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ERAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2203)

DISCLOSEABLE TRANSACTION
ACQUISITIONS OF LISTED SECURITIES

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

Acquisition of PinDuoDuo Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 30,900 PinDuoDuo Shares through the open market at an aggregate consideration of approximately US\$2.8 million (equivalent to approximately HK\$21.8 million) (excluding transaction costs).

Acquisition of Airbnb Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 19,200 Airbnb Shares through the open market at an aggregate consideration of approximately US\$1.9 million (equivalent to approximately HK\$14.8 million) (excluding transaction costs).

Acquisition of Futu Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 18,500 Futu Shares through the open market at an aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$10.0 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of PinDuoDuo Shares

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

Acquisition of Futu Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of Futu Shares exceed 5% but all are less than 25%, the Acquisition of Futu Shares constitutes a discloseable transaction for 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 acquisitions of listed securities.

Acquisition of PinDuoDuo Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 30,900 PinDuoDuo Shares through the open market at an aggregate consideration of approximately US\$2.8 million (equivalent to approximately HK\$21.8 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each PinDuoDuo Share was approximately US\$90.78 (equivalent to approximately HK\$706.29). The aggregate consideration of approximately US\$2.8 million (equivalent to approximately HK\$21.8 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

Acquisition of Airbnb Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 19,200 Airbnb Shares through the open market at an aggregate consideration of approximately US\$1.9 million (equivalent to approximately HK\$14.8 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Airbnb Share was approximately US\$99.39 (equivalent to approximately HK\$773.22). The aggregate consideration of approximately US\$1.9 million (equivalent to approximately HK\$14.8 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.

Acquisition of Futu Shares

On 13 December 2022 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 18,500 Futu Shares through the open market at an aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$10.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Futu Share was approximately US\$69.21 (equivalent to approximately HK\$538.42). The aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$10.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

INFORMATION ON PINDUODUO, AIRBNB AND FUTU

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 PinDuoDuo Group:

	For the year ended		For the year ended	
	31 December 2020		31 December 2021	
	(audited)		(audited)	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenues	59,491,865	66,630,889	93,949,939	105,223,932
Net (loss)/income	(7,179,742)	(8,041,311)	7,768,670	8,700,910

Based on PinDuoDuo's published documents, the PinDuoDuo Group has an audited consolidated net asset value of approximately RMB60,176 million (equivalent to approximately HK\$67,397 million) as at 31 December 2020 and RMB75,115 million (equivalent to approximately HK\$84,128 million) as at 31 December 2021.

Based on PinDuoDuo's published documents, the PinDuoDuo Group has an unaudited consolidated net asset value of approximately RMB107,130 million (equivalent to approximately HK\$119,985 million) as at 30 September 2022.

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 Airbnb Group:

	For the year ended		For the year ended	
	31 December 2020		31 December 2021	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenues	3,378,199	26,282,388	5,991,760	46,615,893
Net (loss)	(4,584,716)	(35,669,090)	(352,034)	(2,738,825)

Based on Airbnb's published documents, the Airbnb Group has an audited consolidated net asset value of approximately US\$2,902 million (equivalent to approximately HK\$22,576 million) as at 31 December 2020 and US\$4,776 million (equivalent to approximately HK\$37,155 million) as at 31 December 2021.

Based on Airbnb's published documents, the Airbnb Group has an unaudited consolidated net asset value of approximately US\$5,540 million (equivalent to approximately HK\$43,102 million) as at 30 September 2022.

Futu

Futu is an exempted company incorporated in Cayman Islands with limited liability and is an advanced technology company transforming the investing experience by offering a fully digitalized brokerage and wealth management platform. The company provides investing services through its proprietary digital platforms, Futubull and moomoo, each a highly integrated application accessible through any mobile device, tablet or desktop. The company's primary fee-generating services include trade execution – which allows its clients to trade securities, such as stocks, ETFs, warrants, options and futures across different markets – as well as margin financing and securities lending.

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

	For the year ended 31 December 2020 (audited) HK\$'000	For the year ended 31 December 2021 (audited) HK\$'000
Revenue	3,310,822	7,115,320
Income before income tax expenses	1,450,623	3,185,291
Net income	1,325,523	2,810,210

Based on Futu's published documents, the Futu Group has an audited consolidated net asset value of approximately HK\$8,308 million as at 31 December 2020 and HK\$20,986 million as at 31 December 2021.

Based on Futu's published documents, the Futu Group has an unaudited consolidated net asset value of approximately HK\$20,186 million as at 30 September 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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 facility the technological development and create greater value for the Shareholders.

PinDuoDuo is the market leader in the technology-driven e-commerce industry. Airbnb is the global and well-known online platform for hospitality services. Futu is the leading technology-driven online brokerage and wealth management platform. The Board holds positive views towards the financial performance and future prospect of PinDuoDuo, Airbnb and Futu. The Group considers that the Acquisitions are good opportunities to acquire attractive investment and to expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Acquisitions were made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisitions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of PinDuoDuo Shares

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

Acquisition of Futu Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of Futu Shares exceed 5% but all are less than 25%, the Acquisition of Futu Shares constitutes a discloseable transaction for 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 19,200 Airbnb Shares by the Company as disclosed in this announcement
“Acquisition of Futu Shares”	acquisition of 18,500 Futu Shares by the Company as disclosed in this announcement
“Acquisition of PinDuoDuo Shares”	acquisition of 30,900 PinDuoDuo Shares by the Company as disclosed in this announcement
“Acquisitions”	Collectively, the Acquisition of Airbnb Shares, the Acquisition of Futu Shares and the Acquisition of PinDuoDuo Shares
“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 Shares”	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

“Futu”	Futu Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on Nasdaq (stock code: FUTU)
“Futu Group”	Futu and its subsidiaries
“Futu Shares”	American depository shares of Futu
“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
“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 Shares”	American depository shares of PinDuoDuo
“PRC”	the People’s Republic of China
“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

“%”

per cent.

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

Hong Kong, 14 December 2022

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\$1.12. 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.