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BRA**IN**H**O**L**E**
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 Pop Mart Shares

On 31 May 2024, the Company has disposed an aggregate of 321,000 Pop Mart Shares through the open market at an aggregate consideration of approximately HK\$12.0 million (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Pop Mart Shares

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

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

Disposal of Pop Mart Shares

On 31 May 2024, the Company has disposed an aggregate of 321,000 Pop Mart Shares through the open market at an aggregate consideration of approximately HK\$12.0 million (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Pop Mart Share was approximately HK\$37.48.

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

INFORMATION ON POP MART

Pop Mart

Pop Mart is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. Pop Mart is a market leading player in character-based entertainment, renowned for pioneering the designer toy culture worldwide. It conducts its business through its subsidiaries, which are principally engaged in the product design and development and sale of pop toys in the PRC and certain overseas countries and regions.

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

	For the year ended 31 December 2021 (audited)		For the year ended 31 December 2022 (audited)		For the year ended 31 December 2023 (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	4,490,651	215,544,900	4,617,324	5,079,056	6,301,002	6,931,102
Profit before income tax	1,171,191	1,288,310	639,529	703,482	1,415,755	1,557,331
Profit for the year	854,567	940,024	475,801	523,381	1,088,771	1,197,648
Profit attributable to owners of the Company	854,339	939,773	475,660	523,226	1,082,344	1,190,578

Based on Pop Mart's published documents, the Pop Mart Group has an audited consolidated net assets value of approximately RMB6,820 million (equivalent to approximately HK\$7,502 million) as at 31 December 2021, approximately RMB6,965 million (equivalent to approximately HK\$7,662 million) as at 31 December 2022 and approximately RMB7,780 million (equivalent to approximately HK\$8,558 million) as at 31 December 2023.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF POP MART SHARES

As a result of the Disposal of Pop Mart Shares, the Group is expected to recognise a gain of approximately HK\$2.7 million being the difference between the consideration received from the Disposal of Pop Mart Shares and the acquisition cost of disposed Pop Mart Shares. The Group considers that the Disposal of Pop Mart 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 Pop Mart Shares of approximately HK\$12.0 million in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

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

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Pop Mart Shares exceed 5% but all are less than 25%, the Disposal of Pop Mart 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 Pop Mart Shares”	disposal of 321,000 Pop Mart 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
“Pop Mart”	Pop Mart International Group Limited, an exempted company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 9992)
“Pop Mart Group”	Pop Mart and its subsidiaries
“Pop Mart Share(s)”	ordinary share(s) in the share capital of Pop Mart
“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
“%”	per cent.

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

Hong Kong, 31 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.