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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)

**MAJOR TRANSACTION IN RELATION TO
FURTHER DISPOSAL OF LISTED SECURITIES**

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

Further Disposal of Super Micro Shares

On 16 February 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 Previous Announcements, the Company has further disposed of an aggregate of 1,020 Super Micro Shares through the open market at an aggregate consideration of approximately US\$1.0 million (equivalent to approximately HK\$7.0 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Further Disposal 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 Disposal of Super Micro Shares involve 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\$2.1 million (equivalent to approximately HK\$16.4 million).

The Further Disposal of Super Micro Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Disposal of Super Micro Shares, when aggregated with the Previous Acquisitions of Super Micro Shares and the Previous Disposals of Super Micro Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the Further Disposal of Super Micro Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Further Disposal of Super Micro Shares; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Further Disposal of Super Micro Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Disposal of Super Micro Shares. Thus, if the Company were to convene a general meeting to approve the Further Disposal of Super Micro Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Disposal of Super Micro Shares. As such, the Further Disposal of Super Micro Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Disposal of Super Micro Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Disposal of Super Micro Shares.

A circular in relation to the Further Disposal of Super Micro Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 11 March 2024.

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

Further Disposal of Super Micro Shares

On 16 February 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 Previous Announcements, the Company has further disposed of an aggregate of 1,020 Super Micro Shares through the open market at an aggregate consideration of approximately US\$1.0 million (equivalent to approximately HK\$7.0 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Super Micro Share was approximately US\$884.58 (equivalent to approximately HK\$6,882.02).

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

INFORMATION ON SUPER MICRO

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	
	<i>(audited)</i>		<i>(audited)</i>	
	<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 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 FURTHER DISPOSAL OF SUPER MICRO SHARES

As a result of the Further Disposal of Super Micro Shares, the Group is expected to recognise a gain of approximately US\$0.5 million (equivalent to approximately HK\$3.6 million) being the difference between the consideration received from the Further Disposal of Super Micro Shares and the acquisition cost of disposed Super Micro Shares. The Group considers that the Further Disposal of Super Micro Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group intends to apply all the proceeds from the Further Disposal of Super Micro Shares of approximately US\$1.0 million (equivalent to approximately HK\$7.0 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

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

IMPLICATIONS UNDER THE LISTING RULES

Further Disposal 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 Disposal of Super Micro Shares involve 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\$2.1 million (equivalent to approximately HK\$16.4 million).

The Further Disposal of Super Micro Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Disposal of Super Micro Shares, when aggregated with the Previous Acquisitions of Super Micro Shares and the Previous Disposals of Super Micro Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the Further Disposal of Super Micro Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Disposal of Super Micro Shares. Thus, if the Company were to convene a general meeting to approve the Further Disposal of Super Micro Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Disposal of Super Micro Shares. As such, the Further Disposal of Super Micro Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Disposal of Super Micro Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Disposal of Super Micro Shares.

A circular in relation to the Further Disposal of Super Micro Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 11 March 2024.

DEFINITIONS

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

“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
“Further Disposal of Super Micro Shares”	further disposal of 1,020 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 People’s Republic of China
“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
“Previous Acquisitions of Super Micro Shares”	the series of acquisitions of an aggregate of 12,510 Super Micro Shares by the Company during the period from 15 August 2023 (after trading hours of the Stock Exchange) and up to (and inclusive of) 30 January 2024 (after trading hours of 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, 24 January 2024, 25 January 2024 and 31 January 2024 in relation to, inter alia, 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 of the Stock Exchange) and up to (and inclusive of) 27 December 2023 (after trading hours of 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
“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, 19 February 2024

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