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

PROFIT WARNING

This announcement is made by Brainhole Technology Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) in accordance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on information currently available to the Company and the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024, the Group is expected to record a net loss ranging from approximately HK\$120 million to HK\$130 million as compared to the net loss of approximately HK\$34 million for the year ended 31 December 2023.

Based on the information currently available, the Board considered that the increase in net loss for the year ended 31 December 2024 was mainly due to:

- (i) the ongoing tensions from global trade disputes and the complexities of geopolitical issues, which have led to a decrease in revenue and gross profit from the semiconductor business, resulting in an impairment provision for related inventories, with the entire business segment recording a loss of approximately HK\$61 million; and
- (ii) losses of approximately HK\$31 million from investment securities trading and fair value changes due to fluctuations in the financial markets in the second half of 2024.

Despite this year's performance being affected by the semiconductor business and investment securities trading, (i) the Group's semiconductor business has flexibly adjusted its production scale in response to demand to avoid further losses; (ii) the Group has made flexible adjustments to its investment strategy in securities trading based on market conditions to control the scale and risk of investments; (iii) the new sales of smart products under the Group's broadband infrastructure and smart field business are expected to generate revenue; and (iv) the Group has sought partnerships in the fields of technological innovation and new productivity to develop new businesses, aiming to achieve results within this year that will bring new business growth. With the gradual implementation of established market strategies across various business segments, the Board believes that the overall operational and financial condition of the Group remains solid and maintains an optimistic outlook on the Group's long-term growth and development.

As at the date of this announcement, the Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2024. The information contained herein is only based on a preliminary assessment by the Board based on information currently available to the Company, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2024, which have not been audited or reviewed by the Company's auditors or reviewed by the audit committee of the Board and may be subject to further adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2024, which will be published before the end of March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Zhang Liang Johnson and three independent non-executive Directors, namely Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo.