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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
ACQUISITION OF LISTED SECURITIES**

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

Acquisition of Inspur Shares

On 7 March 2024, the Company has acquired an aggregate of 305,000 Inspur Shares through the open market at an aggregate consideration of approximately RMB12.9 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of Inspur Shares

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition of Inspur Shares exceeds 25% but is less than 100%, the Acquisition of Inspur Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under 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 Acquisition of Inspur 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 Acquisition of Inspur Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition of Inspur Shares. Thus, if the Company were to convene a general meeting to approve the Acquisition of Inspur Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Acquisition of Inspur Shares. As such, the Acquisition of Inspur 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 Acquisition of Inspur 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 Acquisition of Inspur Shares.

A circular in relation to the Acquisition of Inspur 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 28 March 2024.

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

Acquisition of Inspur Shares

On 7 March 2024, the Company has acquired an aggregate of 305,000 Inspur Shares through the open market at an aggregate consideration of approximately RMB12.9 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Inspur Share was approximately RMB42.18 (equivalent to approximately HK\$46.47). The aggregate consideration of approximately RMB12.9 million (equivalent to approximately HK\$14.2 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Acquisition of Inspur Shares was conducted in the open market, the identities of the counterparties of the acquired Inspur Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Inspur Shares are Independent Third Parties.

INFORMATION ON INSPUR

Inspur is a PRC leading cloud computing and big data service provider. Its main business involves developing, manufacturing and marketing computing equipment, software, cloud computing services, big data, key application hosts, servers, storage, artificial intelligence and enterprise resource planning. It has provided IT products and services to more than 120 countries and regions around the world.

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

	For the year ended		For the year ended	
	31 December 2021		31 December 2022	
	<i>(audited)</i>		<i>(audited)</i>	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	67,047,552	73,752,307	69,525,458	76,478,004
Net income	2,002,738	2,203,012	2,080,351	2,288,386

Based on Inspur's published documents, the Inspur Group has an audited consolidated net assets value of approximately RMB46,208 million (equivalent to approximately HK\$50,829 million) as at 31 December 2021 and approximately RMB41,013 million (equivalent to approximately HK\$45,114 million) as at 31 December 2022.

Based on Inspur's published documents, the Inspur Group has an unaudited consolidated net liability value of approximately RMB51,789 million (equivalent to approximately HK\$56,968 million) as at 30 September 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF INSPUR SHARES

The Group is principally engaged in the manufacturing and trading of semiconductors, broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities).

The Group believes that technological innovation is an important engine for future economic development, and it can also drive the emerging applications in the smart living sector. The Group always hopes to leverage our own advantages in the field of smart technology to actively diversify the investments in the field of innovative technologies, in order to facilitate the technological development and create greater value for the Shareholders.

Inspur is a PRC leading cloud computing and big data service provider. The Board holds positive views towards the financial performance and future prospect of Inspur. The Group considers that the Acquisition of Inspur Shares represents a good opportunity to acquire attractive investment and to expand its investment portfolio with quality assets, which will enhance investment return for the Group.

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

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of Inspur Shares

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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 Acquisition of Inspur 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 Acquisition of Inspur Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition of Inspur Shares. Thus, if the Company were to convene a general meeting to approve the Acquisition of Inspur Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Acquisition of Inspur Shares. As such, the Acquisition of Inspur 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 Acquisition of Inspur 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 Acquisition of Inspur Shares.

A circular in relation to the Acquisition of Inspur 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 28 March 2024.

DEFINITIONS

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

“Acquisition of Inspur Shares”	acquisition of 305,000 Inspur Shares by the Company as disclosed in this announcement
“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
“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)
“Inspur”	IEIT SYSTEMS Co., Ltd. (浪潮電子信息產業股份有限公司, formerly known as Inspur Electronic Information Industry Co., Ltd.), a PRC joint-stock company whose domestic shares are listed on the Shenzhen Stock Exchange (stock code: 000977.SZ)
“Inspur Group”	Inspur and its subsidiaries
“Inspur Share(s)”	Domestic share(s) of Inspur
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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
“%”	per cent.

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

Hong Kong, 7 March 2024

For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00:HK\$1.10. Such translations shall not be construed as a representation that amounts of RMB 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.