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ERAIHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2203)

DISCLOSEABLE TRANSACTION
DISPOSAL OF CRYPTOCURRENCY

CRYPTOCURRENCY DISPOSAL

On 11 February 2023, the Company has disposed of approximately 1,202.45 units of Ether through the open market at an aggregate consideration of approximately US\$1.8 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs) pursuant to the Cryptocurrency Disposal.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Cryptocurrency Disposal exceed 5% but all are less than 25%, the Cryptocurrency Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

THE CRYPTOCURRENCY DISPOSAL

The Board is pleased to announce that on 11 February 2023, the Company has disposed of approximately 1,202.45 units of Ether through the open market at an aggregate consideration of approximately US\$1.8 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs) pursuant to the Cryptocurrency Disposal.

CONSIDERATION

The aggregate consideration of the Cryptocurrency Disposal is approximately US\$1.8 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs). The sale price under the Cryptocurrency Disposal represented the prevailing market price of the Disposed Ether at the time of the relevant transaction.

COMPLETION

Settlement of the Cryptocurrency Disposal took place immediately after its order was made and completed.

INFORMATION ABOUT CRYPTOCURRENCIES AND THE DISPOSED ETHER

Cryptocurrencies are digital currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds using blockchain technology. The blockchain is a public record of cryptocurrency transactions in chronological order. The blockchain is shared between all users in that blockchain. It is used to verify the permanence of transactions and to prevent double spending. Cryptocurrencies make it easier to transfer funds between two parties in a transaction and these transfers are facilitated through the use of public and private keys for security purposes.

As the Cryptocurrency Disposal was conducted in the open market, the Company would not be aware of the identities and principal business activities of the purchaser(s) of the Disposed Ether. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the purchaser(s) and the ultimate beneficial owner(s) of the purchaser(s) of the Disposed Ether are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE CRYPTOCURRENCY DISPOSAL

As a result of the Cryptocurrency Disposal, the Group is expected to recognise a gain of approximately US\$0.3 million (equivalent to approximately HK\$2.3 million) (excluding transaction costs) from the Cryptocurrency Disposal (being the difference between the proceeds from the Cryptocurrency Disposal and the acquisition cost of the Disposed Ether). Having considered the current cryptocurrency market, the Board considers that it is the appropriate time for the Group to realise its investment in cryptocurrencies and the Cryptocurrency Disposal represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group intends to use the net proceeds from the Cryptocurrency Disposal as general working capital of the Group or other appropriate investment opportunities as and when appropriate. For the avoidance of doubt, the actual gain or loss as a result of the Cryptocurrency Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

As the Cryptocurrency Disposal was made in the open market at the prevailing market price, the Board is of the view that the terms of the Cryptocurrency Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Cryptocurrency Disposal exceed 5% but all are less than 25%, the Cryptocurrency Disposal constitutes a discloseable transaction for 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:

“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
“Cryptocurrency(ies)”	Ether and other cryptocurrencies that operate using blockchain technology
“Cryptocurrency Disposal”	the disposal of approximately 1,202.45 units of Ether at an aggregate consideration of approximately US\$1.8 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs) as disclosed in this announcement
“Director(s)”	the director(s) of the Company
“Disposed Ether”	the Ether disposed under the Cryptocurrency Disposal
“Ether”	Ether, a type of cryptocurrency that operates using blockchain technology generated by the Ethereum platform
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 13 February 2023

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