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耀才證券
BRIGHT SMART SECURITIES
香港交易所上市公司(1428)

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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026 AND CHANGE OF FINANCIAL YEAR END DATE

The board (the "**Board**") of directors (the "**Directors**") of Bright Smart Securities & Commodities Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 September 2026 (the "**Period**") together with the comparative figures for the six months ended 30 September 2025 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2026 – unaudited
(Expressed in Hong Kong dollars unless otherwise indicated)

		Six months ended 30 September	
		2026	2025
	Note	***$'000***	*$'000*
Revenue	*4*	**483,662**	496,876
Other income			
— Interest income calculated using effective interest rate method	*5*	**127,916**	97,179
— Interest income calculated using other method	*5*	**34,007**	23,176
— Others	*5*	**6,403**	5,169
Other net gain	*6*	**30,820**	8,159
		682,808	630,559

	Note	Six months ended 30 September 2026 *$'000*	2025 *$'000*
Staff costs		**(79,788)**	(75,092)
Amortisation and depreciation		**(26,013)**	(27,496)
Net reversal/(charges) for expected credit losses		**1,856**	(3,202)
Other operating expenses	*7(b)*	**(88,497)**	(98,067)
Profit from operations		**490,366**	426,702
Finance costs	*7(a)*	**(85,158)**	(58,335)
Profit before taxation	*7*	**405,208**	368,367
Income tax	*8*	**(60,626)**	(41,450)
Profit for the period		**344,582**	326,917
Exchange difference arising on translation		**3**	–
Total comprehensive income attributable to equity shareholders for the period		**344,585**	326,917
Earnings per share			
Basic *(cents)*	*9*	**20.30**	19.26
Diluted *(cents)*	*9*	**20.30**	19.26

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2026 – unaudited

(Expressed in Hong Kong dollars unless otherwise indicated)

	Note	**At 30 September 2026** ***$'000***	At 31 March 2026 *$'000*
Non-current assets			
Property, plant and equipment		**72,215**	99,867
Intangible assets		**5,733**	5,783
Deferred tax assets		**3,981**	3,372
Other receivables, deposits and prepayments		**13,196**	14,898
Other assets		**70,430**	77,130
Total non-current assets		**165,555**	201,050
Current assets			
Accounts receivable	*11*	**8,226,025**	8,853,778
Other receivables, deposits and prepayments		**19,669**	14,475
Financial assets at fair value through profit or loss		**571**	1,010
Financial assets at amortised cost		**71**	95
Tax recoverable		**786**	1,518
Cash and cash equivalents		**428,564**	514,940
Total current assets		**8,675,686**	9,385,816
Current liabilities			
Accounts payable	*12*	**1,959,076**	2,410,166
Accrued expenses and other payables		**58,651**	49,910
Bank loans	*13*	**4,160,275**	4,839,041
Lease liabilities		**39,853**	44,231
Current taxation		**80,526**	19,919
Total current liabilities		**6,298,381**	7,363,267

	Note	**At 30 September 2026**	At 31 March 2026
		$'000	*$'000*
Net current assets		**2,377,305**	2,022,549
Total assets less current liabilities		**2,542,860**	2,223,599
Non-current liabilities			
Accrued expenses and other payables		**6,086**	6,936
Lease liabilities		**20,139**	44,613
Total non-current liabilities		**26,225**	51,549
NET ASSETS		**2,516,635**	2,172,050
EQUITY			
Share capital		**509,189**	509,189
Share premium		**388,020**	388,020
Merger reserve		**(20,000)**	(20,000)
Exchange reserve		**3**	–
Retained profits		**1,639,423**	1,294,841
TOTAL EQUITY		**2,516,635**	2,172,050

NOTES:

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report for the six months period ended 30 September 2026 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025/26 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of changes in accounting policies are set out in note 2.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued an amendment to HKFRSs that is first effective for the current accounting period of the Group.

– Amendments to HKFRS 9, Financial instruments and HKFRS 7, "*Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*"

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Securities broking – provision of broking services in securities traded in Hong Kong and selected overseas markets, and margin financing services to those broking clients.

— Futures and commodities broking – provision of broking services in futures and commodities contracts traded in Hong Kong and overseas markets.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of unallocated corporate assets. Segment liabilities include liabilities and accruals attributable to the activities of the individual segments.

The measure used for reporting segment profit is earnings before finance costs and taxes ("**EBIT**"). To arrive at EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as corporate administration costs.

