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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 DISPOSAL OF LISTED SECURITIES**

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

**Further Disposal of XPeng Shares**

On 31 July 2023 (after trading hours of the Stock Exchange), further to the disposal of 18,300 XPeng Shares as disclosed in the announcement of the Company dated 10 July 2023, the Company has further disposed of an aggregate of 131,400 XPeng Shares through the open market at an aggregate consideration of approximately US\$2.6 million (equivalent to approximately HK\$20.6 million) (excluding transaction costs).

**LISTING RULES IMPLICATIONS**

**Further Disposal of XPeng 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 XPeng Shares and the Further Disposal of XPeng Shares involve the disposal of XPeng 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\$3.2 million (equivalent to approximately HK\$24.6 million).

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Disposal of XPeng Shares, when aggregated with the Disposal of XPeng Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the Further Disposal of XPeng 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 Disposal of XPeng 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 Disposal of XPeng 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 Disposal of XPeng Shares. Thus, if the Company were to convene a general meeting to approve the Further Disposal of XPeng Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Disposal of XPeng Shares. As such, the Further Disposal of XPeng 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 Disposal of XPeng 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 Disposal of XPeng Shares.

A circular in relation to the Further Disposal of XPeng 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 24 August 2023.

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

### **Further Disposal of XPeng Shares**

On 31 July 2023 (after trading hours of the Stock Exchange), further to the disposal of 18,300 XPeng Shares as disclosed in the announcement of the Company dated 10 July 2023, the Company has further disposed of an aggregate of 131,400 XPeng Shares through the open market at an aggregate consideration of approximately US\$2.6 million (equivalent to approximately HK\$20.6 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each XPeng Share was approximately US\$20.13 (equivalent to approximately HK\$156.59).

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

## **REASONS FOR THE FURTHER DISPOSAL OF XPENG SHARES**

As a result of the Further Disposal of XPeng Shares, the Group is expected to recognise a gain of approximately US\$1.2 million (equivalent to approximately HK\$9.0 million) being the difference between the consideration received from the Further Disposal of XPeng Shares and the acquisition cost of disposed XPeng Shares. The Group considers that the Further Disposal of XPeng Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied part of the proceeds from the Further Disposal of XPeng Shares of approximately US\$1.0 million (equivalent to approximately HK\$7.9 million) for the consideration for the Acquisition of Shopify Shares by the Company as disclosed in the announcement of the Company dated 1 August 2023. The Group intends to apply the remaining proceeds from the Further Disposal of XPeng Shares of approximately US\$0.2 million (equivalent to approximately HK\$1.1 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Further Disposal of XPeng Shares was made in the open market at prevailing market price, the Directors (including the independent non-executive Directors) are of the view that the terms of the Further Disposal of XPeng Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company is an investment holding company principally engaged in the manufacture and trading of electronic and electrical parts and components. The Company operates its business through three segments: (i) The Manufacturing segment is engaged in the sale of electronics and electrical parts and components produced by the Company. The products manufactured by the Company are mainly applied in smart consumer electronic devices. (ii) The Broadband Infrastructure and Smart Domain segment is engaged in the provision of broadband infrastructure construction services, broadband promotion services, and smart domain solutions. (iii) The Trading segment is engaged in the trading of electronic and electrical parts and components sourced from third party suppliers.

## INFORMATION ON XPENG

XPeng is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. XPeng conducts their operations primarily through their PRC subsidiaries. XPeng designs, develops, manufactures, and markets smart electric vehicles that appeal to the large and growing base of technology-savvy middle-class consumers. The XPeng Group is also involved in providing after-sales services to their customers.

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

	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 December 2021</b>		<b>31 December 2022</b>	
	<b>(audited)</b>		<b>(audited)</b>	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenues	20,988,131	23,716,588	26,855,119	30,346,284
Net (loss)	(4,863,096)	(5,495,298)	(9,138,972)	(10,327,038)

Based on XPeng's published documents, the XPeng Group has an audited consolidated net assets value of approximately RMB42,147 million (equivalent to approximately HK\$47,626 million) as at 31 December 2021 and RMB36,911 million (equivalent to approximately HK\$41,709 million) as at 31 December 2022.

Based on XPeng's published documents, the XPeng Group has an unaudited consolidated net asset value of approximately RMB34,454 million (equivalent to approximately HK\$38,933 million) as at 31 March 2023.

## IMPLICATIONS UNDER THE LISTING RULES

### Further Disposal of XPeng 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 XPeng Shares and the Further Disposal of XPeng Shares involve the disposal of XPeng 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\$3.2 million (equivalent to approximately HK\$24.6 million).

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To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Further Disposal of XPeng Shares. Thus, if the Company were to convene a general meeting to approve the Further Disposal of XPeng Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Further Disposal of XPeng Shares. As such, the Further Disposal of XPeng 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 Disposal of XPeng 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 Disposal of XPeng Shares.

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## **DEFINITIONS**

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

“Acquisition of Shopify Shares”	acquisition of 15,000 Shopify Shares by the Company as disclosed in the announcement of the Company dated 1 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 XPeng Shares”	disposal of 18,300 XPeng Shares by the Company as disclosed in the announcement of the Company dated 10 July 2023
“Further Disposal of XPeng Shares”	further disposal of 131,400 XPeng 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
“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
“Shopify”	Shopify, Inc., a Canada corporation whose Class A Subordinate Voting Shares are listed on the New York Stock Exchange (trading symbol: SHOP)
“Shopify Share(s)”	Class A Subordinate Voting Share(s) of Shopify
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“XPeng”	XPeng Inc., an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on the New York Stock Exchange (stock code: XPEV)
“XPeng Group”	XPeng and its subsidiaries
“XPeng Share(s)”	American depository share(s) of XPeng
“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, 3 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\$1.13. 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.*