BRAINHOLE
TECHNOLOGY

BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2203)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the Period together with the audited comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE

For the year ended 31 December 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000*
Revenue	3	**220,807**	263,566
Cost of sales		**(193,179)**	(215,027)
Gross profit		**27,628**	48,539
Other income		**7,226**	5,160
Other gains and losses		**5,567**	(10,621)
Selling and distribution costs		**(8,994)**	(6,805)
Administrative expenses		**(50,999)**	(63,797)
Impairment loss on plant and equipment		**(9,054)**	(22,529)
Finance costs		**(8,050)**	(11,676)
Loss before tax		**(36,676)**	(61,729)
Income tax credit	4	**2,560**	4,117
Loss for the year	5	**(34,116)**	(57,612)
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(701)**	(7,269)
Total comprehensive expense for the year		**(34,817)**	(64,881)
Loss per share			
– Basic and diluted *(HK cents)*	6	**(4.26)**	(7.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Non-current assets			
Plant and equipment		**37,887**	49,259
Right-of-use assets		**4,910**	2,500
Intangible assets		**880**	1,010
Deferred tax assets		**20,182**	17,670
Prepayment for plant and equipment		**29**	1,770
		63,888	72,209
Current assets			
Inventories		**29,000**	44,888
Trade and other receivables	7	**65,814**	94,982
Contract assets		**2,202**	4,946
Amounts due from related companies		**6,543**	8,470
Digital assets		**–**	11,189
Financial assets at fair value through profit or loss		**69,276**	70,582
Bank balances and cash		**42,473**	26,151
		215,308	261,208
Current liabilities			
Trade and other payables	8	**71,095**	76,125
Contract liabilities		**–**	4,971
Bank borrowings		**–**	7,277
Lease liabilities		**2,744**	1,399
Deferred income		**392**	470
Loan from the immediate holding company		**–**	473
Loans from related companies		**49,930**	59,625
Income tax payables		**34**	34
		124,195	150,374
Net current assets		**91,113**	110,834
Total assets less current liabilities		**155,001**	183,043

	2023	2022
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**2,760**	1,407
Deferred tax liability	**435**	272
Deferred income	**1,695**	2,524
Loan from ultimate controlling party	**83,349**	77,261
	88,239	81,464
	66,762	101,579
Capital and reserves		
Share capital	**8,000**	8,000
Reserves	**58,762**	93,579
	66,762	101,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Brainhole Technology Limited was incorporated in the Cayman Islands on 10 September 2014 as an exempted company with limited liability under the Cayman Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares had been listed on Stock Exchange since 2017.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of the principal place of business of the Company is Suites 1801–03, 18/F., One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. Its immediate holding company is Yoho Bravo Limited ("**Yoho**"), a company incorporated in BVI with limited liability and its ultimate controlling party is Mr. Zhang.

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are the manufacturing and trading of electronic and electrical parts and components, provision of broadband infrastructure construction services, promotion of broadband services, smart domain solution services and operating leases for broadband infrastructure.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

(a) Adoption of amended HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

(b) New or amended HKFRSs that have been issued but are not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[2]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, the application of the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

(a) Manufacturing segment engages in selling of electronic goods and electrical parts and components manufactured by the Group.

(b) Trading segment engages in trading of electronic goods and electrical parts and components sourced from third-party suppliers.

(c) Broadband infrastructure and smart domain segment engages in the provision of broadband infrastructure construction services, promotion of broadband services, smart domain solution services and operating leases for broadband infrastructure.

(d) Strategic investments segment engages in trading of digital assets and listed equity securities.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the method used to distribute the products and/or the nature of production processes.

Despite that all of the Group's products are of a similar nature, they are subject to different risks and returns. Accordingly, the Group's operating activities are attributable to manufacturing, trading, broadband infrastructure and smart domain and strategic investments segments.

Revenue represents revenue arising from the manufacturing and trading of electronic goods and electrical parts and components, provision of broadband infrastructure construction services, promotion of broadband services, smart domain solution services and operating leases for broadband infrastructure. An analysis of the Group's revenue for the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing of electronic goods	**92,493**	122,762
Trading of electronic goods	**85,453**	93,178
Broadband infrastructure and smart domain:		
Broadband infrastructure construction services	**20,657**	19,142
Commission income from promotion of broadband services	**11,154**	13,533
Provision of smart domain solution services	**8,534**	10,095
	218,291	258,710
Revenue from other sources		
Broadband infrastructure and smart domain:		
Rental income from broadband infrastructure under operating lease		
– Lease payments that are fixed at a rate	**2,516**	4,856
	220,807	263,566

Disaggregation of revenue from contracts with customers by timing of recognition

	2023	2022
	HK$'000	*HK$'000*
Timing of revenue recognition		
At a point in time	**197,634**	239,568
Over time	**20,657**	19,142
Total revenue from contracts with customers	**218,291**	258,710

Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period and the expected timing of recognition are, as follow:

	2023	2022
	HK$'000	*HK$'000*
Within one year	**34,029**	29,011
More than one year	**56,227**	24,751
	90,256	53,762

The above amounts represent revenue expected to be recognised in the future from broadband infrastructure construction services.