(b) Segment information

	Six months ended 30 September 2026		
	Securities broking	Futures and commodities broking	Total
	$'000	*$'000*	*$'000*
Revenue from customers:			
— Brokerage commission income	**207,957**	**49,369**	**257,326**
— Interest income from margin financing	**170,776**	**–**	**170,776**
— Handling and settlement fee income	**38,725**	**16,474**	**55,199**
Reportable segment revenue	**417,458**	**65,843**	**483,301**
Interest income from cash and futures clients	**26,216**	**7,791**	**34,007**
Other interest income	**106,921**	**20,655**	**127,576**
Reportable segment profit (EBIT)	**455,012**	**58,353**	**513,365**
Amortisation and depreciation	**(2,049)**	**–**	**(2,049)**
Finance costs	**(106,795)**	**–**	**(106,795)**

	At 30 September 2026		
	Securities broking	Futures and commodities broking	Total
	$'000	*$'000*	*$'000*
Reportable segment assets	**8,849,918**	**1,345,843**	**10,195,761**
Reportable segment liabilities	**(6,321,115)**	**(938,450)**	**(7,259,565)**

	Six months ended 30 September 2025		
	Securities broking	Futures and commodities broking	Total
	$'000	*$'000*	*$'000*
Revenue from customers:			
— Brokerage commission income	253,541	52,969	306,510
— Interest income from margin financing	128,779	–	128,779
— Handling and settlement fee income	39,878	21,172	61,050
Reportable segment revenue	422,198	74,141	496,339
Interest income from cash and futures clients	22,934	242	23,176
Other interest income	86,338	10,397	96,735
Reportable segment profit (EBIT)	400,301	23,663	423,964
Amortisation and depreciation	(2,284)	–	(2,284)
Finance costs	(75,190)	–	(75,190)

	At 31 March 2026		
	Securities broking	Futures and commodities broking	Total
	$'000	*$'000*	*$'000*
Reportable segment assets	9,682,706	1,167,607	10,850,313
Reportable segment liabilities	(7,450,794)	(812,910)	(8,263,704)

(c) Reconciliation of reportable segment profit, assets and liabilities

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
Revenue		
Reportable segment revenue	**483,301**	496,339
Elimination	**–**	(29)
Unallocated corporate revenue	**361**	566
Consolidated revenue	**483,662**	496,876
Profit		
Reportable segment profit (EBIT)	**513,365**	423,964
Elimination	**22,622**	26,901
Finance costs	**(85,158)**	(58,335)
Unallocated corporate income	**5,349**	4,842
Unallocated corporate expenses	**(50,970)**	(29,005)
Consolidated profit before taxation	**405,208**	368,367

	At 30 September 2026 *$'000*	At 31 March 2026 *$'000*
Assets		
Reportable segment assets	**10,195,761**	10,850,313
Elimination	**(1,485,881)**	(1,430,041)
Unallocated corporate assets	**131,361**	166,594
Consolidated total assets	**8,841,241**	9,586,866
Liabilities		
Reportable segment liabilities	**(7,259,565)**	(8,263,704)
Elimination	**1,272,420**	1,250,688
Unallocated corporate liabilities	**(337,461)**	(401,800)
Consolidated total liabilities	**(6,324,606)**	(7,414,816)

4 REVENUE

The principal activities of the Group are securities broking, margin financing, futures and commodities broking and trading of financial products including bullion and leveraged foreign exchange.

The amount of each significant category of revenue is as follows:

	Six months ended 30 September 2026 *$'000*	2025 *$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Brokerage commission income	**257,326**	306,480
Handling and settlement fee income	**55,201**	61,050
Revenue from other sources		
Interest income from margin clients from financial assets carried at FVTPL	**170,776**	128,779
Dealing income from trading of financial products	**359**	567
	483,662	496,876

5 OTHER INCOME

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
Interest income from		
Financial assets carried at amortised cost		
— Authorised institutions	**119,169**	94,098
— Others	**8,747**	3,081
	127,916	97,179
Financial assets carried at fair value through profit or loss ("FVPL")		
— Cash and futures clients	**34,007**	23,176
	161,923	120,355
Dividend income	**18**	24
Sundry income	**6,385**	5,145
	168,326	125,524

6 OTHER NET GAIN

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
Realised (loss)/gain from financial assets at fair value through profit or loss	**(182)**	229
Unrealised (loss)/gain from financial assets at fair value through profit or loss	**(15)**	63
	(197)	292
Net foreign exchange gain	**14,534**	8,853
Gain/(loss) on disposals of property, plant and equipment	**16,761**	(15)
Others	**(278)**	(971)
	30,820	8,159

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
(a) Finance costs		
Interest expense on		
— Bank loans	**64,737**	42,754
— Lease liabilities	**1,143**	1,030
— Accounts payable to brokers	**19,278**	14,551
	85,158	58,335

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
(b) Other operating expenses		
Advertising and promotion expenses	**5,833**	11,530
Auditors' remuneration	**1,120**	788
Commission expenses	**8,638**	8,201
Handling and settlement expenses	**29,769**	38,123
Information and communication expenses	**25,454**	22,177
Legal and professional fees	**2,948**	1,663
Rates and building management fees	**2,111**	2,251
Miscellaneous expenses	**12,624**	13,334
	88,497	98,067

Research and development expenses of $19,428,000 (2025: $Nil) is recognised in profit or loss during the period. These expenditure amounts are included within staff costs, information and communication expenses and depreciation in the consolidated statement of profit or loss, which is presented by nature of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of comprehensive income represents:

	Six months ended 30 September	
	2026	2025
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**47,901**	38,562
Pillar Two income taxes *(note 8(b))*	**13,334**	–
Deferred tax		
Origination and reversal of temporary differences	**(609)**	2,888
Total tax charge for the period	**60,626**	41,450

The provision for Hong Kong Profits Tax is calculated by applying the tax rate of 16.5% (2025: 16.5%) on estimated assessable profit for the six months ended 30 September 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first $2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

(b) Pillar Two Income tax

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development.

The Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and Chinese Mainland where a domestic minimum top-up tax has not been implemented.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

9 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2026	2025
Earnings		
Profit for the period attributable to equity shareholders of the Company *($'000)*	**344,582**	326,917
Number of shares		
Weighted average number of ordinary shares in issue *(in thousands)*	**1,697,296**	1,697,296
Basic earnings per share *(cents)*	**20.30**	19.26

Diluted earnings per share

There was no dilutive potential ordinary share during the period (six months ended 30 September 2025: nil) and diluted earnings per share is therefore equal to basic earnings per share.

10 DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2026 (six months ended 30 September 2025: nil).

11 ACCOUNTS RECEIVABLE

	At 30 September 2026	At 31 March 2026
	$'000	*$'000*
Accounts receivable		
Accounts receivable from:		
— Clearing houses	**987,856**	944,132
— Brokers and dealers	**282,627**	405,524
Less: Loss allowance	**(977)**	(2,872)
Financial assets measured at amortised cost	**1,269,506**	1,346,784
Accounts receivable from:		
— Cash clients	**448,326**	660,225
— Margin clients	**6,241,184**	6,742,701
— Other clients	**267,009**	104,068
Financial assets measured at FVPL	**6,956,519**	7,506,994
	8,226,025	8,853,778

The ageing analysis of accounts receivable from cash clients as at the end of the reporting period is as follows:

	At 30 September 2026	At 31 March 2026
	$'000	*$'000*
Current	**46,189**	105,927
Less than 1 month	**213,474**	320,886
1 to 3 months	**87,587**	148,507
More than 3 months	**101,076**	84,905
	402,137	554,298
	448,326	660,225

Accounts receivable from cash clients relate to a wide range of customers for whom there was no recent history of default. These receivables are secured by their portfolios of securities. Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. At 30 September 2026, the total market value of their portfolios of securities was $2,351,750,000 (31 March 2026: $3,721,998,000). Based on past experience and current assessment, management believes that the balances are fully recoverable.

Margin clients are required to pledge securities collateral to the Group in order to obtain margin loans. When determining the fair value of the accounts receivable at the reporting date, management evaluate the margin loan portfolios on a fair value basis by primarily considering the value of collateral, which principally comprised listed securities, with reference to the quoted prices, to the extent of the outstanding loan amounts. At 30 September 2026, margin loans due from margin clients were current and repayable on demand except for $3,986,000 (31 March 2026: $3,697,000) where the margin loans were past due. $30,000 (31 March 2026: $3,567,000) were past due for less than 1 month. $1,000 (31 March 2026: $1,000) were past due for 1 to 3 months. $3,822,000 (31 March 2026: $3,000 were past due for 3 months to 1 year. $133,000 (31 March 2026: $126,000) were past due for over 1 year following the trading suspension of the pledged securities. At 30 September 2026, the total market value of securities pledged as collateral in respect of the loans to borrowing margin clients and all margin clients were $17,801,371,000 and $33,895,171,000 respectively (31 March 2026: $18,071,157,000 and $32,423,746,000 respectively). Margin loans that were past due were considered immaterial by management.

As of 30 September 2026, the outstanding balance from the Group's single largest margin client accounted for over 10% of the total margin receivables. The Group actively monitors the concentration risk of this client on an ongoing basis through its risk management framework, ensuring that the exposure is backed by sufficient and high-quality collateral. Management evaluates the client's creditworthiness and collateral coverage ratios daily relative to market volatility. Consequently, management considers that the Group has no significant unmitigated concentration of credit risk in respect of these receivables. Apart from above single largest margin client, the Group has no significant concentration of credit risk as credits are granted to a large population of clients.

Accounts receivable from clearing houses, brokers and dealers are current. These represent (1) pending trades arising from the business of dealing in securities, which are normally due within a few days after the trade date and (2) margin deposits arising from the business of dealing in futures and options contracts.

Loss allowance in respect of accounts receivable measured at amortised cost are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the loss is written off against the accounts receivable directly.

12 ACCOUNTS PAYABLE

	At 30 September 2026	At 31 March 2026
	$'000	*$'000*
Accounts payable		
— Cash clients	**89,977**	208,070
— Margin clients	**1,278,785**	1,200,677
— Clearing houses	**81,556**	110,914
— Brokers	**508,758**	890,505
	1,959,076	2,410,166

All of the accounts payable are expected to be settled within one year or are repayable on demand.

No ageing analysis in respect of accounts payable is disclosed as the ageing analysis does not give additional value in view of the business nature.

13 BANK LOANS

	At 30 September 2026	At 31 March 2026
	$'000	*$'000*
Secured loans		
— Bank loans	**3,485,000**	4,519,000
Unsecured loans		
— Bank loans	**675,275**	320,041
	4,160,275	4,839,041

All the bank loans are repayable within one year and are classified as current liabilities. The carrying amounts of the bank borrowings approximate their fair value.

