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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 Li Auto Shares

On 28 November 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 43,800 Li Auto Shares through the open market at an aggregate consideration of approximately US\$1.8 million (equivalent to approximately HK\$13.8 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Li Auto Shares

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal of Li Auto Shares exceed 5% but all are less than 25%, the Disposal of Li Auto 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.

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On 28 November 2023 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 43,800 Li Auto Shares through the open market at an aggregate consideration of approximately US\$1.8 million (equivalent to approximately HK\$13.8 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Li Auto Share was approximately US\$40.58 (equivalent to approximately HK\$315.68).

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

INFORMATION ON LI AUTO

Li Auto

Li Auto is a Cayman Islands holding company with no equity ownership in the VIEs and its subsidiaries. Li Auto conducts its operations through its PRC subsidiaries, VIEs and their respective subsidiaries in the PRC. Li Auto is a leader in the new energy vehicle market of the PRC. The Li Auto Group designs, develops, manufactures, and sells premium smart electric vehicles.

The following financial information is extracted from the published documents of the Li Auto 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>
Revenue	27,009,779	30,521,050	45,286,816	51,174,102
(Loss) before income tax expenses	(152,812)	(172,678)	(2,159,355)	(2,440,071)
Net (loss)	(321,455)	(363,244)	(2,032,348)	(2,296,553)

Based on Li Auto's published documents, the Li Auto Group has an audited consolidated net assets value of approximately RMB41,064 million (equivalent to approximately HK\$46,402 million) as at 31 December 2021 and RMB45,186 million (equivalent to approximately HK\$51,060 million) as at 31 December 2022.

Based on Li Auto’s published documents, the Li Auto Group has an unaudited consolidated net asset value of approximately RMB46,632 million (equivalent to approximately HK\$52,694 million) as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF LI AUTO SHARES

As a result of the Disposal of Li Auto Shares, the Group is expected to recognise a gain of approximately US\$0.09 million (equivalent to approximately HK\$0.7 million) being the difference between the consideration received from the Disposal of Li Auto Shares and the acquisition cost of disposed Li Auto Shares.

The Group considers that the Disposal of Li Auto Shares represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group has applied all the proceeds from the Disposal of Li Auto Shares of approximately US\$1.8 million (equivalent to approximately HK\$13.8 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Disposal of Li Auto Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of Li Auto 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 Li Auto Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Li Auto Shares exceed 5% but all are less than 25%, the Disposal of Li Auto 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 Li Auto Shares”	disposal of 43,800 Li Auto 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)
“Li Auto”	Li Auto Inc., a Cayman Islands holding company whose American depository shares are listed on Nasdaq (trading symbol: LI)
“Li Auto Group”	Li Auto and its subsidiaries
“Li Auto Share(s)”	American depository share(s) of Li Auto
“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
“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, 29 November 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.