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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)

**DISCLOSEABLE TRANSACTIONS IN RELATION TO
ACQUISITIONS OF LISTED SECURITIES**

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

Acquisition of DraftKings Shares

On 4 August 2023 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 35,000 DraftKings Shares through the open market at an aggregate consideration of approximately US\$1.1 million (equivalent to approximately HK\$8.9 million) (excluding transaction costs).

Acquisition of NIO Shares

On 4 August 2023 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 59,300 NIO Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.0 million) (excluding transaction costs).

Acquisition of NVIDIA Shares

On 4 August 2023 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 1,730 NVIDIA Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.0 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of DraftKings Shares

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

Acquisition of NIO Shares

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

Acquisition of NVIDIA Shares

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

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On 4 August 2023 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 35,000 DraftKings Shares through the open market at an aggregate consideration of approximately US\$1.1 million (equivalent to approximately HK\$8.9 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each DraftKings Share was approximately US\$32.81 (equivalent to approximately HK\$255.27). The aggregate consideration of approximately US\$1.1 million (equivalent to approximately HK\$8.9 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

Acquisition of NIO Shares

On 4 August 2023 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 59,300 NIO Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each NIO Share was approximately US\$15.13 (equivalent to approximately HK\$117.73). The aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

Acquisition of NVIDIA Shares

On 4 August 2023 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 1,730 NVIDIA Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each NVIDIA Share was approximately US\$446.0 (equivalent to approximately HK\$3,469.87). The aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

INFORMATION ON DRAFTKINGS, NIO AND NVIDIA

DraftKings

DraftKings is a Nevada corporation and a digital sports entertainment and gaming company. DraftKings provides users with online sports betting, online casino and daily fantasy sports product offerings, as well as retail sportsbook, media, other consumer product offerings and an NFT ecosystem that offers curated initial NFT drops and allows owners to list their NFTs for sale. The DraftKings Group is also involved in the design and development of sports betting and casino gaming software for online and retail sportsbooks and online casino operators.

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

	For the year ended		For the year ended	
	31 December 2021		31 December 2022	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenues	1,296,025	10,083,075	2,240,461	17,430,787
Net (loss)	(1,523,195)	(11,850,457)	(1,377,987)	(10,720,739)

Based on DraftKings's published documents, the DraftKings Group has an audited consolidated net assets value of approximately US\$1,679 million (equivalent to approximately HK\$13,063 million) as at 31 December 2021 and US\$1,323 million (equivalent to approximately HK\$10,293 million) as at 31 December 2022.

Based on DraftKings's published documents, the DraftKings Group has an unaudited consolidated net asset value of approximately US\$1,018 million (equivalent to approximately HK\$7,920 million) as at 30 June 2023.

NIO

NIO is a Cayman Islands holding company with no equity ownership in the VIEs and its subsidiaries. NIO conducts its operations through its PRC subsidiaries, VIEs and their respective subsidiaries in the PRC. NIO is a pioneer and a leading company in the premium smart electric vehicle market. It designs, develops, jointly manufactures, and sells premium smart electric vehicles, driving innovations in autonomous driving, digital technologies, electric powertrains and batteries.

The following financial information is extracted from the published documents of the NIO 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>
Revenues	33,169,740	36,155,017	45,506,581	49,602,173
Net (loss)	(4,016,949)	(4,378,474)	(14,437,104)	(15,736,443)

Based on NIO's published documents, the NIO Group has an audited consolidated net asset value of approximately RMB34,786 million (equivalent to approximately HK\$37,917 million) as at 31 December 2021 and RMB24,089 million (equivalent to approximately HK\$26,257 million) as at 31 December 2022.

Based on NIO's published documents, the NIO Group has an unaudited consolidated net asset value of approximately RMB19,832 million (equivalent to approximately HK\$21,617 million) as at 31 March 2023.

NVIDIA

NVIDIA is a Delaware corporation and a software and fabless company which designs graphics processing units (GPUs), application programming interface (APIs) for data science and high-performance computing as well as system on a chip units (SoCs) for the mobile computing and automotive market. NVIDIA is a dominant supplier of artificial intelligence hardware and software. Its professional line of GPUs are used in workstations for applications in such fields as architecture, engineering and construction, media and entertainment, automotive, scientific research, and manufacturing design. In addition to GPU manufacturing, NVIDIA provides an API called CUDA that allows the creation of massively parallel programs which utilize GPUs.

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

	For the year ended		For the year ended	
	30 January 2022		29 January 2023	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenue	26,914	209,391	26,974	209,858
Net income	9,752	75,871	4,368	33,983

Based on NVIDIA's published documents, the NVIDIA Group has an audited consolidated net assets value of approximately US\$26,612 million (equivalent to approximately HK\$207,041 million) as at 30 January 2022 and US\$22,101 million (equivalent to approximately HK\$171,946 million) as at 29 January 2023.

Based on NVIDIA's published documents, the NVIDIA Group has an unaudited consolidated net asset value of approximately US\$24,520 million (equivalent to approximately HK\$190,766 million) as at 30 April 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF DRAFTKINGS SHARES, THE ACQUISITION OF NIO SHARES AND THE ACQUISITION OF NVIDIA 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.

DraftKings is the leading digital sports entertainment and gaming company in the United States. NIO is a pioneer and a leading company in the premium smart electric vehicle market. NVIDIA is a leading manufacturer of high-end GPUs in the United States. The Board holds positive views towards the financial performance and future prospect of DraftKings, NIO and NVIDIA. The Group considers that the Acquisition of DraftKings Shares, the Acquisition of NIO Shares and the Acquisition of NVIDIA Shares are good opportunities to acquire and increase our holdings in attractive investments and to expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Acquisition of DraftKings Shares, the Acquisition of NIO Shares and the Acquisition of NVIDIA Shares were made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of DraftKings Shares, the Acquisition of NIO Shares and the Acquisition of NVIDIA 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 DraftKings Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of DraftKings Shares exceed 5% but all are less than 25%, the Acquisition of DraftKings 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.

Acquisition of NIO Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of NIO Shares exceed 5% but all are less than 25%, the Acquisition of NIO 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.

Acquisition of NVIDIA Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of NVIDIA Shares exceed 5% but all are less than 25%, the Acquisition of NVIDIA 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 DraftKings Shares”	acquisition of 35,000 DraftKings Shares by the Company as disclosed in this announcement
“Acquisition of NIO Shares”	acquisition of 59,300 NIO Shares by the Company as disclosed in this announcement
“Acquisition of NVIDIA Shares”	acquisition of 1,730 NVIDIA Shares by the Company as disclosed in this announcement
“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
“DraftKings”	DraftKings Inc., a Nevada corporation whose class A common stocks are listed on Nasdaq (trading symbol: DKNG)
“DraftKings Group”	DraftKings and its subsidiaries
“DraftKings Share(s)”	Class A common stock(s) of DraftKings
“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
“NIO”	NIO Inc., a Cayman Islands holding company whose American depositary shares are listed on the New York Stock Exchange (trading symbol: NIO)
“NIO Group”	NIO and its subsidiaries
“NIO Share(s)”	American depositary share(s) of NIO
“NVIDIA”	NVIDIA Corporation, a Delaware corporation whose common stocks are listed on Nasdaq (trading symbol: NVDA)
“NVIDIA Group”	NVIDIA and its subsidiaries
“NVIDIA Share(s)”	Common stock(s) of NVIDIA
“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
“United States”	the United States of America

“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, 7 August 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\$1.09. 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.