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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 Affirm Shares

On 27 February 2024 (after trading hours of the Stock Exchange), further to the Disposal of Affirm Shares as disclosed by the Company in the announcement dated 24 January 2024, the Company has further disposed of an aggregate of 33,350 Affirm Shares through the open market at an aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Further Disposal of Affirm Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Affirm Shares and the Further Disposal of Affirm Shares involve the disposals of Affirm 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\$2.8 million (equivalent to approximately HK\$21.7 million).

The Further Disposal of Affirm 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 Affirm Shares, when aggregated with the Disposal of Affirm Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the Further Disposal of Affirm 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 Affirm 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 Affirm 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 Affirm Shares. Thus, if the Company were to convene a general meeting to approve the Further Disposal of Affirm Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Disposal of Affirm Shares. As such, the Further Disposal of Affirm 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 Affirm 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 Affirm Shares.

A circular in relation to the Further Disposal of Affirm 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 20 March 2024.

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

Further Disposal of Affirm Shares

On 27 February 2024 (after trading hours of the Stock Exchange), further to the Disposal of Affirm Shares as disclosed by the Company in the announcement dated 24 January 2024, the Company has further disposed of an aggregate of 33,350 Affirm Shares through the open market at an aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Affirm Share was approximately US\$38.29 (equivalent to approximately HK\$297.90).

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

INFORMATION ON AFFIRM

Affirm

Affirm is a Delaware corporation and a financial technology company that builds the next generation platform for digital and mobile-first commerce. Affirm's solutions, which are built on trust and transparency, are designed to make it easier for consumers to spend responsibly and with confidence, easier for merchants and commerce platforms to convert sales and grow, and easier for commerce to thrive.

The following financial information is extracted from the published documents of the Affirm 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>
Revenue	1,349,292	10,497,492	1,587,985	12,354,523
(Loss) before income taxes	(724,831)	(5,639,186)	(989,245)	(7,696,326)
Net (loss)	(707,417)	(5,503,704)	(985,345)	(7,665,984)

Based on Affirm's published documents, the Affirm Group has an audited consolidated net assets value of approximately US\$2,618 million (equivalent to approximately HK\$20,368 million) as at 30 June 2022 and US\$2,534 million (equivalent to approximately HK\$19,715 million) as at 30 June 2023.

Based on Affirm's published documents, the Affirm Group has an unaudited consolidated net asset value of approximately US\$2,567 million (equivalent to approximately HK\$19,971 million) as at 30 September 2023.

REASONS FOR AND BENEFITS OF THE FURTHER DISPOSAL OF AFFIRM SHARES

As a result of the Further Disposal of Affirm Shares, the Group is expected to recognise a loss of approximately US\$0.3 million (equivalent to approximately HK\$2.5 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 Further Disposal of Affirm Shares and the acquisition cost of disposed Affirm Shares.

The Group considers that the Further Disposal of Affirm Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group intends to apply all of the proceeds from the Further Disposal of Affirm Shares of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million) in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Further Disposal of Affirm 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 Affirm 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 Affirm Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Affirm Shares and the Further Disposal of Affirm Shares involve the disposals of Affirm 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\$2.8 million (equivalent to approximately HK\$21.7 million).

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DEFINITIONS

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

“Affirm”	Affirm Holdings, Inc., a Delaware corporation whose Class A common stocks are listed on Nasdaq (trading symbol: AFRM)
“Affirm Group”	Affirm and its subsidiaries
“Affirm Share(s)”	Class A common stock(s) of Affirm
“Board”	the board of Directors
“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 Affirm Shares”	disposal of 33,500 Affirm Shares by the Company as disclosed in the announcement dated 24 January 2024
“Further Disposal of Affirm Shares”	further disposal of 33,350 Affirm 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
“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
“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, 28 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.