For other types of revenue, as those contracts are with an original expected duration of one year or less, accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Manufacturing		**Trading**		**Broadband infrastructure and smart domain**		**Strategic investments**		**Total**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**92,493**	122,762	**85,453**	93,178	**42,861**	47,626	**–**	–	**220,807**	263,566
Segment (loss) profit	**(4,361)**	(5,053)	**1,861**	7,613	**1,857**	(4,485)	**5,567**	(10,621)	**4,924**	(12,546)
Unallocated income									**1,957**	38
Unallocated expenses									**(43,557)**	(49,221)
Loss before tax									**(36,676)**	(61,729)

Segment (loss) profit represents the (loss from) profit earned by each segment without allocation of certain administrative expenses, certain finance costs and certain other income. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2023	2022
	HK$'000	*HK$'000*
Segment assets		
Manufacturing	**50,560**	95,810
Trading	**14,251**	17,401
Broadband infrastructure and smart domain	**88,806**	96,189
Strategic investments	**69,276**	81,771
Unallocated	**56,289**	42,246
Total assets	**279,182**	333,417
Segment liabilities		
Manufacturing	**9,945**	16,276
Trading	**5,703**	8,795
Broadband infrastructure and smart domain	**52,008**	61,465
Unallocated	**144,778**	145,302
Total liabilities	**212,434**	231,838

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment and right-of-use assets for administrative purpose, certain deferred tax assets, certain other receivables and prepayments and certain bank balances and cash as these assets are managed on a group basis; and

- all liabilities are allocated to operating segments other than certain other payables, certain lease liabilities, loan from the immediate holding company, loans from related companies and loan from ultimate controlling party.

4. INCOME TAX CREDIT

	2023	2022
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	–
The PRC	**52**	657
	52	657
Under (over) provision in prior years:		
Hong Kong	**–**	18
The PRC	**–**	–
	–	18
Deferred tax	**(2,612)**	(4,792)
	(2,560)	(4,117)

(a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.

(b) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2023 and 2022.

(c) Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

For the year ended 31 December 2022, the PRC subsidiary, Guangzhou Weaving was recognised by the PRC government as "High and New Technology Enterprises" and was eligible to a preferential tax rate of 15%. As the "High-Tech Enterprise Certificate" for Guangzhou Weaving ended from 8 December 2023, the tax rate applicable to Guangzhou Weaving reverted to 25% for the entire year of 2023.

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2023	2022
	HK$'000	*HK$'000*
Emoluments of the directors of the Company and chief executive*:*		
Salaries and allowances	**1,461**	1,020
Retirement benefits scheme contributions	**8**	–
Other staff costs:		
Salaries and allowances *(note*)*	**38,820**	40,213
Retirement benefits scheme contributions	**4,616**	4,869
Total staff costs	**44,905**	46,102
Auditors' remuneration	**880**	790
Amount of inventories recognised as expenses	**168,085**	189,855
Amortisation of intangible assets	**178**	183
Depreciation of plant and equipment	**6,941**	12,300
Depreciation of right-of-use assets	**2,921**	3,109
Research and development costs *(note*)*	**9,477**	10,018
Impairment loss on trade receivables, net	**434**	9,631
Impairment loss on contract assets	**188**	143
Gain on disposal of plant and equipment	**(3,630)**	(1,158)
Impairment loss recognised on plant and equipment	**9,054**	22,529
Write-off of plant and equipment	**127**	15
Impairment loss on inventory	**658**	–
(Reversal of) impairment loss recognised on amounts due from related companies (trade-nature)	**(993)**	974

*Note**: Included in research and development costs were staff cost of HK$6,222,000 (2022: HK$6,503,000), which were included in other staff costs disclosure above.

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(34,116)**	(57,612)

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**800,000**	800,000

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2023 and 2022.

7. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Receivables at amortised cost comprise:		
Trade receivables	**70,622**	91,083
Less: allowance for impairment of trade receivables	**(16,893)**	(16,700)
	53,729	74,383
Deposits and other receivables	**4,136**	2,000
Receivables for disposal of plant and equipment and non-current assets classified as held for sale	**–**	972
Value-added tax recoverable	**1,406**	5,793
Prepayments	**6,543**	11,834
Total trade and other receivables	**65,814**	94,982

As at 31 December 2023, the gross amount of trade receivables arising from contracts with customers and operating leases amounted to HK$67,093,000 (2022: HK$87,107,000) and HK$3,529,000 (2022: HK$3,976,000) respectively.

The Group does not hold any collateral over its trade and other receivables.

