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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “Board”) of directors (the “Directors” and each a “Director”) of Bright Smart Securities & Commodities Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025 (the “Year”) together with the comparative figures for the year ended 31 March 2024 (the “Prior Year”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	<i>Note</i>	2025 \$'000	2024 \$'000 (restated)
Revenue	4	972,316	908,781
Other income			
— Interest income calculated using effective interest rate method	5	288,927	294,685
— Interest income calculated using other method	5	42,313	40,528
— Others	5	12,474	12,199
Other net income/(loss)	6	43,838	(19,971)
		1,359,868	1,236,222
Staff costs	7(b)	(160,847)	(139,415)
Amortisation and depreciation		(59,090)	(66,416)
Net charges for expected credit losses		(794)	(1,272)
Other operating expenses	7(c)	(248,060)	(164,216)

	<i>Note</i>	2025 \$'000	2024 \$'000 (restated)
Profit from operations		891,077	864,903
Finance costs	7(a)	<u>(213,599)</u>	<u>(259,855)</u>
Profit before taxation	7	677,478	605,048
Income tax	8	<u>(59,844)</u>	<u>(46,206)</u>
Profit for the year		617,634	558,842
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss			
— Exchange reserve		<u>—</u>	<u>(333)</u>
Total comprehensive income attributable to equity shareholders for the year		<u>617,634</u>	<u>558,509</u>
Earnings per share			
Basic (<i>cents</i>)	9	<u>36.39</u>	<u>32.93</u>
Diluted (<i>cents</i>)	9	<u>36.39</u>	<u>32.93</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

(Expressed in Hong Kong dollars)

	<i>Note</i>	2025 \$'000	2024 \$'000
Non-current assets			
Property, plant and equipment		61,609	112,094
Intangible assets		5,783	5,783
Deferred tax assets		7,159	3,761
Other receivables, deposits and prepayments		1,708	15,530
Other assets		84,995	55,239
		<hr/>	<hr/>
Total non-current assets		161,254	192,407
		<hr/>	<hr/>
Current assets			
Accounts receivable	<i>11</i>	7,012,365	6,349,686
Other receivables, deposits and prepayments		36,245	20,338
Financial assets at fair value through profit or loss		1,080	51,578
Financial assets at amortised cost		353	162
Tax recoverable		2,718	23,010
Cash and cash equivalents		476,613	441,275
		<hr/>	<hr/>
Total current assets		7,529,374	6,886,049
		<hr/>	<hr/>

		2025	2024
	<i>Note</i>	\$'000	\$'000
Current liabilities			
Accounts payable	12	1,664,441	1,702,548
Accrued expenses and other payables		84,465	47,595
Bank loans	13	4,370,000	3,775,000
Lease liabilities		49,666	50,789
Current taxation		16,506	1,499
		<hr/>	<hr/>
Total current liabilities		6,185,078	5,577,431
		<hr/>	<hr/>
Net current assets		1,344,296	1,308,618
		<hr/>	<hr/>
Total assets less current liabilities		1,505,550	1,501,025
		<hr/>	<hr/>
Non-current liabilities			
Accrued expenses and other payables		535	7,640
Lease liabilities		3,214	49,110
		<hr/>	<hr/>
Total non-current liabilities		3,749	56,750
		<hr/>	<hr/>
NET ASSETS		1,501,801	1,444,275
		<hr/>	<hr/>
EQUITY			
Share capital		509,189	509,189
Share premium		388,020	388,020
Merger reserve		(20,000)	(20,000)
Retained profits		624,592	567,066
		<hr/>	<hr/>
TOTAL EQUITY		1,501,801	1,444,275
		<hr/>	<hr/>

Notes:

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which comprise all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis, except that certain financial instruments are stated at their fair value in accordance with the accounting policy set out below.

The preparation of financial statements in conformity with HKFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRS and amendments to HKFRSs that are first effective for the current accounting period of the Group as follows:

- Amendments to HKFRS 16, *“Leases: Lease liability in sale and leaseback”*
- Amendments to HKAS 1, *“Presentation of financial statements: Classification of liabilities as current or non-current (2020 amendments)”*
- Amendments to HKAS 1, *“Presentation of financial statements: Non-current liabilities with covenants (2022 amendments)”*
- Amendments to HKAS 7, *“Statement of cash flows”* and HKFRS 7, *Financial Instruments: Disclosures: “Supplier Finance Arrangements”*
- Amendments to HKAS 21, *“The effects of changes in foreign exchange rates: Lack of exchangeability”*

None of these developments has had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this annual report.

