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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL RESULTS

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026 together with the unaudited comparative figures for the corresponding period in 2025, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**7,535**	52,173
Cost of sales		**(4,200)**	(43,080)
Gross profit		**3,335**	9,093
Other (expense)/income		**(18,573)**	7,620
Other gain/(losses)	*4*	**40,667**	1,158
Selling and distribution costs		**(2,549)**	(2,277)
Administrative expenses		**(15,261)**	(26,652)
Reversal of Impairment loss on investment		**10,462**	–
Impairment loss on trade receivables and contract assets		**(40)**	(1,802)
Finance costs	*5*	**(25)**	(3,291)

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Profit/(loss) before tax		**18,016**	(16,151)
Income tax expenses	*6*	**(8)**	(1,093)
Profit/(loss) for the period	*7*	**18,008**	(17,244)
Other comprehensive expense for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**10,610**	2,070
Total comprehensive expense for the period attributable to owners of the Company		**28,618**	(15,174)
Profit/(loss) per share			
–Basic and diluted (HK cents)	*8*	**2.25**	(2.16)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Plant and equipment	*10*	**23,110**	23,891
Right-of-use assets		**811**	1,105
Intangible assets		**548**	625
		24,469	25,621
Current assets			
Inventories		**1,705**	425
Trade and other receivables	*11*	**11,874**	14,456
Contract assets		**2,923**	3,242
Amounts due from related companies	*14b*	**11,216**	4,496
Financial assets at fair value through profit or loss		**67,939**	47,191
Bank balances and cash		**21,369**	23,545
		117,026	93,355
Current liabilities			
Trade and other payables	*12*	**37,238**	39,833
Amount due to related companies		**6,607**	–
Lease liabilities		**410**	938
Loans from related companies		**36,402**	44,942
Other loan		**1,157**	543
Income tax payables		**35**	35
		81,849	86,291
Net current assets		**35,177**	7,064
Total assets less current assets		**59,646**	32,685

	Notes	**30 June 2026**	31 December 2025
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Non-current liabilities			
Lease liabilities		**420**	608
		420	608
Net assets (net liabilities)		**59,226**	32,077
Capital and reserves			
Share capital		**8,000**	8,000
Reserves		**(71,372)**	(99,731)
Perpetual bonds		**122,598**	123,808
Total Equity (deficiency in assets)		**59,226**	32,077

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *HK$'000*	Share premium *HK$'000*	Statutory reserve *HK$'000*	Capital reserve *HK$'000*	Translation reserve *HK$'000*	Merger reserve *HK$'000*	Retained profits *HK$'000*	Perpetual Bonds *HK$'000*	Total *HK$'000*
At 1 January 2025 (audited)	8,000	104,098	8,886	34,021	(14,122)	12,778	(212,730)	–	(59,069)
Loss for the period	–	–	–	–	–	–	(34,525)	–	(34,525)
Other comprehensive expense for the period:									
Exchange difference arising on translation of foreign operations	–	–	–	–	1,863	–	–	–	1,863
Total comprehensive expense for the period	–	–	–	–	1,863	–	(34,525)	–	(32,662)
Issuance of perpetual bonds	–	–	–	–	–	–	–	124,204	124,204
Repayment of perpetual bonds								(396)	(396)
Transfer from statutory reserve	–	–	(6,273)	–	–	–	(6,273)	–	–
At 30 June 2025 (unaudited)	8,000	104,098	2,613	34,021	(12,259)	12,778	(240,982)	123,808	32,077
At 1 January 2026 (audited)	8,000	104,098	2,613	34,021	(12,259)	12,778	(240,982)	123,808	32,077
Profit for the period	–	–	–	–	–	–	18,008	–	18,008
Other comprehensive expense for the period:									
Exchange difference arising on translation of foreign operations	–	–	–	–	10,351	–	–	–	10,351
Total comprehensive expense for the period	–	–	–	–	10,351	–	18,008	–	28,359
Issuance of perpetual bonds	–	–	–	–	–	–	–	(1,210)	(1,210)
Repayment of perpetual bonds									
Transfer to statutory reserve	–	–	144	–	–	–	(144)	–	–
At 30 June 2026 (unaudited)	8,000	104,098	2,757	34,021	(1,908)	12,778	(223,118)	122,598	59,226

