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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Brainhole Technology Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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**

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 3 to 9 of this circular.

This circular is being despatched to the Shareholders for information only. The Further Disposal of XPeng Shares has been approved by the written approval pursuant to Rule 14.44 of the Listing Rules. The Company is exempted from convening a shareholders’ meeting for the approval of the Further Disposal of XPeng Shares.

15 September 2023

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DEFINITIONS

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

“Acquisition of Shopify Shares”	acquisition of 15,000 Shopify Shares by the Company as disclosed in the announcement dated 1 August 2023
“Announcement”	the announcement of the Company dated 3 August 2023 in relation to, among other things, the Further Disposal of XPeng Shares
“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)
“Completion”	the completion of the Further Disposal of XPeng Shares
“connected person”	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 dated 10 July 2023
“Further Disposal of XPeng Shares”	further disposal of 131,400 XPeng Shares by the Company
“Group”	the Company and its subsidiaries
“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)
“Latest Practicable Date”	11 September 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“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 (trading symbol: 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.

LETTER FROM THE BOARD

BRAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2203)

Executive Directors:

Mr. Zhang Liang Johnson (*Chairman*)
Ms. Wan Duo

Independent Non-executive Directors:

Mr. Xu Liang
Mr. Chen Johnson Xi
Ms. Zhang Yibo

Registered office:

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Suites 1801-03, 18/F.,
One Taikoo Place,
979 King's Road,
Quarry Bay,
Hong Kong

15 September 2023

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
FURTHER DISPOSAL OF LISTED SECURITIES**

1. INTRODUCTION

Reference is made to the Announcement in relation to the Further Disposal of XPeng Shares.

The purpose of this circular is to provide you with (i) the details of the Further Disposal of XPeng Shares; and (ii) further information required to be disclosed under the Listing Rules.

LETTER FROM THE BOARD

FURTHER DISPOSAL OF XPENG SHARES

On 31 July 2023 (after trading hours of the Stock Exchange), further to (i) the disposal of 25,600 XPeng Shares through the open market at an aggregate consideration of approximately US\$0.4 million (equivalent to approximately HK\$3.0 million) (excluding transaction costs) on 5 July 2023 (after trading hours of the Stock Exchange); (ii) the disposal of 18,300 XPeng Shares through the open market at an aggregate consideration of approximately US\$0.3 million (equivalent to approximately HK\$2.0 million) (excluding transaction costs) as disclosed in the announcement of the Company dated 10 July 2023; and (iii) the disposal of 17,600 XPeng Shares through the open market at an aggregate consideration of approximately US\$0.3 million (equivalent to approximately HK\$2.0 million) (excluding transaction costs) on 13 July 2023 (after trading hours of the Stock Exchange), 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). The total consideration for the aggregate of all transactions respectively contemplated under (i) the Disposal of XPeng Shares; (ii) the Company's previous disposals of XPeng Shares on 5 July 2023 (after trading hours of the Stock Exchange) and 13 July 2023 (after trading hours of the Stock Exchange) (for the avoidance of doubt, such disposals do not constitute notifiable transactions on the part of the Company under the Listing Rules); and (iii) the Further Disposal of XPeng Shares is approximately US\$3.6 million (equivalent to approximately HK\$27.6 million).

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.

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.

LETTER FROM THE BOARD

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:

	For the year ended 31 December 2021 (audited)		For the year ended 31 December 2022 (audited)	
	<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) before taxation	(4,837,106)	(5,465,930)	(9,118,358)	(10,303,745)
Net (loss) after taxation	(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.

FINANCIAL EFFECT OF THE FURTHER DISPOSAL OF XPENG SHARES

Upon Completion, the Company shall cease to hold any XPeng Shares. Upon Completion, the Group expects to recognise a gain on the Further Disposal of XPeng Shares (before taxation) of HK\$9.0 million, which is the difference between the aggregate consideration for the Further Disposal of XPeng Shares of HK\$20.6 million and the carrying amount of approximately HK\$11.6 million of the disposed XPeng Shares, which is classified as financial assets at fair value through profit or loss in the consolidated financial statement of the Group.

Upon Completion, the total assets of the Group would have increased by HK\$9.0 million due to the recognition of the gain on the Further Disposal of XPeng Shares minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

It should be noted that the above financial effects of the Further Disposal of XPeng Shares are for illustrative purpose only. The actual impact of the Proposed Disposal to be recognised by the Group will be subject to final audit by the Company's auditors.