The bank loans as at 30 September 2026 and 31 March 2026 were interest-bearing. Securities collateral deposited by the Group's margin clients was re-pledged to banks to secure these loan facilities. Such banking facilities were utilised to the extent of $3,485,000,000 (31 March 2026: $4,519,000,000). The fair value of the collateral repledged to banks as at 30 September 2026 amounted to $6,833,921,000 (31 March 2026: $8,098,110,000).

MARKET REVIEW

During the Period, geopolitical tensions involving the United States and Iran continued to unsettle global financial markets and keep oil prices elevated. High inflation influenced the interest rate policies of major central banks, prompting renewed rate increases. These developments contributed to heightened market volatility and structural divergence:

- Capital flows to overseas markets weighed on Hong Kong equities. Hong Kong's blue-chip constituents lack the AI-native technology leaders that have attracted considerable investor attention in recent years. As the global AI industry expanded rapidly and investors pursued related stocks overseas, capital flowed periodically from Hong Kong equities into markets including the United States, Japan, Taiwan and South Korea, where the AI and semiconductor industries have gained prominence in recent years. Hong Kong market turnover and share prices consequently remained subdued, with the market trading within a range. Although mainland southbound capital (southbound "**bei shui**"), which has long favoured Hong Kong equities, continued to flow in during the Period, the amount was far below previous levels. From January to September 2026, cumulative net inflows through Stock Connect (southbound "**bei shui**") amounted to approximately RMB431.7 billion, equivalent to around 30.61% of the full-year figure for 2025.

- Hong Kong's IPO market retained its credentials as a contender for the global fundraising lead. Although global conditions have challenged initial public offering (IPO) activity and fundraising volumes in recent years, Hong Kong continues to draw on its well-established regulatory framework, the free flow of international capital and the depth of its capital markets. A growing number of eligible businesses in emerging Mainland industries have also sought listings in Hong Kong, underscoring the continuing appeal of its IPO market. Supportive Mainland policies and the development of internet-based financial services provide a solid foundation for a medium- to long-term market recovery. We believe total funds raised this year will remain among the world's leading positions, or have the chance to claim the "world champion" position.

PERFORMANCE REVIEW

The Board is pleased to present the Group's results for the Period. The Group recorded revenue of HK$483.7 million (2025: HK$496.9 million), a decrease of 2.7% year on year. Net profit after tax attributable to shareholders increased by 5.4% to HK$344.6 million (2025: HK$326.9 million). Earnings per share for the Period rose by 5.4% to HK20.30 cents (2025: HK19.26 cents).

The Group's solid performance reflects its proactive and agile approach to business, its commitment to "clients first" and "anticipating what clients want", and the strengths of its service offering. Its two trading applications, "BS Securities (Baobao)" and "BS Futures (Doudou)", have remained popular with investors since their launch. The Group responds promptly to market developments, adapting its marketing strategies and introducing timely promotions across different markets. These initiatives aim to help clients respond to global market movements , so that trading in any market can deliver high-efficiency returns at low cost.

The Group has consistently invested substantial resources through market cycles to enhance the breadth, quality and professionalism of its client services. At the end of September 2026, its network comprised 12 outlets, including the Central head office and all branches, covering Hong Kong's core districts. Selected branches operate seven days a week, extending beyond conventional industry practice to facilitate weekend account opening and improve service convenience. The Group's proactive expansion supported steady growth in its client base. During the Period, it added 5,826 accounts on a net basis, bringing the total to 617,696, an increase of 1.0% from 611,870 at 31 March 2026. As of 30 September 2026, client assets, including cash, equities and margin deposits, decreased by 5.2% to approximately HK$80.1 billion (31 March 2026: approximately HK$84.5 billion).

BUSINESS DEVELOPMENT

Against a quiet and passive Hong Kong equity market, the Group took proactive steps to prepare for a recovery. Guided by its longstanding philosophy of "sow in a weak market and harvest in a strong one", the Group refined its operations and reshaped its traditional client acquisition model to build momentum for the next market upturn:

Building the Client Base and Assets under Custody through Challenging Markets

The Group continued to earn investor confidence and deliver solid results during the Period, drawing on the regulatory standing afforded by its full range of licences from Hong Kong's Securities and Futures Commission and its stringent risk management standards. By the end of the Period, the total number of client accounts had grown steadily to 617,696. Client assets under custody remained at a high level of HK$80.1 billion, while the Group maintained a leading market share among Hong Kong's listed retail brokers.

Cross-sector Partnerships to Deliver Mutual Value and Cost-efficient Client Acquisition

The Group broadened its approach beyond price competition and advertising, establishing a new client acquisition model of "strong-to-strong partnership (Partnership) + deep community engagement":

- Lifestyle partnerships. The Group developed high-profile cross-sector campaigns with traditional restaurants or retail brands, offering practical, quality gifts as rewards for opening accounts and transferring securities. These initiatives reached high-net-worth households and traditional bank clients, substantially reduced average client acquisition costs and supported local retailers and food and beverage businesses, creating value for both parties.

- Corporate outreach. The Group extended its reach by visiting enterprises across different sectors, delivering investment seminars and conducting corporate promotional activities. These initiatives broadened the investment knowledge of employees at partner organisations while generating new account openings, benefiting both the employees and the Group.

- Branch network and online-to-offline integration. The Group combined its seven-day branch service model in key commercial districts across Hong Kong Island, Kowloon and the New Territories with a 24-hour global hotline and local mobile promotions. This integrated approach connects online engagement with strong offline conversion and aims to provide clients with a secure, reliable trading environment around the clock.

Bright Smart Securities Lands on YouTube, Omnichannel Digital Penetration

The Group responded to the shift towards digital media by comprehensively upgrading its "Bright Smart Finance Channel" programmes and moving them to its official YouTube channel. It invited guests from different sectors and well-known financial analysts to deliver daily, real-time analysis of gold, equity and foreign exchange markets, live expert commentary and short-form videos. This content precisely targets different categories of high-net-worth investors with potential throughout the day, effectively converting digital traffic into actual account openings.

Broadening Investors' Perspectives

As the global AI industry has expanded rapidly in recent years, the Group has sought to help clients understand the sector more thoroughly and avoid unnecessary losses from following investment trends without adequate knowledge. It regularly collaborates with leading international exchanges, investment banks and issuers of exchange-traded funds (ETFs), an increasingly prominent category of investment products, to organise a range of investment seminars and broaden investors' perspectives.

Capturing Opportunities to Optimise Shareholder Returns

The Group has consistently adapted its marketing and operating strategies to market conditions with agility and timely action. Recognising clients' growing demand for online trading channels, including mobile applications and web-based platforms, and the importance they attach to cybersecurity, the Group commits substantial resources each year to maintaining all its trading systems and strengthening cybersecurity safeguards. It also conducts regular cybersecurity testing to reinforce clients' confidence in their trading environment. The Group remains prepared to address market volatility, meet emerging challenges and capture opportunities. It continuously monitors market developments and adjusts its strategies to pursue the best possible returns for shareholders.

ANALYSIS OF OPERATING RESULTS

Revenue

During the Period, the Group recorded revenue of HK$483.7 million (2025: HK$496.9 million), a decrease of 2.7% year on year. Revenue by business segment is summarised below:

	Six months ended 30 September				
	2026		2025		
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*	Increase/ (decrease)
Brokerage commission income:					
– Securities brokerage	**207,957**	**43.0%**	253,541	51.0%	(18.0%)
– Futures and commodities brokerage	**49,369**	**10.2%**	52,939	10.7%	(6.7%)
Handling and settlement fee income	**55,201**	**11.4%**	61,050	12.3%	(9.6%)
Interest income from margin financing	**170,776**	**35.3%**	128,779	25.9%	32.6%
Income from trading financial products	**359**	**0.1%**	567	0.1%	(36.7%)
	483,662	**100.0%**	496,876	100.0%	(2.7%)

Securities Brokerage

Securities brokerage comprises commission income from Hong Kong equities, global equities, stock options and IPO brokerage. Capital flows into overseas assets weighed on the Hong Kong equity market, which continued to underperform other major Asian equity markets. Total market turnover on Hong Kong Exchanges and Clearing Limited (HKEX) during the Period amounted to HK$33,640.2 billion, a modest year-on-year increase of 2.3% (2025: HK$32,873.7 billion). More recently, the market has lacked momentum for an upward breakout. In the absence of significant supportive policy measures or encouraging economic data, investors remained cautious and opportunities to generate returns were limited. The Group recorded securities brokerage commission income of HK$208.0 million (2025: HK$253.5 million), a decrease of 18.0% year on year, representing 43.0% of total revenue (2025: 51.0%).

Futures and Commodities Brokerage

Futures and commodities brokerage comprises commission income from Hong Kong and global futures brokerage. Revenue for the Period amounted to HK$49.4 million (2025: HK$52.9 million), a decrease of 6.6% year on year, and accounted for 10.2% of total revenue (2025: 10.7%). During the Period, trading volume in derivatives contracts on Hong Kong Futures Exchange Limited ("**HKFE**") increased by 4.7% to 98.3 million contracts (2025: 93.9 million contracts). The Group's Hong Kong futures trading volume rose by 6% to 5.3 million contracts (2025: 5 million contracts), broadly in line with market activity. Global futures trading volume, however, declined by 15.8% year on year to 16,000 contracts (2025: 19,000 contracts), mainly reflecting a more cautious approach among retail investors amid global uncertainty.

Margin Financing

Investors' increased appetite for leverage during the Period drove a 20.2% rise in the Group's average daily margin loan balance to HK$6.43 billion (2025: HK$5.35 billion). Together with higher Hong Kong Interbank Offered Rates ("**HIBOR**"), this growth increased interest income from margin financing by 32.6% year on year to HK$170.8 million (2025: HK$128.8 million), representing 35.3% of total revenue (2025: 25.9%).

