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BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED

耀才證券金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1428)

INSIDE INFORMATION BUSINESS UPDATE

This announcement is made by Bright Smart Securities & Commodities Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and its potential investors that, in order to comply with the regulations of the regulatory authorities in China (“**PRC Regulatory Authorities**”), the Group had earlier on implemented a series of measures:

1. The Group had ceased operations of its information centre in Mainland China since March 2016;
2. Up to the date hereof, the Group does not have any business centres in Mainland China;
3. Since the Group’s commencement of business operations, its trading system servers have never been located in Mainland China and have all been located in Hong Kong;
4. For its procedures for remote account opening, the Group has continuously, in accordance with the requirements for remote account opening of the Securities and Futures Commission of Hong Kong (the “**SFC**”), conducted the following reviews:
 - i. All persons not attending account opening in person in Hong Kong are required to hold a Hong Kong bank account as a clearing account before they can open an account;
 - ii. Any person opening an account is required to deposit no less than HK\$10,000 through his registered Hong Kong bank account, for identity verification.

Since the PRC Regulatory Authorities have yet to issue clear account opening guidelines, in order to comply with the measures of the PRC Regulatory Authorities proactively, the Group has further taken the initiative to implement the following:

- **With effect from 16 February 2023, to fully suspend the use of all securities accounts previously opened by Mainland clients in Mainland China, until the relevant regulations are clarified by the PRC Regulatory Authorities or the SFC.**

In respect of the aforesaid account suspension arrangements, the Group is of the view that it will not have any impact on the Group's business and income.

The Group announces that based on the latest unaudited consolidated management accounts of the Group, the unaudited net profit after tax of the Group for January 2023 was approximately HK\$97 million, representing an increase of 35% as compared with the approximately HK\$72 million recorded for December 2022, and the unaudited net profit after tax of the Group for the first ten-month period of year 2022/23 (i.e. from 1 April 2022 to 31 January 2023) was approximately HK\$510 million, representing an increase of 11% as compared with the approximately HK\$461 million recorded for the same period of the preceding year, and the major source of revenue were mainly derived from Hong Kong clients, accounting for approximately 98% of the Group's revenue, which should be sufficient to demonstrate that the implementation of the above measures will not affect future business. Further, the main reason for the profit growth is due to improvement of the overall economic sentiment in Hong Kong, driven by the rise of the Hang Seng Index, coupled with the Group's effective cost control.

Information contained in this announcement is only a preliminary assessment made by the Board with reference to the latest unaudited consolidated management accounts of the Group and the information currently available, which has not been reviewed by the auditors and the audit committee of the Company, and are for illustration purposes only.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Bright Smart Securities & Commodities Group Limited
Hui Yik Bun
Executive Director and Chief Executive Officer

Hong Kong, 13 February 2023

As at the date of this announcement, the Board comprises Mr. Yip Mow Lum (Chairman), Mr. Hui Yik Bun (Chief Executive Officer), Mr. Chan Wing Shing, Wilson as Executive Directors; and Mr. Yu Yun Kong, Mr. Szeto Wai Sun and Mr. Ling Kwok Fai, Joseph as Independent Non-executive Directors.