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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)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF LISTED SECURITIES; AND (2) DISCLOSEABLE TRANSACTION IN RELATION TO FURTHER DISPOSAL OF LISTED SECURITIES

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

Acquisition of Airbnb Shares

On 10 July 2023 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 6,800 Airbnb Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.9 million) (excluding transaction costs).

Further Disposal of DingDong Shares

On 10 July 2023 (after trading hours of the Stock Exchange), further to the disposal of 317,000 DingDong Shares as disclosed in the announcement of the Company dated 20 February 2023, the Company has further disposed of an aggregate of 300,000 DingDong Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.7 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of Airbnb Shares

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

Further Disposal of DingDong 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 DingDong Shares and the Further Disposal of DingDong Shares involve the disposal of DingDong 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\$2.5 million (equivalent to approximately HK\$19.8 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the (i) Further Disposal of DingDong Shares (standing alone) and (ii) Disposal of DingDong Shares and Further Disposal of DingDong Shares (in aggregate) exceed 5% but all are less than 25%, the Further Disposal of DingDong 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.

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

Acquisition of Airbnb Shares

On 10 July 2023 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 6,800 Airbnb Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.9 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Airbnb Share was approximately US\$131.21 (equivalent to approximately HK\$1,020.80). The aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.9 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Acquisition of Airbnb Shares was conducted in the open market, the identities of the counterparties of the acquired Airbnb 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 Airbnb Shares are Independent Third Parties.

Further Disposal of DingDong Shares

On 10 July 2023 (after trading hours of the Stock Exchange), further to the disposal of 317,000 DingDong Shares as disclosed in the announcement of the Company dated 20 February 2023, the Company has further disposed of an aggregate of 300,000 DingDong Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.7 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each DingDong Share was approximately US\$2.86 (equivalent to approximately HK\$22.26).

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

INFORMATION ON AIRBNB AND DINGDONG

Airbnb

Airbnb is a Delaware corporation and operates an online platform for hospitality services. The company provides a mobile application that enables users to list, discover, and book unique accommodations across the world. The app allows hosts to list their properties for lease, and enables guests to rent or lease on a short-term basis, which includes vacation rentals, apartment rentals, homestays, castles, tree houses and hotel rooms.

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

	For the year ended 31 December 2021 (audited)		For the year ended 31 December 2022 (audited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Revenues	5,992,000	46,617,760	8,399,000	65,344,220
Net (loss)/income	(352,000)	(2,738,560)	1,893,000	14,727,540

Based on Airbnb's published documents, the Airbnb Group has an audited consolidated net asset value of approximately US\$4,775 million (equivalent to approximately HK\$37,150 million) as at 31 December 2021 and US\$5,560 million (equivalent to approximately HK\$43,257 million) as at 31 December 2022.

Based on Airbnb’s published documents, the Airbnb Group has an unaudited consolidated net asset value of approximately US\$5,291 million (equivalent to approximately HK\$41,164 million) as at 31 March 2023.

DingDong

Dingdong is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. Dingdong conducts their operations primarily through their PRC subsidiaries. The Dingdong Group provides users and households with fresh produce, meat and seafood and other daily necessities through a convenient and excellent shopping experience supported by an extensive self-operated frontline fulfillment grid.

The following financial information is extracted from the published documents of the DingDong 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>
Net revenues	20,121,126	23,139,295	24,221,233	27,854,418
Net (loss)	(6,429,059)	(7,393,418)	(806,883)	(927,915)

Based on Dingdong’s published documents, the Dingdong Group has an audited consolidated net asset value of approximately RMB728 million (equivalent to approximately HK\$837 million) as at 31 December 2021 and RMB310 million (equivalent to approximately HK\$357 million) as at 31 December 2022.

Based on Dingdong’s published documents, the Dingdong Group has an unaudited consolidated net asset value of approximately RMB288 million (equivalent to approximately HK\$331 million) as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF AIRBNB 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.

Airbnb is the global and well-known online platform for hospitality services. The Board holds positive views towards the financial performance and future prospect of Airbnb. The Group considers that the Acquisition of Airbnb Shares represents an 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 Airbnb Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of Airbnb Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE FURTHER DISPOSAL OF DINGDONG SHARES

As a result of the Further Disposal of DingDong Shares, the Group is expected to recognise a loss of approximately US\$0.9 million (equivalent to approximately HK\$6.6 million) which will affect profit and loss of the Group for the year ending 31 December 2023 and is calculated on the basis of the difference between the consideration received from the Further Disposal of DingDong Shares and the acquisition cost of disposed DingDong Shares.

The Group considers that the Further Disposal of DingDong 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 Further Disposal of DingDong Shares of approximately US\$0.9 million (equivalent to approximately HK\$6.7 million) for the consideration for the Acquisition of Airbnb Shares.

As the Further Disposal of DingDong 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 DingDong 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 Airbnb Shares

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

Further Disposal of DingDong 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 DingDong Shares and the Further Disposal of DingDong Shares involve the disposal of DingDong 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\$2.5 million (equivalent to approximately HK\$19.8 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the (i) Further Disposal of DingDong Shares (standing alone) and (ii) Disposal of DingDong Shares and Further Disposal of DingDong Shares (in aggregate) exceed 5% but all are less than 25%, the Further Disposal of DingDong 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:

“Acquisition of Airbnb Shares”	acquisition of 6,800 Airbnb Shares by the Company in the open market as disclosed in this announcement
“Airbnb”	Airbnb, Inc., a Delaware corporation whose class A common stocks are listed on Nasdaq (stock code: ABNB)
“Airbnb Group”	Airbnb and its subsidiaries
“Airbnb Share(s)”	Class A common stock of Airbnb
“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

“Dingdong”	Dingdong (Cayman) Limited, an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on the New York Stock Exchange (stock code: DDL)
“Dingdong Group”	Dingdong and its subsidiaries
“Dingdong Share(s)”	American depository share(s) of Dingdong
“Disposal of DingDong Shares”	disposal of 317,000 DingDong Shares by the Company as disclosed in the announcement dated 20 February 2023
“Further Disposal of DingDong Shares”	further disposal of 300,000 DingDong Shares by the Company as disclosed in this announcement
“Group”	the Company and its subsidiaries
“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nasdaq”	National Association of Securities Dealers Automated Quotations Stock Market
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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, 11 July 2023

For the purpose of this announcement, all amounts denominated in US\$ has been translated (for information only) into HK\$ using the exchange rate of US\$1.00: HK\$7.78 and all amounts denominated in RMB has been translated (for information only) into HK\$ using the exchange rate of RMB1: HK\$1.15. Such translations shall not be construed as a representation that amounts of US\$ and 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.