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax	**18,016**	(16,151)
Adjustments for:		
Amortisation of intangible assets	**77**	83
Amortisation of deferred income	**(436)**	(13,839)
Bank interest income	**(9)**	(3)
Depreciation of plant and equipment	**1,493**	1,683
Depreciation of right-of-use assets	**295**	69
Finance costs	**23**	3,283
Gain on disposal of plant and equipment	**–**	(4,648)
Government grants	**(4)**	(36)
Gain on lease modification	**(242)**	(1,106)
Reversal of impairment ROU	**–**	(629)
Gain on disposal of stock	**–**	(1,058)
Write-off of plant and equipment	**29**	174
Impairment loss on debts	**–**	(1,877)
Reversal of Impairment loss on investment	**(10,462)**	–
Loss on deregistration of subsidiary	**19,206**	–
Changes in fair value of financial assets at fair value through profit or loss	**(40,667)**	15,397
Operating cash flows before movements in working capital	**(12,680)**	(18,658)
(Increase)/decrease in inventories	**(1,280)**	(357)
Decrease/(increase) in trade and other receivables	**(8,864)**	21,880
Decrease in contract assets	**321**	1
Increase in amounts due from related companies	**11,104**	(8,980)
Decrease in trade and other payables	**(2,479)**	(2,896)
Decrease in financial assets at fair value through profit or loss	**20,144**	(2,705)
(Decrease)/increase in amount due to a shareholder	**–**	(7,763)
Increase in amount due to related parties	**274**	8,042
Cash generated from/(used in) from operations	**6,540**	(11,436)
Hong Kong profits tax paid	**–**	–
PRC enterprise income tax (paid)/refund	**(5)**	(7)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**6,535**	(11,443)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Acquisition of plant and equipment	**(304)**	42
Prepayment for plant and equipment	**–**	81
Bank interest received	**9**	3
Proceeds from disposal of plant and equipment	**–**	7,893
Proceeds from disposal of non-current assets classified as held-for-sale	**–**	1,058
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(295)**	9,077
FINANCING ACTIVITIES		
Government grants received	**4**	36
Repayment of principal element of lease liabilities	**(474)**	(1,387)
Repayment of interest element of lease liabilities	**(23)**	(90)
Repayment to related companies	**(670)**	(670)
Repayment of loans from ultimate controlling party	**(7,870)**	(853)
NET CASH USED IN FINANCING ACTIVITIES	**(9,033)**	(2,793)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,964)**	(5,330)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**23,545**	26,568
Effect of foreign exchange rate changes	**617**	3,816
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTED BY BANK BALANCES AND CASH	**21,369**	25,054

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 September 2014 as an exempted company with limited liability under the Cayman Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares had been listed on the Stock Exchange since 2017.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of the principal place of business of the Company is Suites 1801-03, 18/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. Its immediate holding company is Yoho Bravo Limited, a company incorporated in the British Virgin Islands with limited liability and its ultimate controlling party is Mr. Zhang Liang Johnson ("**Mr. Zhang**").

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are broadband infrastructure construction, the provision of integrated solutions for smart domain applications (including smart home, smart campus, and smart communities), and the development of the great health and lifelong learning segments. The Group was also engaged in the manufacturing and trading of semiconductors, the operations of which were suspended since early last year.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements ("**interim financial statements**") have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out below.

These interim financial statements should be read, where relevant, in conjunction with the 2025 annual financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

a) Manufacturing segment engages in selling of electronic and electrical parts and components manufactured by the Group.

b) Trading segment engages in trading of electronic and electrical parts and components sourced from third-party suppliers.

c) Broadband infrastructure and smart domain segment engages in the provision of broadband infrastructure construction services, promotion of broadband services, provision of smart scenario solution services, operating leases for broadband infrastructure, as well as the promotion and operation of the newly developed great health and lifelong learning segments.

d) Strategic investments segment engages in trading of digital assets and listed equity securities.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the method used to distribute the products and/or the nature of production processes.

Despite that all of the Group's products are of a similar nature, they are subject to different risks and returns.

Accordingly, the Group's operating activities are attributable to the broadband infrastructure, smart scenarios, and great health and lifelong learning segment, and the strategic investments segment.Segment revenue represents revenue arising from the provision of broadband infrastructure construction services, promotion of broadband and smart domain services, provision of smart scenario solution services, operating leases for broadband infrastructure, as well as the development and promotion of great health and lifelong learning businesses. An analysis of the Group's revenue for the Period is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing of electronic goods	**–**	–
Trading of electronic goods	**–**	713
Broadband infrastructure and smart domain:		
– Broadband infrastructure construction services	**2,189**	8,725
– Commission income from promotion of broadband services	**3,174**	4,303
– Provision of smart domain solution services	**1,804**	38,862
	7,167	52,603
Revenue from other sources		
Great health	**51**	
Lifelong learning	**40**	
Broadband infrastructure and smart domain:		
Rental income from broadband infrastructure under operating lease		
– Lease payments that are fixed at a rate	**277**	38
	7,535	52,641