The Group allows a credit period up to 90 days to its customers for manufacturing and trading segments. For customers for broadband infrastructure and smart domain segment, various credit periods are granted to its customers, and the credit period of individual customer is considered on a mutually-agreed basis and stipulated in the project contract, as appropriate.

The following is an aged analysis of trade receivables, net of allowance for impairment, presented based on the date of delivery/invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2023	2022
	HK$'000	*HK$'000*
0 to 30 days	**24,362**	25,535
31 to 90 days	**18,503**	20,121
91 to 365 days	**4,700**	16,676
Over 365 days	**6,164**	12,051
	53,729	74,383

8. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**47,937**	59,129
Accruals of costs for contract works	**2,247**	2,685
Accrued staff costs	**4,866**	5,266
Payable for commission	**1,746**	1,114
Accruals and other payables	**14,299**	7,931
	71,095	76,125

As at 31 December 2023, included in other payables of approximately HK$3,297,000 (2022: HK$2,628,000) was due to a related company, 廣州普及房地產代理有限公司, of the Group. The amount is unsecured, non-interest bearing and repayable on demand.

Included in other payables, amount of approximately HK$279,000 was due to an immediate holding company as at 31 December 2023 (2022: HK$12,000). The amount is unsecured, non-interest bearing and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2023	2022
	HK$'000	*HK$'000*
Within 3 months	**19,938**	26,452
4 to 6 months	**1,253**	3,239
7 to 12 months	**3,645**	4,139
Over 1 year	**23,101**	25,299
	47,937	59,129

The credit period on purchases of goods ranged from 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

9. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2023, the Group had acquired and disposed of certain listed equity securities. Details of which are set out in the Company's announcements dated as 10 January 2024, 24 January 2024, 25 January 2024, 31 January 2024, 6 February 2024, 7 February 2024, 9 February 2024, 14 February 2024, 15 February 2024, 28 February 2024, 7 March 2024, 12 March 2024, 22 March 2024 and the Company's circulars dated 8 March 2024, 20 March 2024 from the end of reporting period up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

(i) Broadband infrastructure and smart domain business

Guangzhou Weaving, the wholly-owned subsidiary of the Group, is principally engaged in broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities) in the PRC. Its smart domain solution includes hardware for security and identification purposes, software for residence management, energy saving and community services.

After the pandemic, the PRC real estate industry continues to face tight liquidity due to the adverse effects of regulatory policies implemented in recent years. This has resulted in longer completion periods for development projects. Currently, property developers are adopting cautious capital expenditure management strategies and approaching new land and development projects with caution. As a result, there has been a significant decrease in market demand and revenue for Guangzhou Weaving in the broadband infrastructure construction and smart domain solution sectors.

In response to this, the Group has become more cautious in cost management and has adopted a conservative approach in selecting new projects. They prefer to allocate resources to more profitable projects to optimize their product mix.

Furthermore, the policies implemented by the PRC government in the telecommunications industry have also posed challenges for the Group. The government's policy of lowering fees and increasing internet speed continues to put pressure on the profitability of the broadband infrastructure industry. Despite this, the commission income from telecom operators for promoting broadband has remained relatively stable, but there is uncertainty regarding its expansion capacity in the long run.

(ii) Semiconductor business

After the pandemic, the global adoption of high-tech products such as 5G networks, artificial intelligence, Internet of Things, cloud computing, and big data processing continues to drive the demand for technologies that offer higher performance and faster speeds. This has had a significant impact on the global semiconductor industry.

Semiconductor manufacturing involves various processes, including integrated circuit ("**IC**") design, feasibility testing, wafer fabrication, assembly and packaging, and final testing. The Group primarily focuses on the assembly, packaging, and sales of its own discrete semiconductors, as well as trading semiconductors sourced from third-party suppliers. Assembly and packaging are crucial steps in the manufacturing process, where semiconductor chips are transformed into functional devices for various end-use applications.

IC design and wafer fabrication are dominated by a few multinational companies, while the assembly and packaging market for discrete semiconductors includes both large enterprises and smaller local players. As a downstream player in the semiconductor supply chain, the Group faces intense competition.

During the Period, the Group's semiconductor business was affected by various factors, including concerns about high inflation and rising interest rates, which put downward pressure on the consumer market. Traditional consumer electronic markets like smartphones and personal computers showed insufficient growth after the pandemic, significantly impacting the performance of both the manufacturing and trading segments during the Period. As a result, the Group's semiconductor manufacturing and trading revenue decreased by approximately 17.6% compared to the same period in the previous financial year.

During the Period, revenue from semiconductor manufacturing decreased by approximately 24.7% compared to the same period in the previous financial year. In addition to its manufacturing business, the Group continued to operate its trading business during this Period, primarily to complement the sales of its self-manufactured products. As a solutions integrator, the Group engages in trading semiconductors specifically required by its customers. However, these semiconductors are not manufactured by the Group. The product mix demanded by customers varies over time. During the Period, revenue from semiconductor trading decreased by approximately 8.3% compared to the same period in the previous financial year.

