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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)

VOLUNTARY ANNOUNCEMENT
ACQUISITIONS OF LISTED SECURITIES

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

Acquisition of Wynn Shares

On 28 December 2022, the Company has acquired an aggregate of 578,000 Wynn Shares through the open market at an aggregate consideration of approximately HK\$5.0 million (excluding transaction costs).

Acquisition of Koolearn Shares

On 28 December 2022, the Company has acquired an aggregate of 36,000 Koolearn Shares through the open market at an aggregate consideration of approximately HK\$2.0 million (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of Wynn Shares

As all applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Acquisition of Wynn Shares are below 5%, the Acquisition of Wynn Shares does not constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will comply with the relevant disclosure requirements under the Listing Rules in relation to future transactions by the Group regarding acquisitions of listed securities as and when appropriate.

Acquisition of Koolearn Shares

As all applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Acquisition of Koolearn Shares are below 5%, the Acquisition of Koolearn Shares does not constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will comply with the relevant disclosure requirements under the Listing Rules in relation to future transactions by the Group regarding acquisitions of listed securities as and when appropriate.

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

Acquisition of Wynn Shares

On 28 December 2022, the Company acquired an aggregate of 578,000 Wynn Shares through the open market at an aggregate consideration of approximately HK\$5.0 million (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Wynn Share was approximately HK\$8.64. The aggregate consideration of approximately HK\$5.0 million (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

Acquisition of Koolearn Shares

On 28 December 2022, the Company acquired an aggregate of 36,000 Koolearn Shares through the open market at an aggregate consideration of approximately HK\$2.0 million (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Koolearn Share was approximately HK\$55.36. The aggregate consideration of approximately HK\$2.0 million (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

INFORMATION ON WYNN AND KOOLEARN

Wynn

Wynn is an exempted company incorporated in Cayman Islands with limited liability. The Wynn Group owns and operates hotel and casino resorts in Macau, namely Wynn Palace and Wynn Macau.

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

	For the year ended 31 December 2020 (audited) <i>HK\$'000</i>	For the year ended 31 December 2021 (audited) <i>HK\$'000</i>
Revenue	7,612,412	11,725,426
Net (loss)	(7,216,872)	(5,179,295)

Based on Wynn's published documents, the Wynn Group has an audited consolidated net liability value of approximately HK\$5,056 million as at 31 December 2020 and HK\$10,023 million as at 31 December 2021.

Based on Wynn's published documents, the Wynn Group has an unaudited consolidated net liability value of approximately HK\$13,523 million as at 30 June 2022.

Koolearn

Koolearn is an exempted company incorporated in Cayman Islands with limited liability. Koolearn provides education service to college students and other occupational people, operates a business to business platform using online education modules to provide software-as-a-service online education service to institutional customers such as public libraries and universities. Koolearn also operates livestreaming e-commerce business for sales of products to individual customers and others.

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

	For the year ended		For the year ended	
	31 May 2021		31 May 2022	
	(audited)		(audited)	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	623,630	698,466	600,526	672,589
Net (loss)	(1,658,392)	(1,857,399)	(533,964)	(598,040)

Based on Koolearn's published documents, the Koolearn Group has an audited consolidated net asset value of approximately RMB2,009 million (equivalent to approximately HK\$2,250 million) as at 31 May 2021 and RMB1,641 million (equivalent to approximately HK\$1,838 million) as at 31 May 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.

Wynn is the leading developer, owner and operator of integrated destination casino resorts in Macau. Koolearn is the leading online provider of extracurricular education services in China with a comprehensive portfolio of well-recognised brands known for high-quality courses and content, with core expertise in online test preparation for adult students and vocational students. The Board holds positive views towards the financial performance and future prospect of Wynn and Koolearn. 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 Wynn Shares

As all applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Acquisition of Wynn Shares are below 5%, the Acquisition of Wynn Shares does not constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will comply with the relevant disclosure requirements under the Listing Rules in relation to future transactions by the Group regarding acquisitions of listed securities as and when appropriate.

Acquisition of Koolearn Shares

As all applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Acquisition of Koolearn Shares are below 5%, the Acquisition of Koolearn Shares does not constitute a notifiable transaction on the part of the Company under the Listing Rules. The Company will comply with the relevant disclosure requirements under the Listing Rules in relation to future transactions by the Group regarding acquisitions of listed securities as and when appropriate.

DEFINITIONS

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

“Acquisition of Wynn Shares”	acquisition of 578,000 Wynn Shares by the Company in the open market as disclosed in this announcement
“Acquisition of Koolearn Shares”	acquisition of 36,000 Koolearn Shares by the Company in the open market as disclosed in this announcement
“Acquisitions”	Collectively, the Acquisition of Wynn Shares and the Acquisition of Koolearn Shares
“Board”	the board of Directors
“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)
“Koolearn”	Koolearn Technology Holding Limited, an exempted company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1797)
“Koolearn Group”	Koolearn and its subsidiaries
“Koolearn Share(s)”	Ordinary share(s) in the share capital of Koolearn
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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
“Wynn”	Wynn Macau, Limited, an exempted company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1128)
“Wynn Group”	Wynn and its subsidiaries
“Wynn Share(s)”	Ordinary share(s) in the share capital of Wynn

“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, 28 December 2022

For the purpose of this announcement, 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 RMB 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.