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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)

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

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

Further Acquisition of NVIDIA Shares

On 9 August 2023 (after trading hours of the Stock Exchange), further to the acquisition of 1,730 NVIDIA Shares as disclosed in the announcement of the Company dated 7 August 2023, the Company has further acquired an aggregate of 1,780 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).

Disposal of NIO Shares

On 9 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 59,300 NIO Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.3 million) (excluding transaction costs).

Disposal of Rivian Shares

On 9 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 33,500 Rivian Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.4 million) (excluding transaction costs).

LISTING RULES IMPLICATION

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 Acquisition 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\$1.5 million (equivalent to approximately HK\$12.0 million).

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

Disposal of NIO Shares

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

Disposal of Rivian 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 Rivian Shares and the Company's previous disposal of Rivian Shares (for the avoidance of doubt, such disposal does not constitute a notifiable transaction on the part of the Company under the Listing Rules) involve the disposal of Rivian 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\$1.3 million (equivalent to approximately HK\$10.4 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of (i) the Disposal of Rivian Shares (standing alone) and (ii) the Disposal of Rivian Shares and the Company's previous disposal of Rivian Shares (in aggregate) exceed 5% but all are less than 25%, the Disposal of Rivian 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 disposals of listed securities.

Further Acquisition of NVIDIA Shares

On 9 August 2023 (after trading hours of the Stock Exchange), further to the acquisition of 1,730 NVIDIA Shares as disclosed in the announcement of the Company dated 7 August 2023, the Company has further acquired an aggregate of 1,780 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 further acquisition of each NVIDIA Share was approximately US\$432.5 (equivalent to approximately HK\$3,364.85). 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 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.

Disposal of NIO Shares

On 9 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 59,300 NIO Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.3 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each NIO Share was approximately US\$13.59 (equivalent to approximately HK\$105.71).

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

Disposal of Rivian Shares

On 9 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 33,500 Rivian Shares through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.4 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Rivian Share was approximately US\$24.56 (equivalent to approximately HK\$191.07).

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

INFORMATION ON NVIDIA, NIO AND RIVIAN

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 30 January 2022 (audited)		For the year ended 29 January 2023 (audited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
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.

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.

Rivian

Rivian is a Delaware corporation and a growth stage company that exists to create products and services that help the planet transition to carbon neutral energy and transportation. Rivian designs, develops, and manufactures category-defining electric vehicles and accessories and sells them directly to customers in the consumer and commercial markets. Rivian complements its vehicles with a full suite of proprietary, value-added services that address the entire lifecycle of the vehicle and deepen its customer relationships. The following financial information is extracted from the published documents of the Rivian 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>
Revenue	55	428	1,658	12,899
Net (loss)	(4,688)	(36,473)	(6,752)	(52,531)

Based on Rivian's published documents, the Rivian Group has an audited consolidated net assets value of approximately US\$19,514 million (equivalent to approximately HK\$151,819 million) as at 31 December 2021 and US\$13,799 million (equivalent to approximately HK\$107,356 million) as at 31 December 2022.

Based on Rivian's published documents, the Rivian Group has an unaudited consolidated net asset value of approximately US\$12,742 million (equivalent to approximately HK\$99,133 million) as at 31 March 2023.

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.

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 NVIDIA. The Group considers that the Further Acquisition of NVIDIA Shares can increase our holdings in this attractive investment and to further expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As 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.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF NIO SHARES AND THE DISPOSAL OF RIVIAN SHARES

As a result of the Disposal of NIO Shares, the Group is expected to recognise a loss of approximately US\$0.09 million (equivalent to approximately HK\$0.7 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 Disposal of NIO Shares and the acquisition cost of disposed NIO Shares.

As a result of the Disposal of Rivian Shares, the Group is expected to recognise a gain of approximately US\$0.09 million (equivalent to approximately HK\$0.7 million) being the difference between the consideration received from the Disposal of Rivian Shares and the acquisition cost of disposed Rivian Shares.

The Group considers that the Disposal of NIO Shares and the Disposal of Rivian Shares represent opportunities to allow the Group to reallocate the resources and investment portfolio. The Group has applied all the proceeds from the Disposal of NIO Shares and the Disposal of Rivian Shares of approximately US\$0.8 million (equivalent to approximately HK\$6.0 million) for the consideration for the Further Acquisition of NVIDIA Shares.

As the Disposal of NIO Shares and the Disposal of Rivian Shares were made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of NIO Shares and the Disposal of Rivian Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 Acquisition 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\$1.5 million (equivalent to approximately HK\$12.0 million).

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

Disposal of NIO Shares

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

Disposal of Rivian 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 Rivian Shares and the Company's previous disposal of Rivian Shares (for the avoidance of doubt, such disposal does not constitute a notifiable transaction on the part of the Company under the Listing Rules) involve the disposal of Rivian 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\$1.3 million (equivalent to approximately HK\$10.4 million).

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of (i) the Disposal of Rivian Shares (standing alone) and (ii) the Disposal of Rivian Shares and the Company's previous disposal of Rivian Shares (in aggregate) exceed 5% but all are less than 25%, the Disposal of Rivian 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 NVIDIA Shares”	acquisition of 1,730 NVIDIA Shares by the Company as disclosed in the announcement dated 7 August 2023
“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 NIO Shares”	disposal of 59,300 NIO Shares by the Company as disclosed in this announcement
“Disposal of Rivian Shares”	disposal of 33,500 Rivian Shares by the Company as disclosed in this announcement

“Further Acquisition of NVIDIA Shares”	further acquisition of 1,780 NVIDIA 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
“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
“Rivian”	Rivian Automotive, Inc., a Delaware corporation whose class A common stocks are listed on Nasdaq (trading symbol: RIVN)

“Rivian Group”	Rivian and its subsidiaries
“Rivian Share(s)”	Class A common stock of Rivian
“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, 10 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.