Disaggregation of revenue from contracts with customers by timing of recognition

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	**5,068**	43,877
Over time	**2,467**	8,764
Total revenue from contracts with customers	**7,535**	52,641

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Six months ended 30 June									
	Manufacturing		Trading		Broadband infrastructure and smart domain		Strategic Investments		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue	**–**	–	**91**	713	**7,444**	51,929	**–**	–	**7,535**	52,642
Segment (loss) profit	**–**	–	**(2,458)**	58	**(3,010)**	(266)	**40,667**	529	**35,199**	321
Unallocated income									**6,815**	7,550
Unallocated expenses									**(23,998)**	(24,022)
Profit/(loss) before tax									**18,016**	(16,151)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss from) profit earned by each segment without allocation of certain administrative expenses, certain finance costs and certain other income. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
SEGMENT ASSETS		
Manufacturing	–	–
Trading	–	11,640
Broadband infrastructure and smart domain	**46,891**	47,418
Strategic investments	**67,939**	47,191
Unallocated	**20,059**	12,727
Total assets	**134,889**	118,976
SEGMENT LIABILITIES		
Manufacturing	–	–
Trading	–	1,013
Broadband infrastructure and smart domain	**34,686**	36,819
Unallocated	**40,976**	49,067
Total liabilities	**75,662**	86,899

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment and right-of-use assets for administrative purpose, certain deferred tax assets, certain other receivables and prepayments, and certain bank balances and cash as these assets are managed on a group basis; and

- all liabilities are allocated to operating segments other than certain other payables, certain lease liabilities, loan from an immediate holding company, loans from related companies and loan from ultimate controlling party.

4. OTHER GAIN/(LOSSES)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Changes in fair value of digital assets	**–**	–
Changes in fair value of financial assets at fair value through profit or loss	**40,667**	1,158
	40,667	1,158

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on:		
Lease liabilities	**25**	99
Loan from ultimate controlling party	**–**	3,192
Loss on early repayment of loan from an immediate holding company	**–**	–
Loss on early repayment of loan from a related company	**–**	–
	25	3,291

6. INCOME TAX EXPENSES

The Group calculates the income tax expenses for the Period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the unaudited condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	**–**	–
The PRC	**8**	7
	8	7
Under provision in prior years:		
Hong Kong	**–**	–
The PRC	**–**	1,086
	–	1,086
Deferred tax	**–**	–
	8	1,093

(i) Pursuant to the rules and regulations of the British Virgin Islands and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions for the six months ended 30 June 2026 and 2025.

(ii) For the six months ended 30 June 2026 and 2025, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of the qualifying corporation is taxed at 8.25%, and assessable profits of the qualifying corporation above HK$2,000,000 is taxed at 16.5%. The assessable profits of the other entities of the Group not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

(iii) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

For the six months ended 30 June 2026 and 2025, Guangzhou Weaving was recognised by the PRC government as a "High and New Technology Enterprise" and was eligible to a preferential tax rate of 15%.

7. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amount of inventories recognised as expenses	**85**	711
Amortisation of intangible assets	**94**	93
Depreciation of plant and equipment	**1,437**	1,825
Depreciation of right-of-use assets	**161**	1,246
Research and development costs *(Note (i))*	**877**	2,212
Write-off of plant and equipment	**29**	174
Government grants *(Note (ii))*	**(34)**	(36)
Gain on disposal of plant and equipment	**–**	(4,648)
Staff costs (including Directors' emoluments)		
Salaries and allowances	**14,661**	15,218
Retirement benefits scheme (refund)/contributions	**(132)**	(141)
Total staff costs	**14,529**	15,077

Notes:

(i) The research and development costs included staff cost of approximately HK$nil (six months ended 30 June 2025: HK$Nil) which has been included in staff costs disclosure above.

(ii) Government grants were subsidies received from local government authorities and the Group has fulfilled all conditions attached to the subsidies. The grants were recognised as other income upon receipt for the six months ended 30 June 2026 and 2025.

