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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)

**MAJOR TRANSACTION IN RELATION TO
FURTHER ACQUISITION OF LISTED SECURITIES
AND
CLARIFICATION ANNOUNCEMENT**

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

Further Acquisition of NVIDIA Shares

On 24 January 2024 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares as disclosed in the Previous Announcements, the Company has further acquired of an aggregate of 1,910 NVIDIA 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).

LISTING RULES IMPLICATIONS

Further Acquisition of NVIDIA Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Acquisitions of NVIDIA Shares, the Previous Disposals of NVIDIA Shares and the Further Acquisition of NVIDIA Shares involve the acquisition of NVIDIA 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\$3.0 million (equivalent to approximately HK\$23.3 million).

The Further Acquisition of NVIDIA Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Acquisition of NVIDIA Shares, when aggregated with the Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 100%, the Further Acquisition of NVIDIA Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Further Acquisition of NVIDIA Shares; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Further Acquisition of NVIDIA Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Acquisition of NVIDIA Shares. Thus, if the Company were to convene a general meeting to approve the Further Acquisition of NVIDIA Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Acquisition of NVIDIA Shares. As such, the Further Acquisition of NVIDIA Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Acquisition of NVIDIA Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Acquisition of NVIDIA Shares.

A circular in relation to the Further Acquisition of NVIDIA Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 19 February 2024.

CLARIFICATION OF THE ANNOUNCEMENT CONCERNING THE 2024 JANUARY ACQUISITION OF NVIDIA SHARES

Reference is made to the announcement of the Company dated 10 January 2024 in relation to the 2024 January Acquisition.

The Company wishes to clarify that due to inadvertent oversight, the 2024 January Acquisition of NVIDIA Shares was only considered on a stand-alone basis and was not considered and aggregated according to Rules 14.22 and 14.23 of the Listing Rules with the other Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares which were made within a 12-month period. All such transactions, when aggregated as one transaction, were at a total consideration of approximately US\$1.8 million (equivalent to approximately HK\$14.4 million).

However, as one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the 2024 January Acquisition of NVIDIA Shares when aggregated with the other Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares by the Company, exceeds 5% but is less than 25%, the classification of the 2024 January Acquisition of NVIDIA Shares remains unchanged and it will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules. Save as disclosed above, all other information in the announcement of the Company dated 10 January 2024 remains unchanged.

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

Further Acquisition of NVIDIA Shares

On 24 January 2024 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares as disclosed in the Previous Announcements, the Company has further acquired of an aggregate of 1,910 NVIDIA 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 further acquisition of each NVIDIA Share was approximately US\$601.61 (equivalent to approximately HK\$4,680.50). 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 Further 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.

REASONS FOR AND BENEFITS OF THE FURTHER 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. Coinbase is the largest cryptocurrency exchange in the United States by trading volume.

NVIDIA is a leading manufacturer of high-end GPUs in the United States. As set out in the Previous Announcements, the Board holds positive views towards the financial performance and future prospect of NVIDIA. The Group considers that Further Acquisition of NVIDIA Shares can increase our holdings in these attractive investments and to further expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Further Acquisition of NVIDIA Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Further Acquisition of NVIDIA Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is an investment holding company and the Group is principally engaged in the manufacture and trading of electronic and electrical parts and components. The Group operates its business through three segments: (i) The Manufacturing segment is engaged in the sale of electronics and electrical parts and components produced by the Company. The products manufactured by the Company are mainly applied in smart consumer electronic devices; (ii) The Broadband Infrastructure and Smart Domain segment is engaged in the provision of broadband infrastructure construction services, broadband promotion services, and smart domain solutions; and (iii) The Trading segment is engaged in the trading of electronic and electrical parts and components sourced from third party suppliers.

INFORMATION ON 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	33,398

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\$33,265 million (equivalent to approximately HK\$258,802 million) as at 29 October 2023.

IMPLICATIONS UNDER THE LISTING RULES

Further Acquisition of NVIDIA Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Previous Acquisitions of NVIDIA Shares, the Previous Disposals of NVIDIA Shares and the Further Acquisition of NVIDIA Shares involve the acquisition of NVIDIA 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\$3.0 million (equivalent to approximately HK\$23.3 million).

The Further Acquisition of NVIDIA Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Acquisition of NVIDIA Shares, when aggregated with the Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 100%, the Further Acquisition of NVIDIA Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Acquisition of NVIDIA Shares. Thus, if the Company were to convene a general meeting to approve the Further Acquisition of NVIDIA Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Acquisition of NVIDIA Shares. As such, the Further Acquisition of NVIDIA Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Acquisition of NVIDIA Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement), pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Acquisition of NVIDIA Shares.

A circular in relation to the Further Acquisition of NVIDIA Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 19 February 2024.

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Reference is made to the announcement of the Company dated 10 January 2024 in relation to the 2024 January Acquisition.

The Company wishes to clarify that due to inadvertent oversight, the 2024 January Acquisition of NVIDIA Shares was only considered on a stand-alone basis and was not considered and aggregated according to Rules 14.22 and 14.23 of the Listing Rules with the other Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares which were made within a 12-month period. All such transactions, when aggregated as one transaction, were at a total consideration of approximately US\$1.8 million (equivalent to approximately HK\$14.4 million).

However, as one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the 2024 January Acquisition of NVIDIA Shares when aggregated with the other Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares by the Company, exceeds 5% but is less than 25%, the classification of the 2024 January Acquisition of NVIDIA Shares remains unchanged and it will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules. Save as disclosed above, all other information in the announcement of the Company dated 10 January 2024 remains unchanged.

DEFINITIONS

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

“2024 January Acquisition of NVIDIA Shares”	acquisition of 890 NVIDIA Shares by the Company as disclosed in the announcement dated 10 January 2024
“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
“Further Acquisition of NVIDIA Shares”	further acquisition of 1,910 NVIDIA 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)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nasdaq”	National Association of Securities Dealers Automated Quotations Stock Market
“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
“Previous Acquisitions of NVIDIA Shares”	the series of acquisitions of an aggregate of 7,560 NVIDIA Shares by the Company during the period from 4 August 2023 (after trading hours the Stock Exchange) and 9 January 2024 (after trading hours the Stock Exchange) respectively (including the 2024 January Acquisition of NVIDIA Shares), as set out in the relevant Previous Announcements
“Previous Announcements”	the announcements of the Company dated 7 August 2023, 10 August 2023, 16 August 2023, 17 August 2023, 5 December 2023, 15 December 2023, 20 December 2023 and 10 January 2024 in relation to, inter alia, the Previous Acquisitions of NVIDIA Shares and the Previous Disposals of NVIDIA Shares
“Previous Disposals of NVIDIA Shares”	the series of disposals of an aggregate of 3,530 NVIDIA Shares by the Company during the period from 4 December 2023 (after trading hours the Stock Exchange) and 19 December 2023 (after trading hours the Stock Exchange) respectively, as set out in the relevant Previous Announcements
“Shareholders”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“United States”	the United States of America

“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, 25 January 2024

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