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 three 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 overseas markets, margin and IPO financing services to those broking clients.
- Commodities and futures broking — provision of broking services in commodities and futures contracts traded in Hong Kong and overseas markets.
- Bullion trading — provision of trading services in bullion contracts traded in 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

	2025			
	Securities broking \$'000	Commodities and futures broking \$'000	Bullion trading \$'000	Total \$'000
Revenue from customers:				
— Brokerage commission	363,458	147,973	—	511,431
— Dealing income	—	—	4,191	4,191
— Interest income from margin financing	339,349	—	—	339,349
— Handling and settlement fee income	75,388	41,701	—	117,089
Reportable segment revenue	<u>778,195</u>	<u>189,674</u>	<u>4,191</u>	<u>972,060</u>
Interest income from cash clients	42,313	—	—	42,313
Other interest income	<u>245,928</u>	<u>41,016</u>	<u>256</u>	<u>287,200</u>
Reportable segment profit (EBIT)	<u>783,081</u>	<u>92,906</u>	<u>1,589</u>	<u>877,576</u>
Amortisation and depreciation for the year	(7,373)	—	—	(7,373)
Finance costs	(252,679)	(2)	—	(252,681)
Additions to non-current segment assets during the year	<u>6,371</u>	<u>—</u>	<u>—</u>	<u>6,371</u>
Reportable segment assets	7,930,158	789,152	21,053	8,740,363
Reportable segment liabilities	<u>(6,281,431)</u>	<u>(483,755)</u>	<u>(17,832)</u>	<u>(6,783,018)</u>

	2024			
	Securities	Commodities	Bullion	Total
	broking	and futures	trading	
	\$'000	broking	\$'000	\$'000
	(restated)	(restated)		(restated)
Revenue from customers:				
— Brokerage commission	244,963	201,675	—	446,638
— Dealing income	—	—	6,284	6,284
— Interest income from margin financing	391,994	—	—	391,994
— Interest income from IPO financing	1,015	—	—	1,015
— Handling and settlement fee income	62,528	35	—	62,563
Reportable segment revenue	<u>700,500</u>	<u>201,710</u>	<u>6,284</u>	<u>908,494</u>
Interest income from cash clients	40,528	—	—	40,528
Other interest income	<u>240,436</u>	<u>53,128</u>	<u>171</u>	<u>293,735</u>
Reportable segment profit (EBIT)	<u>725,705</u>	<u>123,562</u>	<u>3,783</u>	<u>853,050</u>
Amortisation and depreciation for the year	(12,566)	—	—	(12,566)
Finance costs	(286,223)	(26)	—	(286,249)
Additions to non-current segment assets during the year	<u>1,912</u>	<u>—</u>	<u>—</u>	<u>1,912</u>
Reportable segment assets	6,999,067	958,205	21,122	7,978,394
Reportable segment liabilities	<u>(5,429,811)</u>	<u>(628,198)</u>	<u>(9,271)</u>	<u>(6,067,280)</u>

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

	2025 \$'000	2024 \$'000 (restated)
Revenue		
Reportable segment revenue	972,060	908,494
Elimination	(579)	(483)
Unallocated corporate revenue	835	770
	<hr/>	<hr/>
Consolidated revenue	972,316	908,781
	<hr/>	<hr/>
Profit		
Reportable segment profit (EBIT)	877,576	853,050
Finance costs	(213,599)	(259,855)
Unallocated corporate income	182,424	138,132
Unallocated corporate expenses	(168,923)	(126,279)
	<hr/>	<hr/>
Consolidated profit before taxation	677,478	605,048
	<hr/>	<hr/>
Assets		
Reportable segment assets	8,740,363	7,978,394
Elimination	(1,254,057)	(1,067,561)
Unallocated corporate assets	204,322	167,623
	<hr/>	<hr/>
Consolidated total assets	7,690,628	7,078,456
	<hr/>	<hr/>
Liabilities		
Reportable segment liabilities	(6,783,018)	(6,067,280)
Elimination	1,228,676	1,143,544
Unallocated corporate liabilities	(634,485)	(710,445)
	<hr/>	<hr/>
Consolidated total liabilities	(6,188,827)	(5,634,181)
	<hr/>	<hr/>

4 REVENUE

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

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

	2025 \$'000	2024 \$'000 (restated)
Revenue from contracts with customers within the scope of HKFRS 15		
Brokerage commission	510,852	446,155
Handling and settlement fee income	117,089	62,563
	627,941	508,718
Revenue from other sources		
Dealing income from bullion trading	4,191	6,284
Dealing income from leveraged foreign exchange trading	835	770
Interest income from financial assets carried at FVPL		
— Margin clients	339,349	391,994
— Subscriptions of news shares in IPO	—	1,015
	344,375	400,063
	972,316	908,781

The Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 and does not disclose information about the remaining performance obligation that have original expected durations of one year or less.