8. PROFIT/(LOSS) PER SHARE

The calculation of the basic and diluted profit/(loss) per share attributable to the owners of the Company is based on the following data:

Basic loss per share

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss		
(Loss)/profit for the purpose of basic and diluted (loss)/profit per share	**HK$18,008,000**	HK$(17,244,000)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted profit/(loss) per share	**800,000,000**	800,000,000

Diluted profit/(loss) per share

Diluted profit/(loss) per share is the same as basic profit/(loss) per share for the six months ended 30 June 2026 and 2025 as there were no dilutive potential ordinary shares outstanding during these periods.

9. DIVIDEND

No interim dividend was paid or proposed during the Period, nor has any interim dividend been proposed since the end of the reporting period (six months ended 30 June 2025: nil).

10. PLANT AND EQUIPMENT

During the Period, the Group acquired plant and equipment of approximately HK$304,000 (six months ended 30 June 2025: HK$3,000).

During the Period, plant and equipment with a net carrying value of approximately HK$nil (six months ended 30 June 2025: HK$2,834,000) were disposed of by the Group, for cash proceeds of approximately HK$nil, resulting in a net gain on disposals of approximately HK$nil (six months ended 30 June 2025: HK$1,776,200).

Plant and equipment with a net carrying value of approximately HK$nil were written off by the Group during the Period (six months ended 30 June 2025: HK$174,000).

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Receivables at amortised cost comprise:		
Trade receivables	**25,698**	28,401
Less: allowance for impairment of trade receivables	**(21,536)**	(21,536)
	4,162	6,865
Deposits and other receivables	**5,360**	3,055
Value-added tax recoverable	**–**	998
Prepayments	**2,352**	3,538
Total trade and other receivables	**11,874**	14,456

As at 30 June 2026, the gross amount of trade receivables arising from contracts with customers and operating leases amounted to approximately HK$2,973,000 (31 December 2025: HK$26,893,000) and HK$1,188,000 (31 December 2025: HK$1,508,000) respectively.

The Group does not hold any collateral over its trade and other receivables.

The Group allows a credit period up to 90 days to its customers for manufacturing and trading segments. For customers for broadband infrastructure and smart domain segment, various credit periods are granted to its customers, and the credit period of individual customer is considered on a mutually-agreed basis and stipulated in the project contract, as appropriate.

The following is an aged analysis of trade receivables, net of allowance for impairment, presented based on the date of delivery/invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
0 to 30 days	**267**	2,121
31 to 90 days	**582**	135
91 to 365 days	**1,802**	1,149
Over 365 days	**1,511**	3,460
	4,162	6,865

12. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**28,289**	32,511
Accrued staff costs	**1,438**	1,198
Accruals and other payables	**7,511**	6,124
	37,238	39,833

Included in other payables, amount of approximately HK$nil represented interest payable to loan from an immediate holding company as at 30 June 2026 (31 December 2025: HK$279,000).

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within 3 months	**7,484**	2,738
4 to 6 months	**4,592**	2,259
7 to 12 months	**14,675**	9,721
Over 1 year	**1,538**	17,793
	28,289	32,511

The credit period on purchases of goods ranged from 30 to 180 days (31 December 2025: 30 to 180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. CAPITAL COMMITMENTS

As at 30 June 2026, the Group has contracted for but not provided in the unaudited condensed consolidated financial results in respect of acquisition of plant and equipment and broadband infrastructure construction of approximately HK$nil (31 December 2025: HK$nil).

14. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS

The unaudited condensed consolidated financial results were approved and authorised for issue by the Board on 27 August 2026.

15. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026, there was no significant event that took place after the Period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

(i) Broadband infrastructure and smart domain business

The Group's wholly-owned subsidiary, Guangzhou Weaving, primarily engages in broadband infrastructure construction in the PRC and provides comprehensive solutions for intelligent scenario applications, including smart homes, smart parks, smart products, and smart communities. Its intelligent venue solutions include hardware and software for security and identification purposes, as well as hardware and software for residential management, energy savings and community services.

Since the PRC real estate industry has been affected by global macroeconomic regulation and control, developers generally adopt a cautious approach to capital expenditures on any new land reserves and development projects, which has had a material impact on the Group's real estate-related business. In light of the market environment, the Group has implemented a more prudent and conservative strategy in terms of cost management and investments in new projects, focusing resources on projects with stronger profitability and more stable cash flows, with the aim of optimising its product portfolio.

In addition, certain policies implemented by the PRC government have also posed challenges for the Group. The "speed-up and reduce charges" policy continues to exert downward pressure on the profitability of the broadband infrastructure industry. During the Period, commission income derived from the promotion of broadband services by telecommunications operators recorded a significant decline. In the long run, the room for development of broadband infrastructure is relatively limited.