Handling and Settlement Fee Income

Reflecting lower trading turnover in the brokerage business, handling and settlement fee income decreased by 9.6% year on year to HK$55.2 million for the Period (2025: HK$61.1 million), accounting for 11.4% of total revenue (2025: 12.3%).

Operating Expenses

Total operating expenses increased by 5.9% year on year to HK$277.6 million for the Period (2025: HK$262.2 million). The Group stepped up its technology investment, established a technology research and development team and progressively upgraded its information technology systems. These initiatives resulted in research and development expenditure of approximately HK$19.4 million (2025: nil). Expansion of the margin financing business and higher interest rates also increased both interest income and interest expense during the Period. Interest expense rose by 46% to HK$85.1 million (2025: HK$58.3 million).

Operating expenses are set out below:

	Six months ended 30 September		Increase/
	2026	2025	(decrease)
	HK$'000	*HK$'000*	
Staff costs	**79,788**	75,092	6.3%
Amortisation and depreciation	**26,013**	27,496	(5.4%)
Net expected credit loss (reversal)/charge	**(1,856)**	3,202	(158.0%)
Finance costs	**85,158**	58,335	46.0%
Advertising and promotion expenses	**5,833**	11,530	(49.4%)
Auditor's remuneration	**1,120**	788	42.1%
Brokerage commission expenses	**8,638**	8,201	5.3%
Handling and settlement expenses	**29,769**	38,123	(21.9%)
Information and communication expenses	**25,454**	22,177	14.8%
Rates and building management fees	**2,111**	2,251	(6.2%)
Legal and professional fees	**2,948**	1,663	77.3%
Miscellaneous expenses	**12,624**	13,334	(5.3%)
	277,600	262,192	5.9%

Research and development expenses of HK$19,428,000 (2025: HK$Nil) is recognised in profit or loss during the period. These expenditure amounts are included within staff costs, information and communication expenses and depreciation in the consolidated statement of profit or loss, which is presented by nature of expenses.

ANALYSIS OF FINANCIAL POSITION

Capital Structure, Liquidity and Financial Resources

The Group funds its operations through shareholders' equity, cash generated from operating activities and bank borrowings.

The Group maintained ample liquidity. As of 30 September 2026, bank deposits, bank balances and cash totalled HK$428.6 million (31 March 2026: HK$514.9 million). Bank borrowings amounted to HK$4,160.3 million (31 March 2026: HK$4,839.0 million), primarily bearing interest at floating rates and secured by securities pledged to the Group by its margin clients. Undrawn banking facilities as of 30 September 2026 amounted to HK$11,803.8 million (31 March 2026: HK$11,112.6 million). The Group's gearing ratio, calculated as total bank borrowings divided by total shareholders' equity, was 165.3% (31 March 2026: 222.8%). Net current assets as of 30 September 2026 amounted to HK$2,377.3 million (31 March 2026: HK$2,022.5 million), while the current ratio, calculated as current assets divided by current liabilities, was 1.4 (31 March 2026: 1.3).

The Group actively reviews and manages its capital structure on a regular basis, making adjustments in response to changes in economic conditions. It ensures that each licensed subsidiary maintains sufficient liquidity to support its operations and accommodate additional funding needs arising from increased business activity. Throughout the Period, all licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) (the "**FRR**").

Charges on Assets

None of the Group's assets was subject to any charge as of 30 September 2026 or 31 March 2026.

Contingent Liabilities

As of 30 September 2026, the Company had provided corporate guarantees totalling HK$12,880.3 million (31 March 2026: HK$12,875.0 million) in respect of banking facilities granted by authorised institutions to its subsidiaries engaged in securities and futures brokerage. The subsidiaries had drawn HK$3,033.3 million under these facilities as of 30 September 2026 (31 March 2026: HK$3,999.0 million).

As of 30 September 2026, the Directors considered it unlikely that any claim would be made against the Group under these guarantees.

Significant Investments and Significant Acquisitions and Disposals of Subsidiaries

During the Period, the Group made no significant investments and/or significant acquisitions or disposals of subsidiaries.

Future Plans for Material Investments or Capital Assets

As of 30 September 2026, the Group had no plans for material investments or capital assets.

Litigation

The Group was not involved in any material litigation as of 30 September 2026 or at any time thereafter up to the date of this announcement.

Risk Management

Credit Risk

The Group's credit risk arises primarily from amounts receivable from clients, brokers and clearing houses. Management has established a credit policy and monitors credit exposures on an ongoing basis.

The Group conducts individual credit assessments of all clients, including cash and margin clients, with reference to the underlying collateral. Before executing any purchase transaction, cash clients must place deposits in accordance with the Group's credit policy. Amounts receivable from cash clients fall due within the settlement periods customary in the relevant markets, generally a few days after the trade date. Credit risk arising from these receivables is minimal: the balances relate to a broad client base with no recent history of default, credit quality has not changed materially and the balances are considered fully recoverable. Prescribed deposit requirements and short settlement periods further limit this exposure. The Group generally obtains liquid securities and/or cash deposits as collateral for financing provided to cash and margin clients, and manages these exposures on a fair value basis under its established policy. Margin loans are repayable on demand. For futures and commodities brokerage, clients must provide initial margin before opening a position. Management monitors market conditions and the adequacy of securities collateral and margin deposits in each cash, margin and futures account daily, and issues margin calls or closes out positions compulsorily where necessary.

