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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
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 Palantir Shares

On 8 February 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 21,300 Palantir Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$4.0 million) (excluding transaction costs).

Disposal of PinDuoDuo Shares

On 8 February 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 3,740 PinDuoDuo Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$3.7 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of Palantir Shares

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

Disposal of PinDuoDuo Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of PinDuoDuo Shares exceed 5% but all are less than 25%, the Disposal of PinDuoDuo 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 Palantir Shares

On 8 February 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 21,300 Palantir Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$4.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Palantir Share was approximately US\$24.10 (equivalent to approximately HK\$187.50). The aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$4.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

Disposal of PinDuoDuo Shares

On 8 February 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 3,740 PinDuoDuo Shares through the open market at an aggregate consideration of approximately US\$0.5 million (equivalent to approximately HK\$3.7 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each PinDuoDuo Share was approximately US\$126.62 (equivalent to approximately HK\$985.10).

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

INFORMATION ON PALANTIR AND PINDUODUO

Palantir

Palantir is a Delaware corporation and a company that specialises in building software that empowers organisations to effectively integrate their data, decisions, and operations at scale. Palantir built three principal software platforms, Palantir Gotham (“**Gotham**”), Palantir Foundry (“**Foundry**”), and Palantir Apollo (“**Apollo**”). Gotham and Foundry enable institutions to transform massive amounts of information into an integrated data asset that reflects their operations. For over a decade, Gotham has surfaced insights for global defense agencies, the intelligence community, disaster relief organizations and beyond. Foundry is becoming a central operating system not only for individual institutions but also for entire industries. Apollo is a cloud-agnostic, single control layer that coordinates ongoing delivery of new features, security updates, and platform configurations, helping to ensure the continuous operation of critical systems and allowing our customers to run their software in virtually any environment.

The following financial information is extracted from the published documents of the Palantir 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	1,541,889	11,995,896	1,905,871	14,827,676
(Loss) before provision for income taxes	(488,494)	(3,800,483)	(361,027)	(2,808,790)
Net (loss)	(520,379)	(4,048,549)	(371,094)	(2,887,111)

Based on Palantir's published documents, the Palantir Group has an audited consolidated net asset value of approximately US\$2,291 million (equivalent to approximately HK\$17,824 million) as at 31 December 2021 and US\$2,565 million (equivalent to approximately HK\$19,956 million) as at 31 December 2022.

Based on Palantir's published documents, the Palantir Group has an unaudited consolidated net asset value of approximately US\$3,190 million (equivalent to approximately HK\$24,818 million) as at 30 September 2023.

PinDuoDuo

PinDuoDuo is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. PinDuoDuo conducts their operations primarily through their PRC subsidiaries, VIE and its subsidiaries in China and the PinDuoDuo Group is a multinational commerce group that owns and operates a portfolio of businesses, including Temu, an e-commerce marketplace for North American consumers, and Pinduoduo, a leading social commerce platform.

The following financial information is extracted from the published documents of the PinDuoDuo 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	93,949,939	106,163,431	130,557,589	147,530,076
Net income	7,768,670	8,778,597	31,538,062	35,638,010

Based on PinDuoDuo's published documents, the PinDuoDuo Group has an audited consolidated net asset value of approximately RMB75,115 million (equivalent to approximately HK\$84,880 million) as at 31 December 2021 and RMB117,771 million (equivalent to approximately HK\$133,081 million) as at 31 December 2022.

Based on PinDuoDuo's published documents, the PinDuoDuo Group has an unaudited consolidated net asset value of approximately RMB162,050 million (equivalent to approximately HK\$183,117 million) as at 30 September 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF PALANTIR 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.

Palantir is an American company that specialises in software platforms for big data analytics. The Board holds positive views towards the financial performance and future prospect of Palantir. The Group considers that the Acquisition of Palantir Shares represents good 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 Palantir Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of Palantir Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF PINDUODUO SHARES

As a result of the Disposal of PinDuoDuo Shares, the Group is expected to recognise a gain of approximately US\$0.01 million (equivalent to approximately HK\$0.1 million) being the difference between the consideration received from the Disposal of PinDuoDuo Shares and the acquisition cost of disposed PinDuoDuo Shares. The Group considers that the Disposal of PinDuoDuo 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 Disposal of PinDuoDuo Shares of approximately US\$0.5 million (equivalent to approximately HK\$3.7 million) in aggregate for the consideration for the Acquisition of Palantir Shares.

As the Disposal of PinDuoDuo Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of PinDuoDuo 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 Palantir Shares

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

Disposal of PinDuoDuo Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of PinDuoDuo Shares exceed 5% but all are less than 25%, the Disposal of PinDuoDuo 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 Palantir Shares”	acquisition of 21,300 Palantir 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

“Disposal of PinDuoDuo Shares”	disposal of 3,740 PinDuoDuo 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
“Palantir”	Palantir Technologies Inc., a Delaware corporation whose Class A common stocks are listed on the New York Stock Exchange (trading symbol: PLTR)
“Palantir Group”	Palantir and its subsidiaries
“Palantir Share(s)”	Class A common stock(s) of Palantir
“PinDuoDuo”	Pinduoduo Inc., an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on Nasdaq (stock code: PDD)
“PinDuoDuo Group”	PinDuoDuo and its subsidiaries
“PinDuoDuo Share(s)”	American depository shares of PinDuoDuo
“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
“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, 9 February 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 and all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1:HK\$1.13. 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.