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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
ACQUISITION OF LISTED SECURITIES

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

Acquisition of New Oriental Shares

On 19 December 2022 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 76,100 New Oriental Shares through the open market at an aggregate consideration of approximately US\$2.7 million (equivalent to approximately HK\$20.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of New Oriental Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of New Oriental Shares exceed 5% but all are less than 25%, the Acquisition of New Oriental Shares constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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Acquisition of New Oriental Shares

On 19 December 2022 (after trading hours of the Stock Exchange), the Company acquired an aggregate of 76,100 New Oriental Shares through the open market at an aggregate consideration of approximately US\$2.7 million (equivalent to approximately HK\$20.9 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each New Oriental Share was approximately US\$35.29 (equivalent to approximately HK\$274.57). The aggregate consideration of approximately US\$2.7 million (equivalent to approximately HK\$20.9 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

INFORMATION ON NEW ORIENTAL

New Oriental is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. New Oriental conducts their operations primarily through their PRC subsidiaries, variable interest entities and the variable interest entities' subsidiaries and schools. New Oriental Group provides educational services in PRC primarily under the "New Oriental" brand, and it offers a wide range of educational programs, services and products, consisting primarily of educational services and test preparation courses, online education and other services, overseas study consulting services, educational material and distribution, and others.

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

	For the year ended		For the year ended	
	31 May 2021		31 May 2022	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Net revenues	4,276,539	33,271,473	3,105,246	24,158,814
Net income/(loss)	230,021	1,789,563	(1,220,276)	(9,493,747)

Based on New Oriental's published documents, the New Oriental Group has an audited consolidated net asset value of approximately US\$5,018 million (equivalent to approximately HK\$39,041 million) as at 31 May 2021 and US\$3,794 million (equivalent to approximately HK\$29,514 million) as at 31 May 2022.

Based on New Oriental's published documents, the New Oriental Group has an unaudited consolidated net asset value of approximately US\$3,817 million (equivalent to approximately HK\$29,694 million) as at 31 August 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 facilitate the technological development and create greater value for the Shareholders.

New Oriental is the leading technology-driven private educational service provider in PRC. The Board holds positive views towards the financial performance and future prospect of New Oriental. The Group considers that the Acquisition of New Oriental Shares is a 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 New Oriental Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of New Oriental 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 New Oriental Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of New Oriental Shares exceed 5% but all are less than 25%, the Acquisition of New Oriental 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 New Oriental Shares”	acquisition of 76,100 New Oriental 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
“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
“New Oriental”	New Oriental Education & Technology Group Inc., an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on New York Stock Exchange (stock code: EDU)
“New Oriental Group”	New Oriental, its subsidiaries, and its variable interest entities and the variable interest entities’ subsidiaries and schools
“New Oriental Share(s)”	American depository share(s) of New Oriental

“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, 20 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. Such translations shall not be construed as a representation that amounts of US\$ was 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.