To align with the country's development under its next five-year plan, the "15th Five-Year Plan" emphasises promoting high-quality development with new quality productive forces. The "15th Five-Year Plan" Outline also mentions "technology enabling product innovation and skills iteration and lifelong learning". The Group, through Guangzhou Weaving and other subsidiary companies, has introduced and expanded initiatives in the areas of health and wellness (big health) and talent training, and will integrate these efforts with the rapidly evolving development of artificial intelligence to develop new growth drivers.

(ii) Semiconductor business

The semiconductor industry value chain covers key stages such as integrated circuit (IC) design, wafer fabrication, and packaging and testings. One of the Group's businesses focuses primarily on packaging and testing of discrete devices and the manufacturing of its own products, with third-party semiconductor product trading as a secondary component. The Group provides customers with end-to-end solutions.

At present, the semiconductor industry is characterised by a clear polarisation. In the IC design and wafer fabrication stages, high technical barriers have resulted in an oligopolistic market structure dominated by a small number of players. In contrast, in the packaging and testing of discrete devices, the competitive landscape features both international giants and regional companies coexisting in the market. As a specialised packaging and testing service provider, the Group faces particularly intense competition in its specific market.

Since the post-pandemic recovery, global inflation and tight monetary policies have significantly suppressed demand in the consumer electronics market. After a brief rebound, traditional consumer electronic products have again fallen into a downturn, leading to a sharp decline in demand across the Group's industry chain, while product prices have continued to drop. Due to the ongoing and widening business losses, the management closed the relevant production lines last year in order to curb further loss escalation. As a result, during the Period, revenue from semiconductor manufacturing and trading decreased to zero.

The intensification of global trade frictions, together with geopolitical risks, has further increased uncertainty regarding the industry's recovery prospects. Weak end-market demand has caused customers to substantially reduce orders, and the "price wars" and downward pressure on product prices have posed significant challenges to the business segment's operations and the restarting of activities. The Board has prudently assessed the strategic value of this business line and will continue to review its status and development to ensure the overall financial soundness of the Group.

Resources will be reallocated to the smart products trading business, while the Group continues to explore opportunities in technological innovation.

(iii) Strategic investments business

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 aims to leverage its advantages in the field of smart technology to capture investment opportunities and actively diversify the investments in the field of innovative technologies, in order to create greater value for the Shareholders.

The Group has been making investments in listed equity securities during the Period.

Cryptocurrencies

On 31 October 2022, the Hong Kong Government issued the Policy Statement on the Development of Virtual Assets in Hong Kong, recognizing the potential of distributed ledger technologies and Web 3.0 as future trends in finance and commerce. The Hong Kong Government is committed to creating a facilitating environment for the sustainable development of the virtual asset sector through the calibration of a legal and regulatory framework.

The Group aligns with the Hong Kong Government's views on the development of virtual assets in the region and the Group aims to leverage its strengths in smart technology to identify diversification opportunities and timely capture the new prospects offered by blockchain and Web 3.0. As a result, the Board has been exploring opportunities to purchase cryptocurrencies as a preparatory step to diversify investments in innovative technologies.

During the Period, the Group did not hold any cryptocurrency.

However, the Group maintains a positive outlook on the future of virtual assets, particularly in the realms of Web 3.0 and the metaverse. The Group will work to enhance and diversify its investment portfolio and will consider increasing investments in cryptocurrencies when appropriate.

Listed equity securities

The Group's listed equity securities and options investments mainly include leading technology companies and high-quality large-enterprise groups listed in the United States, Mainland China and Hong Kong.

During the Period, the Group purchased listed equity securities and options at a total acquisition cost of approximately HK$59.7 million and sold listed equity securities with a total carrying amount of approximately HK$63.7 million. The net proceeds from the disposals amounted to approximately HK$77.2 million, resulting in a net realised gain of approximately HK$13.5 million, which was recorded in the consolidated statement of profit or loss and other comprehensive income under the fair value changes of financial assets at fair value through profit or loss ("**FVTPL**").

As at 30 June 2026, the Group measured its listed equity securities and options at fair value based on the closing prices quoted in active markets. The Group recognised the unrealised gain of approximately HK$27.2 million arising on the changes in fair value of financial assets at FVTPL.

The Group will closely monitor and assess the performance of these investments and make timely and appropriate adjustments on the investment portfolio to enhance the returns for the Group and realise the investments as and when appropriate.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK$7.5 million during the Period, as compared to the revenue of approximately HK$52.6 million for the six months ended 30 June 2025. The decrease in revenue was approximately HK$45.1 million or 85.7% when compared to the corresponding period of the previous financial year. It was primarily attributable to the decrease in the revenue of semiconductor and smart domain business.

