 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 3,340 TSMC Shares through the open market at an aggregate consideration of approximately US\$0.4 million (equivalent to approximately HK\$3.0 million) (excluding transaction costs).

Disposal of Coinbase Shares

On 24 January 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 10,700 Coinbase Shares through the open market at an aggregate consideration of approximately US\$1.4 million (equivalent to approximately HK\$10.5 million) (excluding transaction costs).

Further Acquisition of Super Micro Shares

On 24 January 2024 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of Super Micro Shares and the Previous Disposals of Super Micro Shares as disclosed in the relevant Previous Announcements, the Company has further acquired an aggregate of 1,070 Super Micro Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$3.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of TSMC Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition of TSMC Shares exceed 5% but all are less than 25%, the Acquisition of TSMC 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 Coinbase Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of Coinbase Shares exceed 5% but all are less than 25%, the Disposal of Coinbase 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.

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 Previous Acquisitions of Super Micro Shares, the Previous Disposals of Super Micro Shares and the Further Acquisition of Super Micro Shares involve the acquisitions and disposals 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\$1.5 million (equivalent to approximately HK\$11.8 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) the Previous Acquisitions of Super Micro Shares, the Previous Disposals of Super Micro Shares and the 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.

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

Acquisition of TSMC Shares

On 24 January 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 3,340 TSMC Shares through the open market at an aggregate consideration of approximately US\$0.4 million (equivalent to approximately HK\$3.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each TSMC Share was approximately US\$114.85 (equivalent to approximately HK\$893.53). The aggregate consideration of approximately US\$0.4 million (equivalent to approximately HK\$3.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Acquisition of TSMC Shares was conducted in the open market, the identities of the counterparties of the acquired TSMC 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 TSMC Shares are Independent Third Parties.

Disposal of Coinbase Shares

On 24 January 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 10,700 Coinbase Shares through the open market at an aggregate consideration of approximately US\$1.4 million (equivalent to approximately HK\$10.5 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Coinbase Share was approximately US\$126.48 (equivalent to approximately HK\$984.04).

As the Disposal of Coinbase Shares was conducted in the open market, the identities of the counterparties of the disposed Coinbase 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 Coinbase Shares are Independent Third Parties.

Further Acquisition of Super Micro Shares

On 24 January 2024 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of Super Micro Shares and the Previous Disposals of Super Micro Shares as disclosed in the relevant Previous Announcements, the Company has further acquired an aggregate of 1,070 Super Micro Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$3.9 million) (excluding transaction costs). The average price (excluding transaction costs) for the further acquisition of each Super Micro Share was approximately US\$470.00 (equivalent to approximately HK\$3,656.60). The aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$3.9 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.

INFORMATION ON TSMC, COINBASE AND SUPER MICRO

TSMC

TSMC is a Republic of China corporation and has been one of the world's leading semiconductor foundries. TSMC-made semiconductors serve a global customer base that is large and diverse entailing a wide range of applications. These products are used in a variety of end markets including high performance computing, smartphones, the Internet of Things (IoT), automotive, and digital consumer electronics. Such strong diversification helps to smooth fluctuations in demand, which in turn allows TSMC to maintain high levels of capacity utilization and profitability, and generate healthy returns for future investment.

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

	For the year ended		For the year ended	
	31 December 2021		31 December 2022	
	(audited)		(audited)	
	<i>NT\$'000</i>	<i>HK\$'000</i>	<i>NT\$'000</i>	<i>HK\$'000</i>
Total net revenue	1,587,415	396,854	2,263,891	565,973
Income before Income Tax	663,126	165,782	1,144,190	286,048
Net income	597,073	149,269	1,016,901	254,225

Based on TSMC's published documents, the TSMC Group has an audited consolidated net assets value of approximately NT\$2,171 million (equivalent to approximately HK\$679 million) as at 31 December 2021 and NT\$2,960 million (equivalent to approximately HK\$740 million) as at 31 December 2022.

Based on TSMC's published documents, the TSMC Group has an unaudited consolidated net asset value of approximately NT\$3,373 million (equivalent to approximately HK\$843 million) as at 30 September 2023.

Coinbase

Coinbase is a Delaware corporation and a cryptocurrency learning platform that build safe, trusted, easy-to-use technology and financial infrastructure products and services to enable any person or business with an internet connection to discover, transact, and engage with crypto assets and decentralised applications. Its products enable customers to access and participate in the cryptoeconomy, a new open financial system built upon crypto, in more than 100 countries and serve as a critical infrastructure layer to web3, a broad category of cryptopowered technologies including self-custody wallets, decentralised apps and services, and open community engagement platforms.

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

	For the year ended		For the year ended	
	31 December 2021		31 December 2022	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenue	7,839,444	60,990,874	3,194,208	24,850,938
(Loss)/Income before income taxes	3,026,947	23,549,648	(3,064,582)	23,842,448
Net (loss)/income	3,624,120	28,195,654	(2,624,949)	(20,422,103)

Based on Coinbase's published documents, the Coinbase Group has an audited consolidated net assets value of approximately US\$6,382 million (equivalent to approximately HK\$49,652 million) as at 31 December 2021 and US\$5,455 million (equivalent to approximately HK\$42,440 million) as at 31 December 2022.

