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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
DISPOSAL OF LISTED SECURITIES**

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

Disposal of Shopify Shares

On 3 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 15,000 Shopify Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.3 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Shopify Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal of Shopify Shares exceed 5% but all are less than 25%, the Disposal of Shopify 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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On 3 August 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 15,000 Shopify Shares through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.3 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Shopify Share was approximately US\$62.15 (equivalent to approximately HK\$483.51).

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

INFORMATION ON SHOPIFY

Shopify

Shopify is a Canada corporation and operates an e-commerce platform for online stores and retail point-of-sale systems. Its platform offers online retailers a suite of services including payments, marketing, shipping and customer engagement tools.

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

	For the year ended 31 December 2021 (audited)		For the year ended 31 December 2022 (audited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Revenues	1,342,334	10,443,359	1,487,759	11,574,765
Net (loss)/income	2,914,659	22,676,047	(3,460,418)	(26,922,052)

Based on Shopify's published documents, the Shopify Group has an audited consolidated net asset value of approximately US\$11,133 million (equivalent to approximately HK\$86,615 million) as at 31 December 2021 and US\$8,239 million (equivalent to approximately HK\$64,099 million) as at 31 December 2022.

Based on Shopify's published documents, the Shopify Group has an unaudited consolidated net asset value of approximately US\$8,457 million (equivalent to approximately HK\$65,795 million) as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF SHOPIFY SHARES

As a result of the Disposal of Shopify Shares, the Group is expected to recognise a loss of approximately US\$0.1 million (equivalent to approximately HK\$0.7 million) which will affect profit and loss of the Group for the year ending 31 December 2023 and is calculated on the basis of the difference between the consideration received from the Disposal of Shopify Shares and the acquisition cost of disposed Shopify Shares.

The Group considers that the Disposal of Shopify Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied all of the proceeds from the Disposal of Shopify Shares of approximately US\$0.9 million (equivalent to approximately HK\$7.3 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Disposal of Shopify Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of Shopify Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Disposal of Shopify Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of Shopify Shares exceed 5% but all are less than 25%, the Disposal of Shopify 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
“Disposal of Shopify Shares”	disposal of 15,000 Shopify 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
“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 Group”	Shopify and its subsidiaries
“Shopify Share(s)”	Class A Subordinate Voting Share(s) of Shopify
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 4 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. Such translation 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.