LETTER FROM THE BOARD

REASONS FOR THE FURTHER DISPOSAL OF XPENG SHARES

The aggregate consideration of the Disposal of XPeng Shares was approximately US\$0.3 million (equivalent to approximately HK\$2.0 million) (excluding transaction costs). The aggregate consideration of the Company's previous disposals of XPeng Shares on 5 July 2023 (after trading hours of the Stock Exchange) and 13 July 2023 (after trading hours of the Stock Exchange) was approximately US\$0.7 million (equivalent to approximately HK\$5.0 million) (excluding transaction costs). As a result, the total consideration for the aggregate of all transactions respectively contemplated under (i) the Disposal of XPeng Shares; (ii) the Company's previous disposals of XPeng Shares on 5 July 2023 (after trading hours of the Stock Exchange) and 13 July 2023 (after trading hours of the Stock Exchange) (for the avoidance of doubt, such disposals do not constitute notifiable transactions on the part of the Company under the Listing Rules); and (iii) the Further Disposal of XPeng Shares is approximately US\$3.6 million (equivalent to approximately HK\$27.6 million).

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 dated 1 August 2023. The Group intends to apply the remaining proceeds from the Further Disposal of XPeng Shares of approximately US\$1.6 million (equivalent to approximately HK\$12.7 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.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined 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 for the Company and is subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

REMEDIAL ACTIONS

Pursuant to Rule 14.34 of the Listing Rules, after the terms of a major transaction have been finalised, the Company must publish an announcement as soon as possible. As such, the failure by the Company to comply with the above requirement constituted breach of Rule 14.34 of the Listing Rules.

The Company attributes the incident of non-compliance with the Listing Rules as disclosed in this circular to the misapprehension as to the treatment of the Further Disposal of XPeng Shares under Chapter 14 of the Listing Rules by its responsible staff and management. As there were multiple transactions that took place at the same time, the responsible staff and management of the Company believed that they had made adequate disclosure, without realising that the Further Disposal of XPeng Shares would constitute “transactions” under Chapter 14 of the Listing Rules. As a result, the Company did not publish an announcement of the Further Disposal of XPeng Shares in a timely manner. Subsequently, the Company discovered this matter and made the Announcement on its initiative. The required details of the Further Disposal of XPeng Shares had been disclosed in the Announcement and this circular.

The Company deeply regrets that its non-compliance with the Listing Rules as disclosed in this circular. It would like to stress that such delay was inadvertent and the Company had no intention to withhold any information relating to the Further Disposal of XPeng Shares.

The Company takes the above incident seriously and has implemented the following remedial actions in order to prevent recurrence of such delay in the future:

1. The Company has reminded its responsible staff and management of the treatment and reporting procedures of notifiable transactions under the Listing Rules to avoid delay in disclosure in the future should such obligations arise. The Company will also offer trainings to the responsible staff, management and the Directors relating to notifiable transactions under the Listing Rules in order to strengthen and reinforce their existing knowledge as well as their ability to identify potential issues at an early stage. Such trainings were completed by end of August 2023.
2. The Company will work more closely with its legal advisers on compliance issues and shall, as and when appropriate, consult other professional advisers before entering into any potential notifiable transaction. If necessary, the Company might also consult the Stock Exchange on the proper treatment of a proposed transaction.

LETTER FROM THE BOARD

3. The Company will strengthen the coordination and reporting arrangements for notifiable transactions among various departments of the Company to ensure due compliance of the Listing Rules. Prior to entering into any transaction not in the ordinary and usual course of business of the Group in the future where disclosure threshold is met, the relevant departments will be notified and draft agreements (if any) will be circulated for their review to ensure compliance with applicable requirements under the Listing Rules.

The Directors believe that the implementation of the remedial measures as disclosed above will strengthen and reinforce the knowledge of the responsible staff, management and Directors relating to notifiable transactions under the Listing Rules, and improve the regulatory compliance abilities of the Company in the identification and reporting of related issues with assistance from appropriate external advisers. Going forward, the Company will make such disclosure in a timely manner to ensure compliance with 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 Shareholder's approval in accordance with Rule 14.44 of the Listing Rules.