Furthermore, ongoing uncertainties in the global trade environment and geopolitical complexities have resulted in a slow global economic recovery, with signs of potential recession. The timing of a stable recovery in the consumer market remains uncertain. As a result, semiconductor customers have generally reduced their new order placements, and the full recovery of customer orders remains uncertain.

(iii) Strategic investments business

Since the second half of 2022, the Group has embarked on strategic investment activities. The Group believes that technological innovation is a crucial driver for future economic development and can also propel emerging applications in the smart living sector. Leveraging its own advantages in the field of smart technology, the Group aims to seize investment opportunities and actively diversify its investments in innovative technologies and cryptocurrencies to create greater value for its shareholders.

The Group has made the investments in listed equity securities and cryptocurrencies during the Period.

Cryptocurrencies

The Hong Kong Government's views on the potentials of distributed ledger technologies and Web 3.0 to become the future trends in the development of finance and commerce that the Hong Kong Government is committed to the development of virtual assets. The Group agrees and always aims to leverage its advantages in the field of smart technology to identify opportunities for diversification and timely capture the new opportunities brought by blockchain and Web 3.0. Therefore, the Board has been exploring opportunities to purchase cryptocurrencies as a preparation and starting point for diversifying investments in innovative technologies.

On 11 February 2023, the Company realized its investment in cryptocurrencies and disposed of a total of 1,202.45 units of Ether through the open market, with an aggregate consideration of approximately US$1.8 million (equivalent to approximately HK$14.2 million) (excluding transaction costs). Please refer to the Company's announcement dated 13 February 2023, for further details on the disposal of cryptocurrencies.

Nevertheless, the Group maintains a positive outlook on the future prospects of virtual assets entering the realms of Web 3.0 and the metaverse. The Group will strive to enhance and diversify its investment portfolio and increase investments in cryptocurrencies as appropriate.

Listed equity securities

The listed equity investments mainly comprises leading technology companies and high quality large companies listed in the United States and Hong Kong.

During the Period, the Group acquired several US-listed equity securities and Hong Kong-listed equity securities with the aggregate acquisition costs of approximately HK$293.2 million and disposed of part of shareholdings of those listed equity securities with the aggregate carrying amounts of approximately HK$307.8 million. The net sale proceeds of the disposals was approximately HK$297.6 million, resulting in net realised loss of approximately HK$11.0 million which recorded in the changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**") in the consolidated statement of profit or loss and other comprehensive income.

At the end of the Period, the Group measured its listed equity securities at fair value based on the closing prices quoted in active markets. The Group recognised the unrealised gain of approximately HK$13.3 million arising on the changes in fair value of financial assets at FVTPL.

Movements in the carrying amount of the listed equity securities held by the Group during the Period are as follows:

	2023	2022
	HK$'000	*HK$'000*
Carrying amount at 1 January	**70,582**	–
Add: Acquisitions	**293,151**	89,429
Less: Disposals	**(307,774)**	(10,189)
Unrealised gain (loss) arising on changes in fair value	**13,317**	(8,658)
Carrying amount at 31 December	**69,276**	70,582

Details of the listed equity securities held by the Group as at 31 December 2023 are as follows:

	Principal activities	Cost of shares as at 31 December 2023 *HK$'000*	Number of shares held as at 31 December 2023	Percentage of shares held as at 31 December 2023	Fair value as at 31 December 2023 *HK$'000*	Fair value as compared to the consolidated total assets of the Group as at 31 December 2023	Dividend received/ receivable for the year ended 31 December 2023 *HK$'000*	Gain/(loss) arising on change in fair value recognised for the year ended 31 December 2023 *HK$'000*
Name of US-listed equity securities								
Draftkings Inc (NASDAQ: DKNG)	Operates as a digital sports entertainment and gaming company in the United States and internationally	3,862	13,700	0.0029%	3,757	1.35%	–	(105)
NVIDIA Corp. (NASDAQ: NVDA)	provides graphics, and compute and networking solutions in the United States, Taiwan, China, Hong Kong, and internationally	10,786	3,140	0.0001%	12,098	4.33%	–	1,312
Super Micro Computer Inc. (NASDAQ: SMCI)	develops and manufactures high performance server and storage solutions based on modular and open architecture in the United States, Europe, Asia, and internationally	2,914	1,380	0.0025%	3,052	1.09%	–	138
Coinbase Global Inc. (NASDAQ: COIN)	provides financial infrastructure and technology for the crypto economy in the United States and internationally	20,898	17,370	0.0089%	23,503	8.42%	–	2,605
Affirm Holdings Inc. (NASDAQ: AFRM)	operates a platform for digital and mobile-first commerce in the United States, Canada, and internationally	24,940	66,850	0.0258%	25,558	9.15%	–	618
IB portfolio		1,240			1,308	0.47%	–	68
		64,640			69,276		–	4,636

The Group will closely monitor and assess the performance of these listed equity securities and make timely and appropriate adjustments on the investment portfolio to enhance the returns for the Group and realise the investments as and when appropriate.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK$220.8 million during the Period, as compared to the revenue of approximately HK$263.6 million for the year ended 31 December 2022. The decrease in revenue was approximately HK$42.8 million or 16.2% when compared to the previous financial year. It was primarily attributable to the decrease in the revenue of semiconductor business.