The Group reclassified handling and settlement fee income of \$117,089,000 (2024: \$62,563,000) from other income to revenue since the Group considers handling and settlement fee income is generated from principal activities of the Group and the amount is material to the Group since 1 April 2024.

5 OTHER INCOME

	2025 \$'000	2024 \$'000 (restated)
Interest income from		
Financial assets carried at amortised cost		
— Authorised institutions	275,566	276,443
— Others	13,361	18,242
	288,927	294,685
Financial assets carried at FVPL		
— Cash clients	42,313	40,528
	331,240	335,213
Dividend income	3,193	2,205
Government grants	17	37
Sundry income	9,264	9,957
	343,714	347,412

6 OTHER NET INCOME/(LOSS)

	2025 \$'000	2024 \$'000
Realised gain/(loss) from		
— Financial assets at fair value through profit or loss	39,868	(849)
Unrealised gain/(loss) from		
— Financial assets at fair value through profit or loss	15	(14,269)
	39,883	(15,118)
Net foreign exchange gain/(loss)	4,137	(4,494)
Gain/(loss) on disposals of property, plant and equipment	425	(18)
Error trades arising from dealings	(7)	(13)
Others	(600)	(328)
	43,838	(19,971)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 \$'000	2024 \$'000
(a) Finance costs		
Interest expenses on		
— Other bank loans	183,047	240,811
— Lease liabilities	3,492	1,821
— Others	27,060	17,223
	<u>213,599</u>	<u>259,855</u>
(b) Staff costs		
Salaries, allowances and benefits in kind	117,033	99,933
Discretionary bonuses	40,759	36,459
Contributions to Mandatory Provident Fund	3,055	3,023
	<u>160,847</u>	<u>139,415</u>
(c) Other operating expenses		
Advertising and promotion expenses	17,403	11,640
Auditors' remuneration	1,835	1,805
Commission, handling and settlement expenses	85,766	74,266
Information and communication expenses	42,934	38,864
Legal and professional fees	3,290	2,075
Operating lease payments — property rentals	104	—
Rates and building management fees	5,723	5,851
Miscellaneous expenses	91,005	29,715
	<u>248,060</u>	<u>164,216</u>

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	2025 \$'000	2024 \$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	63,113	49,165
Under-provision in respect of prior years	<u>129</u>	<u>1</u>
	63,242	49,166
Deferred tax		
Origination and reversal of temporary differences	<u>(3,398)</u>	<u>(2,960)</u>
Total tax charge for the year	<u>59,844</u>	<u>46,206</u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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 2024.

The provision for Hong Kong Profits Tax for 2025 is taken into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2024–25 subject to a maximum reduction of \$1,500 for each business (2024: a maximum reduction of \$3,000 was granted for the year of assessment 2023–24 and was taken into account in calculating the provision for 2024).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025	2024
	\$'000	\$'000
Profit before taxation	<u>677,478</u>	<u>605,048</u>
Notional tax on profit before taxation calculated at the rates applicable to profits in the countries concerned	111,619	99,668
Tax effect of non-deductible expenses	5,473	4,808
Tax effect of non-taxable revenue	(52,598)	(55,199)
Tax effect of unused tax losses not recognised	81	987
Utilisation of tax loss previously not recognised	(12)	(9)
Under-provision in respect of prior years	129	1
Others	<u>(4,848)</u>	<u>(4,050)</u>
Total tax charge for the year	<u>59,844</u>	<u>46,206</u>

9 EARNINGS PER SHARE

Basic earnings per share

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

	2025	2024
Earnings		
Profit for the year attributable to owners of the Company (\$'000)	<u>617,634</u>	<u>558,842</u>
Number of shares		
Weighted average number of ordinary shares in issue (in thousands)	<u>1,697,296</u>	<u>1,697,296</u>
Basic earnings per share (cents)	<u>36.39</u>	<u>32.93</u>

Diluted earnings per share

There was no dilutive potential ordinary share during the year (2024: Nil) and diluted earnings per share is therefore equal to basic earnings per share.