In the semiconductor business, the market for traditional consumer electronics products, such as smartphones and personal computers, has continued to be sluggish after a period of strong economic growth. This decline is primarily due to concerns over high inflation and elevated interest rates, which have severely impacted the performance of the manufacturing and trading segments. Given that the business had suffered heavy losses in recent years, the Board decided last year to shut down several related production lines to stem the losses, resulting in the revenue of the semiconductor business dropping to zero during the Period. As a result, the total revenue from the semiconductor business for the Period amounted to be nil, representing a decrease of approximately HK$0.7 million or 100%, as compared to the total revenue of approximately HK$0.7 million for the six months ended 30 June 2025.

During the Period, the Group recorded no revenue from the sales of its self-produced semiconductors, consistent with the nil revenue for the six months ended 30 June 2025.

During the Period, the Group recorded nil revenue from the trading of semiconductors, representing a decrease of approximately HK$0.7 million or 100% from approximately HK$0.7 million for the six months ended 30 June 2025. The Group's trading of semiconductors was primarily conducted in conjunction with the sales of its self-produced semiconductors to complement the provision of integrated solution services to its customers.

On the other hand, during the Period, the revenue contributed by Guangzhou Weaving Group and other subsidiaries from the broadband infrastructure, smart scenarios domain, and great health and lifelong learning segments was approximately HK$7.5 million, as compared to approximately HK$51.9 million for the six months ended 30 June 2025. The decrease in revenue of approximately HK$44.4 million or 85.5% was primarily attributable to the decrease in smart scenario solution projects during the Period.

Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK$3.3 million for the Period, representing a decrease of approximately HK$6.1 million or 64.9% from approximately HK$9.4 million for the six months ended 30 June 2025. It was mainly attributable to the decrease in revenue and gross profit margin of the semiconductors business.

The Group's overall gross profit margin for the Period was approximately 44.3%, representing an increase of approximately 26.4 percentage points, as compared with gross profit margin of approximately 17.9% for the six months ended 30 June 2025.

In respect of the semiconductor business, the Group recorded nil gross profit for the Period, representing a decrease of approximately HK$0.1 million or 100% from approximately HK$0.1 million for the six months ended 30 June 2025. The gross profit margin of the semiconductor business also dropped by 9.3 percentage points to 0% for the Period (30 June 2025: approximately 9.3%). Such decreases were primarily attributable to the suspension of operations in the semiconductor segment implemented by the management of the Group since early last year.

Meanwhile, during the Period, the gross profit contributed by Guangzhou Weaving Group and other subsidiaries from the broadband infrastructure, smart scenarios domain, and great health and lifelong learning segments was approximately HK$3.3 million, representing a decrease of approximately HK$6.1 million or 64.9% from approximately HK$9.4 million for the six months ended 30 June 2025. The gross profit margin of Guangzhou Weaving Group and other subsidiaries for the Period substantially improved to approximately 44.3% (30 June 2025: approximately 18.0%). Such increase in gross profit margin was mainly attributable to the Group's enhanced focus on the cash flow health of its projects, alongside the strategic reallocation of more resources into industries driven by national policies, specifically targeting "new quality productive forces".

Changes in fair value of financial assets at FVTPL

As discussed above, the Group recorded net realised gain of approximately HK$13.5 million arising from the disposals of part of listed equity securities and fair value gain of approximately HK$27.2 million on the listed equity securities and options held as at 30 June 2026. The aggregate amount of approximately HK$40.7 million was recognised in other gains in the consolidated statement of profit or loss and other comprehensive income.

Selling and Distribution Costs

The Group's selling and distribution costs for the Period was approximately HK$2.5 million, representing an increase of approximately HK$0.2 million or 8.7% from approximately HK$2.3 million for the six months ended 30 June 2025. This amount was primarily comprised of the promotion costs for the smart scenarios domain and the great health and lifelong learning segment. Such increase was mainly because the Group allocated more resources into industries driven by national policies, specifically targeting "new quality productive forces".

Administrative Expenses

Administrative expenses mainly included staff costs, Directors' remunerations, legal and professional fees, depreciations, research and development expenditures, insurance expenses, office expenses, rental expenses, travelling expenses, entertainment expenses and other miscellaneous operating expenses.

