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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)

**MAJOR 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 Pop Mart Shares

On 23 April 2024, further to the Previous Acquisitions of Pop Mart Shares, the Company has acquired an aggregate of 145,000 Pop Mart Shares through the open market at an aggregate consideration of approximately HK\$5.0 million (excluding transaction costs).

LISTING RULES IMPLICATION

Further Acquisition of Pop Mart 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 Pop Mart Shares and the Further Acquisition of Pop Mart Shares involve the acquisition of Pop Mart 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 HK\$28.0 million.

The Further Acquisition of Pop Mart Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Acquisition of Pop Mart Shares, when aggregated with the Previous Acquisitions of Pop Mart Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 100%, the Further Acquisition of Pop Mart Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Further Acquisition of Pop Mart Shares; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Further Acquisition of Pop Mart Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Acquisition of Pop Mart Shares. Thus, if the Company were to convene a general meeting to approve the Further Acquisition of Pop Mart Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Acquisition of Pop Mart Shares. As such, the Further Acquisition of Pop Mart Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Acquisition of Pop Mart Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Acquisition of Pop Mart Shares.

A circular in relation to the Further Acquisition of Pop Mart Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 16 May 2024.

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

Further Acquisition of Pop Mart Shares

On 23 April 2024, further to the Previous Acquisitions of Pop Mart Shares, the Company has acquired an aggregate of 145,000 Pop Mart 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 Pop Mart Share was approximately HK\$34.447. The aggregate consideration of approximately HK\$5.0 million (excluding transaction costs) was financed by the Group's existing internal financial resources.

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

INFORMATION ON POP MART

Pop Mart

Pop Mart is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. Pop Mart is a market leading player in character-based entertainment, renowned for pioneering the designer toy culture worldwide. Pop Mart conducts its business through its subsidiaries, which are principally engaged in the product design and development and sale of pop toys in the PRC and certain overseas countries and regions.

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

	For the year ended		For the year ended	
	31 December 2022		31 December 2023	
	<i>(audited)</i>		<i>(audited)</i>	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	4,617,324	5,079,056	6,301,002	6,931,102
Profit before income tax	639,529	703,482	1,415,755	1,557,331
Profit for the year	1,088,771	1,197,648	475,801	523,381
Profit attributable to owners of the Company	475,660	523,226	1,082,344	1,190,578

Based on Pop Mart's published documents, the Pop Mart Group has an audited consolidated net assets value of approximately RMB6,965 million (equivalent to approximately HK\$7,662 million) as at 31 December 2022 and approximately RMB7,780 million (equivalent to approximately HK\$8,558 million) as at 31 December 2023.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITION OF POP MART 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.

Pop Mart is a market leading player in character-based entertainment, renowned for pioneering the designer toy culture worldwide. The Board holds positive views towards the financial performance and future prospects of Pop Mart. The Group considers that the Further Acquisition of Pop Mart Shares represents 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 Further Acquisition of Pop Mart 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 Pop Mart 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 Pop Mart 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 Pop Mart Shares and the Further Acquisition of Pop Mart Shares involve the acquisition of Pop Mart 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 HK\$28.0 million.

The Further Acquisition of Pop Mart Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Acquisition of Pop Mart Shares, when aggregated with the Previous Acquisitions of Pop Mart Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 100%, the Further Acquisition of Pop Mart Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Further Acquisition of Pop Mart Shares; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Further Acquisition of Pop Mart Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Acquisition of Pop Mart Shares. Thus, if the Company were to convene a general meeting to approve the Further Acquisition of Pop Mart Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Acquisition of Pop Mart Shares. As such, the Further Acquisition of Pop Mart Shares may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

The Board is pleased to announce that, in relation to written approval in lieu of holding a general meeting in respect of the Further Acquisition of Pop Mart Shares, it obtained the Shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of this announcement) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Further Acquisition of Pop Mart Shares.

A circular in relation to the Further Acquisition of Pop Mart Shares and other information required to be disclosed under the Listing Rules will be dispatched to the Shareholders, for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 16 May 2024.

DEFINITIONS

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

“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
“Further Acquisition of Pop Mart Shares”	further acquisition of 145,000 Pop Mart Shares by the Company as disclosed in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Pop Mart”	Pop Mart International Group 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: 9992)
“Pop Mart Group”	Pop Mart and its subsidiaries
“Pop Mart Shares”	ordinary share(s) in the share capital of Pop Mart

“PRC”	the People’s Republic of China
“Previous Acquisitions of Pop Mart Shares”	the series of acquisitions of an aggregate of 816,000 Pop Mart Shares by the Company during the period from 22 March and up to (and inclusive of) 2 April 2024 which includes but is not limited to those set out in the Previous Announcements
“Previous Announcements”	the announcements of the Company dated 22 March 2024 and 2 April 2024 in relation to, <i>inter alia</i> , the Previous Acquisitions of Pop Mart Shares
“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
“%”	per cent.

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

Hong Kong, 23 April 2024

For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rate of RMB1.00:HK\$1.10. Such translations shall not be construed as a representation that amounts of 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.