During the Period, the revenue of broadband infrastructure and smart domain segment contributed by Guangzhou Weaving Group amounted to approximately HK$42.8 million during the Period, compared to the revenue of approximately HK$47.6 million for the year ended 31 December 2022. The decrease of approximately HK$4.8 million or 10.1% was mainly because there were less projects for broadband infrastructure construction and smart domain solution during the Period.

For semiconductor business, both manufacturing and trading segments affected from the slowly recovery of global economy and the semiconductor market in 2023. Furthermore, the traditional market of consumer electronic products like smartphone and personal computer, after a period of high economic growth in prior period, showed insufficient impetus impacted by the factors of increasing concern on inflation and the rise of interest rate. This significantly affected the performance of both manufacturing and trading segments in 2023. As a result, the total revenue from the semiconductor business for the Period amounted to approximately HK$177.9 million, representing a slight decrease of approximately HK$38.0 million or 17.6%, as compared to the total revenue of approximately HK$215.9 million for the year ended 31 December 2022.

On the other hand, the Group recorded revenue of approximately HK$92.5 million from sales of its self-manufactured semiconductors, representing a decrease of approximately HK$30.3 million or 24.7% as compared to that of approximately HK$122.8 million for the year ended 31 December 2022.

The Group's trading of semiconductors primarily complements sales of self-manufactured semiconductors when it provides solution kits services to its customers. During the Period, the Group's revenue derived from its trading of semiconductors amounted to approximately HK$85.5 million, representing a decrease of approximately HK$7.7 million or 8.3% as compared to that of approximately HK$93.2 million for the year ended 31 December 2022.

Gross profit and gross profit margin

The Group's gross profit amounted to approximately HK$27.6 million for the Period, representing a decrease of approximately HK$20.9 million or 43.1% from approximately HK$48.5 million for the year ended 31 December 2022. It was mainly attributable to the decrease in revenue and gross profit of both semiconductors business and broadband infrastructure and smart domain business.

The Group's overall gross profit margin for the Period was approximately 12.5%, representing a decrease of approximately 5.9 percentage points, as compared with gross profit margin of approximately 18.4% for the year ended 31 December 2022.

Moreover, along with the decrease in the revenue of broadband infrastructure and smart domain business during the Period, the gross profit contributed by Guangzhou Weaving Group amounted to approximately HK$16.4 million for the Period, representing a decrease of approximately HK$4.7 million or 22.3% from approximately HK$21.1 million for the year ended 31 December 2022. The gross profit margin of Guangzhou Weaving Group was approximately 38.3% and 44.4% respectively for the Period and for the year ended 31 December 2022. The decrease in gross profit margin was mainly due to the increase of projects for the broadband infrastructure construction and smart domain solution in order to maintain sufficient business volume, which had a comparatively lower gross margin but a shorter collection cycle in the product mix of this segment.

For semiconductor business, the Group recorded gross profit of approximately HK$11.2 million during the Period, as compared to the gross profit of approximately HK$27.4 million for the year ended 31 December 2022. The decrease in gross profit was approximately HK$16.2 million or 59.1% when compared to the previous financial year. The Group's gross profit margin of the semiconductor business also exhibited a decrease of approximately 6.3 percentage point, from approximately 12.7% for the year ended 31 December 2022 to approximately 6.3% for the Period. Such decrease in gross profit and gross profit margin was primarily the result of better yielding of products requested by client while the selling price could not be adjusted accordingly at the same time.

Changes in fair value of financial assets at FVTPL

As discussed above, the Group recorded net realised loss of approximately HK$11.0 million arising from the disposals of part of listed equity securities and fair value gain of approximately HK$13.3 million on the listed equity securities held as at 31 December 2023. The aggregate amount of approximately HK$2.3 million was recognised in other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

Changes in fair value of digital assets

As of 31 December 2023, the Group no longer held any digital assets. In accordance with the relevant accounting standards under HKFRSs, the Group classifies the acquired cryptocurrencies as digital assets and measures them at fair value less costs to sell. The Group considers that there are no significant costs to sell the digital assets, and therefore their measurement is based on their fair values. Any changes in fair value are recognized in profit or loss in the period of the changes. Consequently, the increase in fair value of the digital assets, amounting to approximately HK$3.2 million, was recognized as other gains and losses in the consolidated statement of profit or loss and other comprehensive income as of 31 December 2023.

