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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 the disposal of listed securities.

Disposal of Up Fintech Shares

On 8 October 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 396,000 Up Fintech Shares through the open market at an aggregate consideration of approximately US\$3.6 million (equivalent to approximately HK\$27.9 million) (excluding transaction costs).

LISTING RULES IMPLICATION

Disposal of Up Fintech Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Up Fintech Shares exceed 5% but all are less than 25%, the Disposal of Up Fintech 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 8 October 2024 (after trading hours of the Stock Exchange), the Company has disposed of an aggregate of 396,000 Up Fintech Shares through the open market at an aggregate consideration of approximately US\$3.6 million (equivalent to approximately HK\$27.9 million) (excluding transaction costs), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Up Fintech Share was approximately US\$9.04 (equivalent to approximately HK\$70.34).

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

INFORMATION ON UP FINTECH

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.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF UP FINTECH SHARES

As a result of the Disposal of Up Fintech Shares, the Group is expected to recognise a gain of approximately US\$0.6 million (equivalent to approximately HK\$4.9 million) being the difference between the consideration received from the Disposal of Up Fintech Shares and the acquisition cost of disposed Up Fintech Shares. The Group considers that the Disposal of Up Fintech 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 Up Fintech Shares of US\$3.6 million (equivalent to approximately HK\$27.9 million) in aggregate for the consideration for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

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

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Up Fintech Shares exceed 5% but all are less than 25%, the Disposal of Up Fintech 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
“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 Up Fintech Shares”	disposal of 396,000 Up Fintech 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
“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 Group”	Up Fintech and its subsidiaries
“Up Fintech Share(s)”	American depository share(s) of Up Fintech

“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, 9 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.