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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
DISPOSAL OF LISTED SECURITIES**

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

Disposal of Inspur Shares

On 21 March 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 201,000 Inspur Shares through the open market at an aggregate consideration of approximately RMB8.3 million (equivalent to approximately HK\$9.1 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Inspur Shares

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

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As the Disposal of Inspur Shares was conducted in the open market, the identities of the counterparties of the disposed 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 disposed 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	
	(audited)		(audited)	
	<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 DISPOSAL OF INSPUR SHARES

As a result of the Disposal of Inspur Shares, the Group is expected to recognise a loss of approximately RMB0.2 million (equivalent to approximately HK\$0.2 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 Disposal of Inspur Shares and the acquisition cost of disposed Inspur Shares.

The Group considers that the Disposal of Inspur Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied all of the proceeds from the Disposal of Inspur Shares of approximately RMB8.3 million (equivalent to approximately HK\$9.1 million) in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Disposal of Inspur Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal 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

Disposal of Inspur Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of Inspur Shares exceed 5% but all are less than 25%, the Disposal of Inspur Shares constitutes a discloseable transaction on the part of 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
“Director(s)”	the director(s) of the Company
“Disposal of Inspur Shares”	disposal of 201,000 Inspur 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 PRC
“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, 22 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.