The Group's administrative expenses for the Period was approximately HK$15.3 million, decreased by approximately HK$11.4 million or 42.7%, as compared to that of approximately HK$26.7 million for the six months ended 30 June 2025. The decrease was mainly due to the decrease of staff termination costs of the Group for the Period.

Income Tax Expenses

The Group's income tax expenses for the Period were approximately HK$0.1 million, as compared to income tax expenses of approximately HK$1.1 million for the six months ended 30 June 2025. Such amount of income tax expenses for the six months ended 30 June 2026 and 2025 were primarily attributable to the deferred tax impact arising from the disposal of plant and equipment.

Profit/(Loss) for the Period

As a result of the foregoing, the Group's net gain for the Period was approximately HK$18.0 million, representing an increase of approximately HK$35.2 million when compared to the net loss of approximately HK$17.2 million for the six months ended 30 June 2025.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the operations of the Group were primarily funded by internally generated cash flows.

The Group's capital commitments as at 30 June 2026 amounted to nil (31 December 2025: approximately HK$3.0 million). Such commitments primarily related to the broadband infrastructure construction and purchase of equipment and machinery to meet the demand of the market and quality control improvements in the production plant. Such outstanding commitments are expected to be funded by the Group's internally generated funds.

As at 30 June 2026, the Group had no outstanding bank borrowing (31 December 2025: nil).

Please refer to note 12 to the unaudited condensed consolidated financial results in this announcement for the ageing analysis in respect of the trade payables of the Group as at 30 June 2026 and 31 December 2025.

The Group's gearing ratio as at 30 June 2026 and 31 December 2025, which was calculated by dividing its total bank borrowings by its total equity, were both nil, due to no outstanding bank borrowings at 30 June 2026 and 31 December 2025.

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise the cost of funds, the Group's treasury activities are centralised with all bank deposits denominated either in HK$, US$ or RMB. The Group's liquidity and financing requirements are reviewed regularly. The Group will continue to maintain a prudent capital structure when considering financing for new investments.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group did not have any pledged assets (31 December 2025: nil).

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the paragraph headed "Listed equity securities" in the section headed "Management Discussion and Analysis – Business Review – (iii) Strategic investments business" of this announcement, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries during the Period.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: nil).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group is exposed to foreign currency risks as several of its subsidiaries have foreign currency sales and purchases. For the six months ended 30 June 2026 and 2025, approximately nil and 23.5%, respectively, of the Group's sales were denominated in currencies other than the functional currency of the relevant group entities making the sales, and approximately nil and 2.1%, respectively, of purchases were not denominated in the relevant group entities' functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 30 June 2026 and 31 December 2025 are as follows:

	Assets		Liabilities	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
United States dollars ("**US$**")	**2,665**	6,592	**2,193**	0
Renminbi ("**RMB**")	**5**	6	**0**	0
Total:	**2,670**	6,598	**2,193**	0

The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 30 June 2026, the Group had a workforce of 58 full-time employees (including one executive Director but excluding three independent non-executive Directors) of whom approximately 91.4% were employed in the PRC and approximately 8.6% in Hong Kong. The Group's staff costs (including Directors' emoluments) for the six months ended 30 June 2026 and 2025 amounted to approximately HK$14.7 million and HK$15.1 million, respectively. The Group's employees in Hong Kong are required to participate in the Mandatory Provident Fund scheme under which it is required to contribute a fixed percentage of the employees' payroll costs (up to a maximum of HK$1,500 per month) to the scheme. For the Group's employees in the PRC, the Group makes contributions to various government sponsored employee benefit funds, including housing provident fund, basic pension insurance fund, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance funds in accordance with applicable PRC laws and regulations.

The Group generally recruits employees from the open market. It actively pursues a strategy to recruit, develop and retain talented employees by (i) providing them with training programs on a regular basis to keep them abreast of their knowledge in the products it distributes, technology development and market conditions of the electronics industry, broadband infrastructure industry and smart domain industry; (ii) aligning employees' compensation and incentives with their performance; and (iii) providing them with a clear career path with opportunities for additional responsibilities and promotions.

RESERVES

Movements in the reserves of the Group for the Period are set out in the unaudited condensed consolidated statement of changes in equity set out above.

DIVIDENDS

The Board does not recommend the payment of any interim dividend for the Period (30 June 2025: nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no other material events after the Period and up to the date of this announcement.

