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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)

**(1) DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF OPTIONS; AND
(2) DISCLOSEABLE TRANSACTION IN RELATION TO
DISPOSAL OF OPTIONS**

The Board announces that the Company has entered into the following transactions involving the acquisition of the Up Fintech Call Options and the disposal of the Broadcom Put Options.

Acquisition of Up Fintech Call Options

On 4 October 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 260,100 Up Fintech Call Options through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.8 million) (excluding transaction costs).

Disposal of Broadcom Put Options

On 4 October 2024 (after trading hours of the Stock Exchange), the Company has disposed an aggregate of 8,000 Broadcom Put Options through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.1 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Acquisition of Up Fintech Call Options

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition of Up Fintech Call Options exceed 5% but all are less than 25%, the Acquisition of Up Fintech Call Options 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.

Disposal of Broadcom Put Options

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Broadcom Put Options exceed 5% but all are less than 25%, the Disposal of Broadcom Put Options 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 transactions involving the acquisition of the Up Fintech Call Options and the disposal of the Broadcom Put Options.

Acquisition of Up Fintech Call Options

On 4 October 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 260,100 Up Fintech Call Options through the open market at an aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.8 million) (excluding transaction costs), to be exercised before 17 April 2025 at US\$12.00 (equivalent to approximately HK\$93.36). The aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.8 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Acquisition of Up Fintech Call Options was conducted in the open market, the identities of the counterparties of the acquired Up Fintech Call Options 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 Up Fintech Call Options are Independent Third Parties.

Disposal of Broadcom Put Options

On 4 October 2024 (after trading hours of the Stock Exchange), the Company has disposed an aggregate of 8,000 Broadcom Put Options through the open market at an aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.1 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of Broadcom Put Options was approximately US\$97.67 (equivalent to approximately HK\$759.86).

As the Disposal of Broadcom Put Options was conducted in the open market, the identities of the counterparties of the disposed Broadcom Put Options 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 Broadcom Put Options are Independent Third Parties.

INFORMATION ON UP FINTECH AND BROADCOM

Up Fintech

Based on public information available as of the date of this announcement, Up Fintech is an exempted company incorporated in Cayman Islands with limited liability and a holding company with no material operations of its own. It conducts its operations primarily through its subsidiaries, consolidated variable interest entities and their respective subsidiaries. The Up Fintech Group is mainly engaged in providing online brokerage services. It is a leading integrated financial technology platform providing cross-market, multi-product investment experience for investors around the world.

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

	For the year ended 31 December 2022 (audited)		For the year ended 31 December 2023 (audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenue	225,366	1,753,347	272,508	2,120,112
Income before income taxes	2,032	15,809	45,994	357,833
Net income (loss)	(2,257)	(17,559)	33,007	256,794

Based on Up Fintech's published documents, the Up Fintech Group has an audited consolidated net assets value of approximately US\$447 million (equivalent to approximately HK\$3,477.7 million) as at 31 December 2022 and approximately US\$489 million (equivalent to approximately HK\$3,804.4 million) as at 31 December 2023.

Based on Up Fintech's published documents, the Up Fintech Group has an unaudited consolidated net assets value of approximately US\$501 million (equivalent to approximately HK\$3,897.8 million) as at 30 June 2024.

Broadcom

Based on public information available as of the date of this announcement, Broadcom is a Delaware corporation and a global technology leader that develops and supplies a broad range of semiconductor and infrastructure software solutions. Broadcom's product offerings serve the data center, networking, software, broadband, wireless, storage, and industrial markets. Broadcom maintain design, product and software development engineering resources at locations in the United States, Asia, Europe and Israel.

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

	For the year ended 30 October 2022		For the year ended 29 October 2023	
	(audited)		(audited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Net revenue	26,277,000	204,435,060	27,891,000	216,991,980
Operating income	14,225,000	110,670,500	16,207,000	126,090,460
Net income	11,495,000	89,431,100	14,082,000	109,557,960

Based on Broadcom's published documents, the Broadcom Group has an audited consolidated net assets value of approximately US\$22,709 million (equivalent to approximately HK\$176.7 billion) as at 30 October 2022 and US\$23,988 million (equivalent to approximately HK\$186.6 billion) as at 29 October 2023.

Based on Broadcom's published documents, the Broadcom Group has an unaudited consolidated net asset value of approximately US\$69,961 million (equivalent to approximately HK\$544.3 billion) as at 5 May 2024.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF UP FINTECH CALL OPTIONS

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 always hopes to leverage our own advantages in the field of smart technology to actively diversify the investments in the field of innovative technologies, in order to facilitate the technological development and create greater value for the Shareholders.

Up Fintech is a leading integrated financial technology platform providing cross-market, multi-product investment experience for investors around the world. The Board holds positive views towards the financial performance and future prospect of Up Fintech. After due and careful consideration of the information relating to Up Fintech including its business model, financial performance and business prospects, the Directors are of the view that the Acquisition of Up Fintech Call Options provides the Group with good investment opportunities to expand the investment portfolio with quality assets and satisfactory return.

As the Acquisition of Up Fintech Call Options was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of Up Fintech Call Options is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF BROADCOM PUT OPTIONS

As a result of the Disposal of Broadcom Put Options, the Group is expected to recognise a loss of approximately US\$1.1 million (equivalent to approximately HK\$8.9 million) being the difference between the consideration received from the Disposal of Broadcom Put Options and the acquisition cost of disposed Broadcom Put Options.

The Group considers that the Disposal of Broadcom Put Options represents an opportunity to allow the Group to reallocate the resources and investment portfolio. The Group intends to apply all of the proceeds from the Disposal of Broadcom Put Options of approximately US\$0.8 million (equivalent to approximately HK\$6.1 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

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

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of Up Fintech Call Options

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Acquisition of Up Fintech Call Options exceed 5% but all are less than 25%, the Acquisition of Up Fintech Call Options 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.

Disposal of Broadcom Put Options

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Broadcom Put Options exceed 5% but all are less than 25%, the Disposal of Broadcom Put Options 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:

“Acquisition of Up Fintech Call Options”	acquisition of 260,100 Up Fintech Call Options by the Company as disclosed in this announcement
“Board”	the board of Directors
“Broadcom”	Broadcom Inc., a Delaware corporation whose common stocks are listed on Nasdaq (trading symbol: AVGO)
“Broadcom Group”	Broadcom and its subsidiaries
“Broadcom Put Options”	put option(s) of Broadcom
“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 Broadcom Put Options”	disposal of 8,000 Broadcom Put Options 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

“Nasdaq”	National Association of Securities Dealers Automated Quotations Stock Market
“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
“Up Fintech”	UP Fintech Holding Limited, an exempted company incorporated in Cayman Islands with limited liability whose American depository shares are listed on Nasdaq (trading symbol: TIGR)
“Up Fintech Call Option(s)”	call option(s) of Up Fintech
“Up Fintech Group”	Up Fintech and its subsidiaries
“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, 7 October 2024

For the purpose of this announcement, all amounts denominated in US\$ have 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\$ was 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.