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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 Sokon Shares

On 22 May 2024, the Company has disposed an aggregate of 40,700 Sokon Shares through the open market at an aggregate consideration of approximately RMB3.5 million (equivalent to approximately HK\$3.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Sokon Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Sokon Shares exceed 5% but all are less than 25%, the Disposal of Sokon 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 22 May 2024, the Company has disposed an aggregate of 40,700 Sokon Shares through the open market at an aggregate consideration of approximately RMB3.5 million (equivalent to approximately HK\$3.9 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Sokon Share was approximately RMB87.06 (equivalent to approximately HK\$95.60).

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

INFORMATION ON SOKON

Sokon

Sokon is a mixed-ownership manufacturer founded in 1986. The Sokon Group promotes transformation and upgrading from traditional vehicles to intelligent vehicles and from traditional manufacturing to intelligent manufacturing, and pursues high-quality development so as to realise the vision of “becoming a global branded enterprise of intelligent vehicles”. The Sokon Group has multiple wholly-owned subsidiaries such as Dongfeng Sokon Motor Co., Ltd., E-powertrain Company, Engine Company, Auto Components Company, Import & Export Company, etc. Its main products include intelligent electric vehicles, super urban SUVs, compact MPVs, mini-commercial battery electric vehicles, e-powertrain as well as energy-saving, environmentally friendly and high-performance engines such as 1.0–2.0-liter, 1.5T and 2.0T direct-injection turbochargers. These products are exported to more than 70 countries and regions.

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

	For the year ended 31 December 2021		For the year ended 31 December 2022		For the year ended 31 December 2023	
	(audited)		(audited)		(audited)	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	16,717,921	18,389,713	34,104,996	37,515,496	35,841,958	39,426,154
(Loss) before income tax	(2,609,860)	(2,870,846)	(4,930,410)	(5,423,451)	(4,080,859)	(4,488,945)
(Loss) for the year	(2,630,824)	(2,893,906)	(5,220,557)	(5,742,613)	(4,156,716)	(4,572,388)
(Loss) attributable to owners of the Company	(1,823,911)	(2,006,302)	(3,831,866)	(4,215,053)	(2,449,687)	(2,694,656)

Based on Sokon’s published documents, the Sokon Group has an audited consolidated net assets value of approximately RMB7,960 million (equivalent to approximately HK\$8,756 million) as at 31 December 2021, approximately RMB11,420 million (equivalent to approximately HK\$12,562 million) as at 31 December 2022 and approximately RMB11,406 million (equivalent to approximately HK\$12,547 million) as at 31 December 2023.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF SOKON SHARES

As a result of the Disposal of Sokon Shares, the Group is expected to recognise a gain of approximately RMB0.3 million (equivalent to approximately HK\$0.3 million) being the difference between the consideration received from the Disposal of Sokon Shares and the acquisition cost of disposed Sokon Shares. The Group considers that the Disposal of Sokon 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 Sokon Shares of approximately RMB3.5 million (equivalent to approximately HK\$3.9 million) in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Disposal of Sokon Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Disposal of Sokon 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 Sokon Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Sokon Shares exceed 5% but all are less than 25%, the Disposal of Sokon 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 Sokon Shares”	disposal of 40,700 Sokon 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 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
“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
“Sokon”	Seres Group Co., Ltd. (賽力斯集團股份有限公司, formerly known as Sokon Group or Chongqing Sokon Industry Group Co., Ltd, 重慶小康工業集團股份有限公司), a PRC joint-stock company whose domestic shares are listed on the Shanghai Stock Exchange (stock code: 601127.SH)
“Sokon Group”	Sokon and its subsidiaries
“Sokon Share(s)”	Domestic share(s) of Sokon
“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, 22 May 2024

For the purpose of this announcement, all amounts denominated in RMB has 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.