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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 TRANSACTION IN RELATION TO
FURTHER ACQUISITION OF LISTED SECURITIES**

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

Further Acquisition of DraftKings Shares

On 30 November 2023 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of DraftKings Shares and the Previous Disposals of DraftKings Shares as disclosed in the relevant Previous Announcements, the Company has further acquired an aggregate of 29,600 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).

LISTING RULES IMPLICATION

Further Acquisition of DraftKings 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 DraftKings Shares, the Previous Disposals of DraftKings Shares and the Further Acquisition of DraftKings Shares involve the acquisitions and disposals of DraftKings 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\$1.8 million (equivalent to approximately HK\$14.3 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 DraftKings Shares (standing alone) and (ii) the Previous Acquisitions of DraftKings Shares, the Previous Disposals of DraftKings Shares and the Further Acquisition of DraftKings Shares (in aggregate) exceed 5% but all are less than 25%, the Further 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.

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

Further Acquisition of DraftKings Shares

On 30 November 2023 (after trading hours of the Stock Exchange), further to the Previous Acquisitions of DraftKings Shares and the Previous Disposals of DraftKings Shares as disclosed in the relevant Previous Announcements, the Company has further acquired an aggregate of 29,600 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 further acquisition of each DraftKings Share was approximately US\$38.68 (equivalent to approximately HK\$300.90). 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 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.

INFORMATION ON DRAFTKINGS

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 31		For the year ended 31	
	December 2021		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.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITION OF DRAFTKINGS 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. The Board holds positive views towards the financial performance and future prospect of DraftKings. The Group considers that the Further Acquisition of DraftKings 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 DraftKings 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 DraftKings 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 DraftKings 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 DraftKings Shares, the Previous Disposals of DraftKings Shares and the Further Acquisition of DraftKings Shares involve the acquisitions and disposals of DraftKings 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\$1.8 million (equivalent to approximately HK\$14.3 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 DraftKings Shares (standing alone) and (ii) the Previous Acquisitions of DraftKings Shares, the Previous Disposals of DraftKings Shares and the Further Acquisition of DraftKings Shares (in aggregate) exceed 5% but all are less than 25%, the Further 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.

DEFINITIONS

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

“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

“Further Acquisition of DraftKings Shares”	further acquisition of 29,600 DraftKings 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
“Previous Acquisitions of DraftKings Shares”	the series of acquisitions of an aggregate of 115,800 DraftKings Shares by the Company during the period from 17 February 2023 (after trading hours the Stock Exchange) and up to (and inclusive of) 4 August 2023 (after trading hours the Stock Exchange) as set out in the Previous Announcements
“Previous Announcements”	the announcements of the Company dated 20 February 2023, 30 March 2023 and 7 August 2023 in relation to, inter alia, the Previous Acquisitions of DraftKings Shares and the Previous Disposals of DraftKings Shares
“Previous Disposals of DraftKings Shares”	the series of disposals of an aggregate of 94,700 DraftKings Shares by the Company (including non-notifiable and notifiable transactions for the Company under Chapter 14 of the Listing Rules) during the period from 29 March 2023 (after trading hours the Stock Exchange) and up to (and inclusive of) 16 August 2023 (after trading hours the Stock Exchange) 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

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 30 November 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. 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.