Selling and distribution costs

The Group's selling and distribution costs for the Period was approximately HK$9.0 million, representing an increase of approximately HK$2.2 million or 32.4% from approximately HK$6.8 million for the year ended 31 December 2022. The amount mainly represented the selling and distribution costs of semiconductors business and such increase was primarily attributable to the increase in commission expenses to third-party agent, which was in line with the increase of commission cost ratio of the Group's sales to customers of semiconductors referred by its third-party agent.

Administrative expenses

Administrative expenses mainly included auditor's remuneration, staff costs, Directors' remuneration, legal and professional fees, depreciation, research and development expenditure, insurance expenses, office expenses, rental expenses, travelling expenses, entertainment expenses and other miscellaneous operating expenses.

The Group's administrative expenses for the Period was approximately HK$51.0 million, decreased by approximately HK$12.8 million or 20.1%, as compared to that of approximately HK$63.8 million for the year ended 31 December 2022.

The decrease was primarily attributable to, among others, (i) the decrease of the impairment of debts for approximately HK$11.1 million; (ii) the decrease of the depreciation of right of use assets of approximately HK$0.2 million; (iii) the decrease of staff costs for approximately HK$1.2 million, along with the reduction of workforce of the Group for the Period; (iv) the decrease of other PRC tax expenses for approximately HK$0.1 million.

Impairment loss on trade receivables, contract assets and amounts due from related companies (trade-nature) for the Period

In accordance with the HKFRS 9 requirements, the management performed the impairment assessment and measured the expected credit loss ("**ECL**") on trade receivables, contract assets and amounts due from related companies (trade-nature) based on the simplified approach as at 31 December 2023. Consistent with the previous financial year, the loss allowance for ECL on trade receivables, contract assets and amounts due from related companies (trade-nature) are estimated by using a provision matrix to measure the ECL and with reference to a valuation on ECL performed by an independent qualified professional valuer, ValQuest Advisory (Hong Kong) Limited ("**ValQuest**"). ValQuest has appropriate qualifications and has recent experience on the assessment on ECL of similar financial instruments.

In assessing the loss allowance for ECL, the management has taken into consideration the period that the amounts were past due, the repayment history, the profile of debtors, the communication with the debtors about their financial conditions, the general economic conditions of the industry in which the debtors operate, as well as the results of any collection efforts.

During the Period, the Group has recorded reversal of impairment loss on trade receivables, contract assets and amounts due from related companies (trade-nature) in aggregate of approximately HK$0.4 million (2022: impairment loss of HK$10.7 million), which consisted of impairment loss on trade receivables of approximately HK$0.4 million (2022: HK$9.6 million), impairment loss on contract assets of approximately HK$0.2 million (2022: HK$0.1 million) and reversal of impairment loss on amounts due from related companies (trade-nature) of HK$1.0 million (2022's impairment loss on those item: HK$1.0 million).

The difficulty of debt collection in relation to the impairment loss for the Period and previous financial year is mainly attributable to the continuous adverse effect on the liquidity of some customers of broadband infrastructure and smart domain segment, which are the property developers in the PRC, caused by the more stringent deleveraging policy in real estate industry implemented by the PRC government since the second half of 2021.

In view of the above, the management has conducted debt collection procedure to minimise the credit risk, which includes (i) closely monitoring the progress of repayment by following up on the overdue debts by way of telephone calls and other electronic means; (ii) staying in touch with the customers on a more frequent basis; (iii) sending collection statement to the customers to remind them of the outstanding balances status; (iv) delegating a team to determine credit limit and credit approval; and (v) discussing with legal advisor about the appropriateness of taking further legal actions.

Based on the above, the Directors are of the view that the amount of the impairment loss was fair and reasonable.

Impairment loss on plant and equipment for the Period

Given the adverse impact on the performance of the Group's manufacturing business of semiconductors as a result of weak demand on consumer electronic products and in accordance with the HKAS 36 requirements, the management performed impairment assessment for the relevant segment. The recoverable amount of the relevant assets is determined by value-in-use calculation using discounted cashflow projection, based on the financial forecasts prepared by the management and with reference to a valuation performed by Valtech Valuation Advisory Limited ("**Valtech**"), the independent qualified professional valuer. Valtech has appropriate qualifications and has recent experience in the valuation of similar assets in the relevant industries.

As a result of the impairment assessment, provision for impairment loss of approximately HK$9.1 million (2022: HK$22.5 million) has been made on the plant and equipment during the Period. The non-cash provision for impairment loss will reduce the net carrying amount of plant and equipment, reducing the depreciation charge over the remaining useful life.

Income tax credit

The Group's income tax credit for the Period was approximately HK$2.5 million, as compared to income tax expenses of approximately HK$4.1 million for the year ended 31 December 2022. Such movement of income tax was primarily attributable to the deferred tax impact arising from the impairment loss on plant and equipment, trade receivables, contract assets and amounts due from related companies (trade-nature).