10 DIVIDENDS

(i) Dividends payable to equity shareholders of the Group attributable to the year

The Directors resolved not to recommend payment of any dividend for the year ended 31 March 2025.

2025	2024
\$'000	\$'000

No final dividend proposed (2024: 33.0 cents)
for a total of 1,697,296,308 issued shares in
2025 (2024: 1,697,296,308 issued shares) by
the Group

<u>—</u>	<u>560,108</u>
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(ii) Dividends payable to equity shareholders of the Group attributable to the previous financial year, approved and paid during the year:

2025	2024
\$'000	\$'000

Final dividend in respect of previous financial year,
approved and paid during the year, of 33.0 cents
(2024: 50.0 cents) per ordinary share for a total
of 1,697,296,308 issued shares in 2025 (2024:
1,697,296,308 issued shares)

<u>560,108</u>	<u>848,648</u>
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11 ACCOUNTS RECEIVABLE

	2025 \$'000	2024 \$'000
Accounts receivable from:		
— Clearing houses	794,642	876,687
— Brokers and dealers	326,325	297,021
Less: Loss allowance	(3,182)	(2,053)
	<u>1,117,785</u>	<u>1,171,655</u>
Financial assets measured at amortised cost		
Accounts receivable from:		
— Cash clients	536,245	368,470
— Margin clients	5,358,335	4,809,561
	<u>5,894,580</u>	<u>5,178,031</u>
Financial assets measured at FVPL		
	<u>7,012,365</u>	<u>6,349,686</u>

(a) Ageing analysis

The ageing analysis of accounts receivable from cash clients based on the settlement date as of the end of the reporting period is as follows:

	2025 \$'000	2024 \$'000
Current	142,220	37,418
Less than 1 month	271,073	146,697
1 to 3 months	56,166	49,293
More than 3 months	66,786	135,062
	<u>394,025</u>	<u>331,052</u>
	<u>536,245</u>	<u>368,470</u>

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 31 March 2025, the total market value of their portfolios of securities was \$2,782,370,000 (2024: \$2,091,511,000).

Margin clients are required to pledge securities as 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 31 March 2025, margin loans due from margin clients were current and repayable on demand except for \$168,000 (2024: \$197,000) where the margin loans were past due. \$2,000 (2024: \$49,000) were past due for less than 1 month. \$2,000 (2024: \$1,000) were past due for 1 to 3 months. \$4,000 (2024: \$3,000) were past due for 3 months to 1 year. \$160,000 (2024: \$144,000) were past due for over 1 year following the trading suspension of the pledged securities. At 31 March 2025, the total market value of securities pledged as collateral in respect of the loans to borrowing margin clients and all margin clients were 13,402,012,000 and 25,123,717,000 respectively (2024: \$11,340,040,000 and \$19,883,253,000 respectively). Margin loans that were past due were considered immaterial by management.

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.

(b) Loss allowance of accounts receivable

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

	2025 \$'000	2024 \$'000
Accounts payable		
— Cash clients	349,382	233,369
— Margin clients	806,235	934,506
— Clearing houses	2,774	129,411
— Brokers	506,050	405,262
	<u>1,664,441</u>	<u>1,702,548</u>

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

	2025 \$'000	2024 \$'000
Secured loans		
— Bank loans	3,870,000	3,175,000
Unsecured loans		
— Bank loans	500,000	600,000
	<u>4,370,000</u>	<u>3,775,000</u>