Credit risk on amounts receivable from brokers and clearing houses is low, as the Group generally transacts with counterparties that are registered with the relevant regulatory authorities and have sound reputations within the industry.

As of 30 September 2026, the outstanding balance from the Group's single largest margin client accounted for over 10% of the total margin receivables. The Group actively monitors the concentration risk of this client on an ongoing basis through its risk management framework, ensuring that the exposure is backed by sufficient and high-quality collateral. Management evaluates the client's creditworthiness and collateral coverage ratios daily relative to market volatility. Consequently, management considers that the Group has no significant unmitigated concentration of credit risk in respect of these receivables. Apart from above single largest margin client, the Group has no signficant concentration of credit risk as credits are granted to a large population of clients.

The Group has not provided any other guarantees that would expose it to credit risk.

Liquidity Risk

Each operating entity within the Group manages its own cash requirements, including arranging borrowings to meet anticipated funding needs and ensuring compliance with the FRR. The Group regularly monitors its liquidity requirements and compliance with borrowing covenants. This approach ensures that it maintains sufficient cash reserves and adequate committed facilities from major financial institutions to meet both short– and long-term liquidity needs.

Interest Rate Risk

The Group charges interest to margin clients and cash clients with outstanding loans at its cost of funds plus a margin. Financial assets, including margin loans, bank deposits and client money in segregated accounts, and financial liabilities, including bank loans and payables to brokers, primarily bear interest at floating rates. Interest-bearing assets and liabilities, such as margin loans and bank loans, are mainly priced with reference to HIBOR. To mitigate interest rate risk and limit the potential adverse impact on net interest income, the Group continuously monitors market interest rates and adjusts the rates charged to clients. It regularly assesses the effect that potential interest rate movements could have on profit or loss across its portfolio of bank borrowings, margin loans receivable, interest-bearing bank deposits and payables to brokers.

Foreign Exchange Risk

The Group's foreign exchange exposure arises primarily from financial instruments denominated in U.S. dollars, Renminbi, Singapore dollars, Japanese yen, Australian dollars and pounds sterling. Given the Hong Kong dollar's peg to the U.S. dollar, the Group considers the risk of exchange rate movements between these two currencies to be minimal. For instruments denominated in other currencies, it buys or sells foreign currencies at spot rates as necessary to address short-term imbalances and maintain net exposures within acceptable levels. Management monitors all foreign currency positions daily.

Price Risk

The Group is exposed to price movements in accounts receivable classified as financial assets at fair value through profit or loss.

Receivables from margin, cash and IPO clients give rise to price risk because their fair values are determined by reference to the fair value of the collateral, capped at the principal amount plus accrued interest, without discounting.

EMPLOYEES AND REMUNERATION POLICY

As of 30 September 2026, the Group employed 266 people (31 March 2026: 188). Staff costs for the Period amounted to approximately HK$79.8 million (2025: HK$75.1 million). The Group offers competitive remuneration packages to attract, retain and motivate capable employees. It considers these packages reasonable, competitive and consistent with market trends. A bonus scheme for executives and employees supports a competitive remuneration structure and the Group's long-term growth and development. The Group also provides appropriate training and development programmes to strengthen employees' capabilities and individual productivity.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the last published annual report are set out below:

1. Mr. Lyn Frank Yee Chon, an independent non-executive Director, has retired from the Board and ceased to be the chairman of the Audit Committee, a member of the Nomination Committee, a member of the Remuneration Committee, a member of the Risk Management Committee, and a member of the Environmental, Social and Governance Committee with effect from the conclusion of the annual general meeting of the Company on 28 August 2026; and

2. Mr. Johnny Chen has been appointed as an independent non-executive Director, the chairman of the Audit Committee, a member of the Nomination Committee, a member of the Remuneration Committee, a member of the Risk Management Committee, and a member of the Environmental, Social and Governance Committee with effect from 28 August 2026.

Save as disclosed above, there were no changes in information of Directors that are required to be disclosed since the last published annual report pursuant to Rule 13.51(B)(1) of the Listing Rules.

EVENTS AFTER THE PERIOD

The Directors are not aware of any material event requiring disclosure that occurred after the end of the Period and up to the date of this announcement.

OUTLOOK

Looking ahead to the coming year, the Group will maintain a highly flexible strategic approach and a pragmatic focus on operations:

- Hong Kong equity prices and turnover have remained weak since the start of the second half of the year. The conflict between the United States and Iran appears to show no sign of easing, while the continued closure of the Strait of Hormuz has kept oil prices elevated and is set to slow the global economic recovery. The United States has also entered an interest rate tightening cycle in the second half of the year, pushing U.S. Treasury yields higher. These headwinds could place further pressure on Hong Kong equities. However, rooted in Hong Kong for more than 30 years, the Group has continued to advance through both favourable and challenging conditions. Guided by its belief that "challenges also create opportunities", it has introduced an extensive series of promotions for all clients during the downturn and has proactively partnered with organisations on employee account-opening programmes, so as to sustain client inflows and support growth in trading volume and assets under custody.