In relation to written approval in lieu of holding a general meeting in respect of the Further Disposal of XPeng Shares, the Company obtained 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 the written approval by Yoho Bravo Limited and the Latest Practicable Date respectively) 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Further Disposal of XPeng Shares are on normal commercial terms, which is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors would recommend the Shareholders to vote in favour of the Further Disposal of XPeng Shares if a physical meeting were to be held.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Company for the three years ended 31 December 2020, 2021 and 2022 have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.brainholetchnology.com>) respectively:

- the annual report of the Company for the year ended 31 December 2020 (pages 76 to 157) published on 28 April 2021, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042800751.pdf>

- the annual report of the Company for the year ended 31 December 2021 (pages 84 to 169) published on 28 April 2022, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800574.pdf>

- the annual report of the Company for the year ended 31 December 2022 (pages 81 to 169) published on 26 April 2023, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600894.pdf>

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

At the close of business on 31 July 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Circular, the Group had outstanding indebtedness as follows:

	31 July 2023 <i>HK\$'000</i>
Lease liabilities	<u>5,868</u>
Loan from immediate holding company	<u>486</u>
Loans from related companies	<u>52,973</u>
Loan from ultimate controlling party	<u>80,824</u>

As at 31 July 2023, all the loan from immediate holding company, loans from related companies and loan from ultimate controlling party of the Group disclosed above are unsecured and unguaranteed.

Save as disclosed above, the Group did not, as of the close of business on 31 July 2023, have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including

bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds and the available facilities, and the impact of the Further Disposal of XPeng Shares, the Group will have sufficient working capital for its business for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66 (12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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 aims to leverage our own advantages in the field of smart technology to capture investment opportunities and actively diversify the investments in the field of innovative technologies, in order to create greater value for the Shareholders.

Since 2022, the Group commenced the strategic investments business which engages in trading of cryptocurrencies and listed equity securities. In particular to the listed equity securities, the investment portfolio mainly comprises leading technology companies and high quality large companies listed in the United States and Hong Kong. As stated in the paragraph headed “REASONS FOR THE FURTHER DISPOSAL OF XPENG SHARES” in the section headed “LETTER FROM THE BOARD”, the Group considers that the Disposal of XPeng Shares and the Further Disposal of XPeng Shares represent opportunities to allow the Group to reallocate the resources and investment portfolio. The Group will closely monitor and assess the performance of these listed equity securities and make timely and appropriate adjustments on the investment portfolio to enhance the returns for the Group and realise the investments as and when appropriate.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares of the Company

As at the Latest Practicable Date, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange.

Long positions in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares held	Approximate
			percentage of interest in the Company as at Latest Practicable Date
Mr. Zhang Liang Johnson	Interest of controlled Corporation (<i>Note</i>)	599,658,000 Shares (L)	74.96%

(L) denotes long position

Note:

Mr. Zhang Liang Johnson, an executive Director, was interested in 599,658,000 Shares, representing approximately 74.96% of the Company's issued share capital as at 31 December 2022, through Yoho Bravo Limited which is wholly-owned by him.

(b) Substantial Shareholders' interests and short positions

Name of Shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of interest in our Company as at the Latest Practicable Date
Yoho Bravo Limited (<i>Note</i>)	Beneficial owner	599,658,000 (L)	74.96%

(L) denotes long position

Note:

Mr. Zhang Liang Johnson, an executive Director, was interested in 599,658,000 Shares, representing approximately 74.96% of the Company's issued share capital as at 31 December 2022, through Yoho Bravo Limited which is wholly-owned by him. China Galaxy International Securities (Hong Kong) Co., Limited and its holding companies have a security interest in the said 599,658,000 Shares as at 31 December 2022.

Save as disclosed herein, at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into any service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

5. MATERIAL CONTRACTS

The Group has entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) on 31 July 2023 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the Further Disposal of XPeng Shares through the open market at the aggregate consideration of approximately US\$2.6 million (equivalent to approximately HK\$20.6 million) (for which no written contract was entered into between the parties thereto).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any material litigation or arbitration proceedings nor is any material litigation or claim pending or threatened against it.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of the Group.

8. GENERAL

- (a) The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Suites 1801-03, 18/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

- (c) The Hong Kong share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Wong Tik. Ms. Wong was appointed as company secretary and authorised representative of the Company on 1 September 2023. Ms. Wong is a certified public accountant and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

9. DOCUMENTS ON DISPLAY

A copy of a memorandum giving full particulars of the transaction contemplated under the Further Disposal of XPeng Shares (material contract (a) as mentioned above) will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.brainholetechnology.com>) for a period of 14 days from the date of this circular.