Loss for the Period

As a result of the foregoing, the Group's net loss for the Period was approximately HK$34.1 million, as compared to the net loss of approximately HK$57.6 million for the year ended 31 December 2022.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the operations of the Group were primarily funded by internally generated cash flows.

The Group's outstanding capital commitments as at 31 December 2023 amounted to approximately HK$3.3 million (2022: HK$7.1 million). Such commitments primarily related to the broadband infrastructure construction and purchase of equipment and machinery to meet the demand of the market and quality control improvements in the production plant. Such outstanding commitments are expected to be funded by the Group's internally generated funds.

As at 31 December 2023, the Group had no outstanding bank borrowing (2022: HK$7.3 million).

Please refer to note 8 to the consolidated financial statements in this announcement for the ageing analysis in respect of the trade payables of the Group as at 31 December 2023 and 2022.

The Group's gearing ratio as at 31 December 2023, which was calculated by dividing its total bank borrowings by its total equity, was nil, while the gearing ratio as at 31 December 2022 was 7.2%.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised with all bank deposits denominated either in HK$, US$ or RMB. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a prudent capital structure when considering financing for new investments.

CHARGES ON GROUP ASSETS

As at 31 December 2023, the Group did not have any asset pledged (2022: Nil).

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraphs headed "Cryptocurrencies" and "Listed equity securities" in this announcement, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries during the Period.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any significant contingent liabilities (2022: Nil).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group is exposed to foreign currency risks as several of its subsidiaries have foreign currency sales and purchases. For the years ended 31 December 2023 and 2022, approximately 29% and 30%, respectively, of the Group's sales were denominated in currencies other than the functional currency of the relevant group entities making the sale, and approximately 2% and 6%, respectively, of purchases were not denominated in the relevant group entities' functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2023 and 2022 are as follows:

	Assets		**Liabilities**	
	As at 31 December		**As at 31 December**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States dollars	**93,214**	86,924	**3,499**	4,218
Renminbi	**26**	57	**384**	–
	93,240	86,981	**3,883**	4,218

The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 31 December 2023, the Group had a workforce of 317 full-time employees (including the Directors but excluding the independent non-executive Directors) of whom approximately 96.8% were employed in the PRC and approximately 3.2% in Hong Kong. The Group's staff costs (including Directors' emoluments) for the years ended 31 December 2023 and 2022 amounted to approximately HK$44.9 million and HK$46.1 million, respectively. The Group's employees in Hong Kong are required to participate in the Mandatory Provident Fund scheme under which it is required to contribute a fixed percentage of the employees' payroll costs (up to a maximum of HK$1,500 per month) to the scheme. For the Group's employees in the PRC, the Group makes contributions to various government sponsored employee benefit funds, including housing provident fund, basic pension insurance fund, basic medical insurance, unemployment insurance, maternity insurance and work related injury insurance funds in accordance with applicable PRC laws and regulations.

The Group generally recruits employees from the open market. It actively pursues a strategy to recruit, develop and retain talented employees by (i) providing them with training programs on a regular basis to keep them abreast of their knowledge in the products it distributes, technology development and market conditions of the electronics industry, broadband infrastructure industry and smart domain industry; (ii) aligning employees' compensation and incentives with their performance; and (iii) providing them with a clear career path with opportunities for additional responsibilities and promotions.

ENVIRONMENTAL MATTERS

While the Group is subject to the PRC environmental laws and regulations including the Environment Protection Law of the PRC, which govern a broad range of environmental matters, including air pollution, noise emissions, discharge of waste water and waste residues, the Directors believe that the Group's production process does not generate environmental hazards which would pose a significant adverse effect on the environment and that the environmental protection measures undertaken by the Group are adequate to comply with all applicable current local and national PRC regulations.

During the Period and to the best of the Directors' knowledge, the Group did not receive any complaints from its customers or any other parties in respect of any environmental protection issues, and did not experience any material environmental incidents arising from its manufacturing activities. During the Period, no administrative sanctions or penalties were imposed on the Group for the violation of environmental laws or regulations which had a material adverse impact on its operations.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Period (2022: Nil).

BUSINESS PROSPECT

In the coming year, the global economic environment is expected to be complex and the prospect of the Group's semiconductors business will be full of challenges. The ongoing trade tension between PRC and the United States and the geopolitical complications around the world continue to affect the global semiconductor supply chain and the semiconductor market. The increasing concern on inflation and the rise of interest rate will put further downward pressure on the consumer market. The replacement cycle for the consumer electronic products like smartphone and personal computer is generally extended. There is still no clue as to when the consumer market will gain the momentum of growth. These in turn affect the Group's customers of semiconductors to take a conservative approach for the plan of new order placing.