Based on Coinbase's published documents, the Coinbase Group has an unaudited consolidated net asset value of approximately US\$5,921 million (equivalent to approximately HK\$46,065 million) as at 30 September 2023.

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 2022		30 June 2023	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Net sales	5,196,099	40,425,650	7,123,482	55,420,690
Income before income tax provision	336,833	2,620,561	754,297	5,868,431
Net income	285,163	2,218,568	639,998	4,979,184

Based on Super Micro's published documents, the Super Micro Group has an audited consolidated net assets value of approximately and US\$1,426 million (equivalent to approximately HK\$11,094 million) as at 30 June 2022 and US\$1,972 million (equivalent to approximately HK\$15,342 million) as at 30 June 2023.

Based on Super Micro's published documents, the Super Micro Group has an unaudited consolidated net asset value of approximately US\$2,166 million (equivalent to approximately HK\$16,851 million) as at 30 September 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF TSMC SHARES AND 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.

TSMC is one of the world's leading semiconductor foundries and 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 and TSMC. The Group considers that the Acquisition of TSMC Shares and the Further Acquisition of Super Micro Shares are good opportunities to acquire attractive investment and to expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Acquisition of TSMC Shares and the Further Acquisition of Super Micro Shares were made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of TSMC Shares and 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 COINBASE SHARES

As a result of the Disposal of Coinbase Shares, the Group is expected to recognise a loss of approximately US\$0.3 million (equivalent to approximately HK\$2.3 million) which will affect profit and loss of the Group for the year ending 31 December 2024 and is calculated on the basis of the difference between the consideration received from the Disposal of Coinbase Shares and the acquisition cost of disposed Coinbase Shares.

The Group considers that the Disposal of Coinbase Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied part of the proceeds from the Disposal of Coinbase Shares of approximately US\$0.9 million (equivalent to approximately HK\$6.9 million) in aggregate for the consideration for the Acquisition of TSMC Shares and the Further Acquisition of Super Micro Shares and the Group intends to apply the remaining proceeds from the Disposal of Coinbase Shares of approximately US\$0.5 million (equivalent to approximately HK\$3.6 million) in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

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

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of TSMC Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition of TSMC Shares exceed 5% but all are less than 25%, the Acquisition of TSMC 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 Coinbase Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of Coinbase Shares exceed 5% but all are less than 25%, the Disposal of Coinbase 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.

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 Previous Acquisitions of Super Micro Shares, the Previous Disposals of Super Micro Shares and the Further Acquisition of Super Micro Shares involve the acquisitions and disposals 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\$1.5 million (equivalent to approximately HK\$11.8 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) the Previous Acquisitions of Super Micro Shares, the Previous Disposals of Super Micro Shares and the 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.

DEFINITIONS

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

“Acquisition of TSMC Shares”	acquisition of 3,340 TSMC Shares by the Company as disclosed in this announcement
“Coinbase”	Coinbase Global, Inc., a Delaware corporation whose Class A common stocks are listed on Nasdaq (trading symbol: COIN)
“Coinbase Group”	Coinbase and its subsidiaries
“Coinbase Share(s)”	Class A common stock(s) of Coinbase
“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 Coinbase Shares”	disposal of 10,700 Coinbase Shares by the Company as disclosed in this announcement
“Further Acquisition of Super Micro Shares”	further acquisition of 1,070 Super Micro Shares by the Company as disclosed in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nasdaq”	National Association of Securities Dealers Automated Quotations Stock Market
“NT\$”	New Taiwan dollar(s), the lawful currency of Taiwan Republic of China
“Previous Acquisitions of Super Micro Shares”	the series of acquisitions of an aggregate of 9,460 Super Micro Shares by the Company during the period from 15 August 2023 (after trading hours the Stock Exchange) and up to (and inclusive of) 23 January 2024 (after trading hours the Stock Exchange) as set out in the Relevant Previous Announcements
“Previous Announcements”	the announcements of the Company dated 16 August 2023, 25 August 2023, 19 September 2023, 15 December 2023, 20 December 2023, 28 December 2023 and 24 January 2024 in relation to, <i>inter alia</i> , the Previous Acquisitions of Super Micro Shares and the Previous Disposals of Super Micro Shares
“Previous Disposals of Super Micro Shares”	the series of disposals of an aggregate of 6,620 Super Micro Shares by the Company during the period from 18 September 2023 (after trading hours the Stock Exchange) and up to (and inclusive of) 27 December 2023 (after trading hours the Stock Exchange) as set out in the relevant Previous Announcements
“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
“TSMC”	Taiwan Semiconductor Manufacturing Company Limited, a Republic of China corporation whose American depository shares are listed on the New York Stock Exchange (stock code: TSM)
“TSMC Group”	TSMC and its subsidiaries
“TSMC Share(s)”	American depository share(s) of TSMC
“United States”	the United States of America
“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 January 2024

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 NT\$ has been translated (for information only) into HK\$ using the exchange rate of NT\$1:HK\$0.25. Such translations shall not be construed as a representation that amounts of US\$ and NT\$ 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.