- Broadening the product offering across markets. Geopolitical uncertainty, the direction of U.S. interest rates and elevated oil prices are expected to sustain volatility in global equity markets, while turnover in Hong Kong equities may remain subdued. Against this backdrop, retail demand for derivatives will increase substantially. The Group will allocate resources to promoting instruments that facilitate hedging and exposure to market movements in either direction, including index futures, callable bull/bear contracts, ETFs and global futures on precious metals, oil and foreign exchange. It aims to create trading opportunities for clients in weak or range-bound markets and generate revenue for the Group through the downturn.

- Capturing further IPO opportunities. Despite the uncertain performance of Hong Kong equities, the Group expects the Hong Kong IPO market to remain buoyant in the second half of the year. Businesses seeking A+H listings, specialist technology and high-technology companies, and issuers in healthcare and biotechnology, consumer goods and retail, chemicals and telecommunications are expected to pursue offerings in Hong Kong. The IPO market should therefore also remain the principal source of client growth.

- Strengthening targeted marketing and data-driven return-on-investment monitoring. The Group will introduce more rigorous profit and loss controls and return-on-investment tracking. It will use data to assess major campaigns, live-streaming activities and cross-sector partnerships, and improve the rate at which newly opened accounts are activated through funding. These measures aim to ensure that every amount of marketing expenditure for shareholders delivers maximum commercial benefit.

- Supporting a smooth transition following the change of control. The Group successfully completed its change of control in April 2026, with Ant Group indirectly holding a 50.63% interest. It will continue to apply its established risk management and operational capabilities within a rigorous compliance and corporate governance framework to create steady, long-term returns for all shareholders.

REVIEW OF INTERIM FINANCIAL INFORMATION

The principal responsibilities of the Company's Audit Committee include reviewing and overseeing the Company's financial reporting process and internal control procedures. Together with KPMG, the Group's external auditor, the Audit Committee reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters relating to the Group's unaudited consolidated results for the six months ended 30 September 2026, including a review of the interim report.

INTERIM DIVIDEND

The Directors resolved not to recommend payment of interim dividend for the six months ended 30 September 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to ensuring high standards of corporate governance practices. During the Period, the Company fully complied with the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. In response to specific enquiries made by the Company, all Directors have confirmed full compliance with the required standard set out in the Model Code during the Period.

CHANGE OF FINANCIAL YEAR END DATE

Change of Financial Year End Date

The Board would like to announce that it has resolved to change the financial year end date of the Company from 31 March to 31 December. Accordingly, the forthcoming financial year end date of the Company will be 31 December 2026 and the next audited consolidated financial statements of the Company will be for the period of nine months from 1 April 2026 to 31 December 2026.

Reasons for the Change of Financial Year End Date

The change of the financial year end date of the Company is to align the financial year end date of the Company with that of Ant Group Co., Ltd., the controlling shareholder of the Company. The Board considers that the alignment of the financial year end date will enable the Group to rationalise and mobilise its resources more efficiently and effectively for the preparation of the financial results, announcements and reports of the Group.

To the best of its knowledge and belief, the Board does not foresee any material adverse impact on the Group resulting from the change of financial year end date of the Company and there is no other significant matter that needs to be brought to the attention of the shareholders of the Company in this regard.

Subsequent Financial Reporting Periods

Following the change of financial year end date of the Company from 31 March to 31 December, the Company will announce and publish its financial results with respect to the following financial periods on or before the following relevant dates:

	Deadline for results announcement	**Deadline for despatch of financial report**
Audited annual results of the Group for the nine months ending 31 December 2026	31 March 2027	30 April 2027
Unaudited interim results of the Group for the six months ending 30 June 2027	31 August 2027	30 September 2027
Audited annual results of the Group for the 12 months ending 31 December 2027	31 March 2028	30 April 2028

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at https://www.hkexnews.hk and the website of the Company at https://www.bsgroup.com.hk. The Interim Report 2026/27 will be despatched to the shareholders of the Company as applicable and published on the above websites in due course.

By Order of the Board
Bright Smart Securities & Commodities Group Limited
Zheng Yanlan
Executive Director and Chief Executive Officer

Hong Kong, 17 November 2026

As at the date of this announcement, the Board comprises Ms. Zheng Yanlan (Chief Executive Officer) and Mr. Hui Yik Bun (co-Chief Executive Officer) as Executive Directors; Mr. Huang Hao (Chairman), Mr. Liu Zheng and Mr. Richard Chih-Chiu Lin as Non-executive Directors; and Mr. Johnny Chen, Dr. Jiang Guorong, Mr. Hung Cheung Fuk and Prof. Zhang Qian as Independent Non-executive Directors.