Although the accelerated innovation and development of 5G technology and related emerging applications bring new business opportunities to the semiconductor industry, the Group also faces the challenges of higher technical standard from customers and more competitive market regionally and globally. Nevertheless, the Group intends to strengthen its production process and quality control and will closely monitor the changes in the macro environment and make timely strategic development to seize market opportunities. Furthermore, the Group will also from time to time monitor the performance of the machineries so as to ensure customers' requirement on technical standard is met.

On the other hand, under PRC's "14th Five-Year Plan", innovation and technology development have been elevated to core national priorities and strategic supporting pillar to its economic development. It is foreseeable that 5G networks, artificial intelligence, Internet of Things, cloud computing and big data processing will be benefited continuously from the PRC government's dedicated support in its development. We believe that the wide range of technological innovation will drive the emerging applications in the smart living sector, which will also be benefited from a steady and healthy PRC real estate market after the changes brought by the deleveraging policy. In view of this, the Group will capitalise on the fast-growing demand of technological application in the smart living sector.

Looking forward, Guangzhou Weaving is dedicated to be a smart domain solution integrator. The Group will keep searching for acquisition targets, primarily focusing on areas of smart living related technology and electronic parts for artificial intelligence and Internet of Things, which could have potential business synergy with Guangzhou Weaving and semiconductor business. The Group will also seek for other acquisition targets, including growing companies with high potential and leading technologies. On the other hand, the Group will also keep observing market and industry development trends, grasp investment opportunities brought by technological innovation, and actively plan and consider to diversify the investments in the field of innovative technologies and Web 3.0 as and when appropriate, in order to facilitate the technological development and create greater value for the Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continued growth of the Group and for safeguarding and maximising Shareholders' interests.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Zhang Liang Johnson was the chairman of the Board ("**Chairman**") while the post of the chief executive officer of the Company (the "**CEO**") has been vacant since 1 February 2021.

The executive Directors and the senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations, business strategies and management of the Group. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will continue to review the effectiveness of the Company's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of the CEO, is necessary.

Pursuant to code provision C.2.7 of the CG Code, the Chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the Period, the Chairman, did not hold any meeting with the independent non-executive Directors without the presence of other Directors. However, the Chairman held meetings with the independent non-executive Directors with the presence of other Directors periodically during the Period to understand their concerns, to discuss pertinent issues and to ensure that there was access to adequate and complete information. The independent non-executive Directors could have direct contacts with the Chairman after meetings if necessary.

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Although only 2 regular Board meetings were held during the Period, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group's business development and activities from time to time and the significant matters had been either duly reported, discussed and resolved at the 2 Board meetings or dealt with by the Board by way of written resolutions for expeditious commercial decisions making purposes.

Pursuant to code provision D.1.2 of the CG Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of Listing Rules. However, the Company has based on business situation, provided to the Board from time to time, updated business information and has notified the Board members by electronic means when there are major updates or projects in operations but not the updated information to all board members monthly.

During the Period, the Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are sufficient for the Board to discharge its duties and the Company has also ensured all Directors have timely access to all relevant information as well as the advice and services of the company secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

ANNUAL GENERAL MEETING

The AGM of the Company will be held in Hong Kong on Wednesday, 22 May 2024. Notice of the AGM will be issued and disseminated to Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 16 May 2024 for registration.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference that comply with the requirements of the CG Code. The primary duties of the audit committee are mainly to (i) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) to review and monitor the integrity of the Company's financial statements, annual reports and accounts and interim reports, the significant financial reporting judgements contained therein, and (iii) to oversee financial reporting system, risk management and internal control systems of the Company. The audit committee currently comprises three independent non-executive Directors, namely Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo, and is chaired by Mr. Xu Liang. The audit committee has met the external auditors of the Company and reviewed the annual results of the Group in respect of the Period and confirmed that they were prepared in accordance with applicable accounting standards, Listing Rules and that adequate disclosures have been made.

DEFINITIONS

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

"AGM"	the annual general meeting of the Company to be held on Wednesday, 22 May 2024
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Brainhole Technology Limited 脑洞科技有限公司, a company incorporated as an exempted company with limited liability in the Cayman Islands
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guangzhou Weaving"	Guangzhou Weaving Communications Telecommunications Technology Limited (廣州織網通訊科技有限公司*), a company established in the PRC with limited liability
"Guangzhou Weaving Group"	Guangzhou Weaving and its subsidiary
"HK$" or "HK dollar(s)" and "HK cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and/or otherwise modified from time to time as the context may require
"Main Board"	the Main Board of the Stock Exchange
"Mr. Zhang"	Mr. Zhang Liang Johnson

"Period"	the year ended 31 December 2023
"PRC"	the People's Republic of China, save that, for the purpose of this announcement and unless the context otherwise requires, references in this announcement do not include Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"%"	per cent.

* *The English translation of the company name is for reference only. The official name of this company is in Chinese.*

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

Hong Kong, 27 March 2024

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.