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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)**

## **PRELIMINARY FINANCIAL DATA FOR THE FIRST SIX MONTHS OF YEAR 2024/25**

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 based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the first six-month period of year 2024/25 (i.e. from 1 April 2024 to 30 September 2024) (the “**Period**”), the Group’s unaudited consolidated net profit after tax was approximately HK\$312 million, representing an increase of approximately 3% as compared to that for the corresponding period last year of approximately HK\$304 million. As of 30 September 2024, the total number of our customers has reached 571,170.

The pace of Hong Kong's economic recovery has not been as good as expected. People are heading north for consumption, which has driven Hong Kong’s retail industry into a freeze. The wave of closures has become a hot topic in the city this year, and vacant shops can be seen everywhere in prosperous districts. Even though the Hong Kong government has removed all stringent measures from the property market this year, as interest rates continue to remain high, property prices have continued to decline, deterring investors. Although the Hong Kong stock market once approached 20,000-point in May this year with substantial transactions, it was a pity that the trend could not stand. As the mainland economic outlook has not significantly improved, the decline in the RMB exchange rate has not changed, which has weakened the strength of southbound funds, which has been supporting Hong Kong stocks. The Hang Seng Index once fell below the 16,500-point level in August this year, and the daily transaction volume shrank to less than HK\$80 billion. Investors’ appetite for Hong Kong stocks and their desire to enter the market have been hit again. As such, more than 30 securities firms have closed down from January to the end of September 2024 according to statistics from the Hong Kong Stock Exchange. As Hong Kong’s economy is being plagued internally and externally, it is believed that the wave of securities firms closure will continue.

After the stock markets in China and Hong Kong experienced the darkest period in early September, "sweetness overtook bitterness" aptly described the situation of the month, and the stock market ultimately ushered in the dawn in late September. The U.S. Federal Reserve finally announced an interest rate cut of 0.5% on 18 September, and Hong Kong banks followed suit by cutting interest rates. This means that the high interest rate cycle that lasted for more than four years has finally come to a halt. With the good news of the first interest rate cut, the Hang Seng Index finally broke through the 18,300-point mark, and the transaction volume also began to improve, which the daily transaction volume reached nearly HK\$150 billion, and the atmosphere of the Hong Kong stock market was seen to be turning better. While investors were still doubtful about whether Hong Kong stocks could actually turn around, the market received another great news. The country has once again taken measures to save the weak economy on the eve of the 75th National Day. The measures taken this time has the primary goal of activating the capital market. The People's Bank of China ("PBC") announced an interest rate cut of 0.2% and a 0.5% reduction in the required reserve ratio, providing long-term liquidity of approximately RMB1 trillion. There may be a further interest rate cut of 0.25% and an additional 0.5% reduction in the required reserve ratio depending on the situation, thereby releasing a large amount of liquidity in the market. Yet another measure implemented is the "Swap Facilities for Securities, Funds and Insurance Companies", with the first phase of RMB500 billion, supporting qualified securities, funds, and insurance companies to use their bonds, stock ETFs (exchange-traded funds), and CSI300 constituents as collateral to exchange for government bonds, central bank bills, etc. through the PBC, and the funds so obtained can only be invested in the stock market. This series of rescue measures taken by the PBC can be said to target the financial market.

As the market generally believed that the measures were well target focusing, the Shanghai Composite Index immediately rose to its highest level in recent years. Hong Kong stocks, which have been relying on the rise of A-shares and waiting for measures in mainland China to rescue the market, also rebounded accordingly. The upward trend is the strongest since the end of May 2022, and the Hang Seng Index once rose above 22,000 points, with a single-day transaction volume hitting the Hong Kong record high of HK\$505.8 billion. The China stock market and Hong Kong stock market overturned the declining trend in the past three years, and the momentum can be described as unprecedented. If the situation persists, the Hong Kong stock market may turn another page, and the Group may also benefit from this, which is expected to boost our performance and client base.

While Hong Kong's economy was in adversity, the Group still adhered to an aggressive business philosophy and continued to invest more resources in publicity strategies with widespread online and offline advertisements. Although the stock markets in many other regions outperformed Hong Kong in terms of the trend and transaction volume in the past, the Group's marketing team has never abandoned the Hong Kong market, and launched a number of products in response to market changes as well as various innovative and timely offers for Hong Kong stock trading such as "New customer reward as high as HK\$20,000", "1-month genuine zero commission for trading Hong Kong stock and A-shares and lifetime waiver of platform charge for new clients", "free real-time quotes (LV1) of Hong Kong stocks for all customers", "margin interest rebate up to HK\$16,800 for new clients" and "transfer your stocks to Bright Smart to get up to 10 shares of Tencent"); for futures trading such as "up to US\$800 reward for futures trading", "1Divide5 futures account"; and for US stocks trading such as "reward of 2 shares of Manchester United Plc (MANU:US)", "commission of only US\$0.008 per share for US stock trading" and "a flat interest rate for margin financing as low as 4.78%". The initiatives have been well received by customers since launch. This helped the Group to record profit of HK\$312 million during the Period despite the extremely depressed market conditions. The Group's outstanding performance is attributable not only to the support and trust of our customers over the years, but also to the dedication and unreserved dedication of all our staff. In the future, the Group will continue to grasp every opportunity in the market and strive to maximise the returns for our shareholders.

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.

**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, 7 October 2024

*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, Mr. Ling Kwok Fai, Joseph and Ms. Wong Ting Ting, Priscilla as Independent Non-executive Directors.*