BUSINESS PROSPECT

In the coming year, the ongoing trade tensions between China and the U.S. alongside global geopolitical conflicts continue to weigh on the global semiconductor supply chain and market, while lingering concerns over high inflation and interest rate hikes are expected to further dampen the growth momentum of the consumer market. The replacement cycles for consumer electronics have generally prolonged, and the timeline for a recovery in consumer market growth remains highly uncertain. Accordingly, the Group's semiconductor business was terminated in early last year and is currently assessed as unlikely to resume. This strategic decision aims to prevent further material adverse impacts from this segment on the Group's overall profitability, thereby enabling the reallocation of resources to the smart scenarios domain and the great health and lifelong learning segments, while the Group continues to explore opportunities for technological innovation.

On the other hand, the national "15th Five-Year Plan" has explicitly identified the development of industries associated with "new quality productive forces" as a core strategic focus and a pivotal pillar for economic growth. The Group believes that pervasive technological innovation and the accelerating trend toward smart living will serve as powerful catalysts driving the profound development of its two core business segments, namely "Smart Scenarios" and "Great Health and Lifelong Learning." In light of this, the Group is strategically positioned to precisely capture the rapidly growing demand for technological applications within the smart living sphere.

Looking ahead, Guangzhou Weaving and other subsidiaries are fully committed to establishing themselves as industry leaders in the fields of smart scenarios and great health and lifelong learning. The Group will actively expand its presence in both domestic and overseas markets to inject robust growth momentum into its operations. Simultaneously, we will continue to identify and explore potential acquisition targets that offer strategic synergies, with a particular focus on smart living technologies and core electronic components within the Artificial Intelligence (AI) and Internet of Things (IoT) sectors, thereby strengthening the competitive edge of our existing businesses.

The Group will also explore alternate acquisition targets such as high-potential growth companies with leading technologies. Additionally, the Group will continue to monitor market and industry development trends, actively capturing investment opportunities arising from technological innovation, and will consider diversifying investments in innovative technologies and Web 3.0 to promote technological advancement and create greater value for Shareholders.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix C3 of the Listing Rules. Upon specific enquiry made with all the Directors, the Company was not aware of any non-compliance with the Model Code during the Period regarding securities transactions by Directors.

COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company and their respective close associates (as defined in the Listing Rules) has any interest in a business which competed or might compete with the business of the Group or has any other conflict of interests with the Group during the Period.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continued growth of the Group and for safeguarding and maximising Shareholders' interests.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Zhang Liang Johnson was the chairman of the Board ("**Chairman**") while the post of the chief executive officer of the Company (the "**CEO**") has been vacant since 1 February 2021.

The executive Directors and the senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations, business strategies and management of the Group. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will continue to review the effectiveness of the Company's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of the CEO, is necessary.

AUDIT COMMITTEE

The Company established an audit committee on 23 September 2015 with written terms of reference in compliance with the Listing Rules.

The primary duties of the audit committee of the Company are mainly to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, monitor the integrity of the financial statements, annual reports and interim reports, review significant financial reporting judgements contained therein, and oversee financial reporting system, risk management and internal control systems of the Group. The audit committee of the Company consists of three members, namely Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo, all being independent non-executive Directors. Mr. Xu Liang, who has appropriate professional qualifications and experience in accounting matters, is the chairperson of the audit committee.

The audit committee of the Company has reviewed this announcement and the Group's unaudited condensed consolidated financial results for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosure has been made in respect thereof.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares (within the meaning of the Listing Rules)) of the Company during the Period.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the issued Shares as required under the Listing Rules from 1 January 2026 and up to the date of this announcement.

DEFINITIONS

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

"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Company"	Brainhole Technology Limited 脑洞科技有限公司, a company incorporated as an exempted company with limited liability in the Cayman Islands
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guangzhou Weaving"	廣州織網通訊科技有限公司 (Guangzhou Weaving Communications Telecommunications Technology Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Guangzhou Weaving Group"	Guangzhou Weaving and its subsidiary
"HKFRS(s)"	Hong Kong Financial Reporting Standards issued by the HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HK$" or "HK dollar(s)" and "HK cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and/or otherwise modified from time to time as the context may require

“Model Code”	a code of conduct adopted by the Company regarding securities transactions by Directors and employees of the Group on terms no less exacting than the required standard of dealings set out in Appendix C3 to the Listing Rules
“Period”	for the six months ended 30 June 2026
“PRC”	the People’s Republic of China, save that, for the purpose of this announcement and unless the context otherwise requires, references in this announcement do not include Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US$”	United States dollars, the lawful currency of the United States
“%”	per cent.

* The English translation of the company name is for reference only. The official name of this company is in Chinese.

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

Hong Kong, 27 August 2026

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