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

The bank loans as at 31 March 2025 are interest-bearing. Securities collateral deposited by the Group's margin clients was re-pledged to banks to secure loan facilities. Such banking facilities were utilised to the extent of \$3,870,000,000 (2024: \$3,175,000,000). The fair value of the collateral re-pledged to banks as at 31 March 2025 amounted to \$6,749,990,000 (2024: \$5,933,698,000).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Looking back on this year, the global market situation and the economic recovery were still in a fluctuating phase, with uncertainties being quite common. The overall economy of Hong Kong has been plunged into an unprecedented predicament and the path to economic recovery after the pandemic has not been as smooth as expected at all. The reopening of the border between Mainland China and Hong Kong has not brought any opportunities for Hong Kong. On the contrary, the catering and retail industries, which have all along been playing an important role in Hong Kong's economy, have seen rising operating costs due to increasing costs and persistently high rents, which has driven the trend of Hong Kong people's northbound spending spree. This situation has now become a social norm, causing a heavy burden on the catering and retail industries in Hong Kong, with a continuous wave of close-down. The Sino-U.S. trade war, the COVID-19 pandemic and other factors have impacted Hong Kong's status as an international financial centre, leading to some foreign-invested enterprises downsizing or withdrawing. The downturn of the retail and tourism industries has affected related service industries such as advertising and legal industries, etc. Certain foreign-invested enterprises were adopting a wait-and-see attitude towards Hong Kong's business environment. China-invested enterprises were delaying expansion or even contemplating relocation plans due to economic pressures in the Mainland China. Flexible working models were attracting small and medium-sized enterprises, dispersing demand for traditional commercial buildings. All above factors have resulted in a sharp decline in demand for office space in Hong Kong. Although the Hong Kong government has recently lifted the stringent measures that had been in place for 14 years to revive the inactive property market, such that buyers are no longer required to pay special stamp duty (SSD), buyer's stamp duty (BSD), and new residential stamp duty (NRSD) when purchasing residential properties, property prices declined instead of rising due to an oversupply in the Hong Kong residential property market. Coupled with a continued economic downturn, these factors affected investors' willingness to make purchasing, leading to an indefinite delay in the recovery of Hong Kong's mainstream economy. Furthermore, as Hong Kong has always relied on the Mainland China, the slower-than-expected recovery pace in Mainland China has made it increasingly difficult for Hong Kong's economy to advance last year.

Fortunately, Hong Kong's financial market this year can be described as “sweetness after bitterness”. After the end of the COVID-19 pandemic and the official start of the path to normalcy, the Hong Kong stock market was far from smooth as expected. The economies of both Mainland China and Hong Kong have been a source of concern, and their stock markets were in darkest period. However, by mid-September 2024, a “timely rain” suddenly arrived to nourish the stock markets of both regions. The U.S. Federal Reserve finally began cutting interest rates in September, and Hong Kong banks followed suit, marking the end of an era of high interest rates that had lasted over four years. After uttering in the first rate cut, the trading volume of the Hang Seng Index (“HSI”) also began to show gradual improvement. The good news seemed to keep coming, as a series of measures were rolled out in the PRC to rescue the weak economy just before the National Day. This round of market rescue measures primarily aimed to revitalize the capital market, with the goal of improving long-standing domestic demand issues by enhancing the liquidity of the capital market. Since the market widely regarded these measures as precisely pinpointing the root of the problem, the Shanghai Composite Index immediately rose to its highest level in recent years. Hong Kong stocks, which had been relying on the rally of A-shares and awaiting domestic stimulus policies, also rebounded in response, marking their strongest surge since late May 2022. The Hang Seng Index even briefly surpassed the 23,000-point level, while trading volume hit a historic single-day record of HK\$620.7 billion. After the 2025 Lunar New Year holiday, a wave of enthusiasm for Artificial Intelligence suddenly swept across Mainland China. Coincidentally, most of the stocks related to this hot topic were listed in Hong Kong, leading to a sharp increase in southbound capital inflows. Data shows that in the first quarter of 2025 alone, net southbound inflows reached HK\$438.6 billion, accounting for approximately 54% of the total net inflows for the entire previous year. Moreover, after U.S. President Trump officially took office, he implemented a series of tariff policies targeting countries around the world — even long-standing allies like the EU nations also fall prey this time. Trump's actions were becoming even more unpredictable, prompting funds that had traditionally relied heavily on the U.S. stock market to reduce or even offload their holdings to avoid risks, shifting their portfolios to Hong Kong market. With both “southbound capital” and “foreign funds” fueling the Hong Kong stock market, the HSI finally shook off its sluggish performance in the first quarter of 2025, surging to 24,874 points at one point — a three-year high. Its rally outperformed major global stock markets, with average daily turnover exceeding HK\$200 billion. It was truly a moment of “triumphant return”.

In respect of the long-silent Hong Kong IPO market, the improvement of the atmosphere in the Hong Kong financial market has boosted the new share fundraising market and encouraged people in Hong Kong. As of mid-May 2025, following the completion of the fundraising of Contemporary Ampere Technology Co., Limited (3750), being this year's largest global IPO temporarily, with the total amount of approximately HK\$35.7 billion, the total fundraising amount of companies listed in Hong Kong has exceeded approximately HK\$60 billion, leading Hong Kong's IPO scale to back into the top three globally, currently ranking second in the world, which was a matter for congratulation. Driven by the above favorable news, the Hong Kong stock market has shaken off the downturn of the past few years, with the HSI achieving remarkable results in both points and trading volume, largely attributed to the strong backing from the Mainland China.

Rooted in Hong Kong for almost 3 decades, the Bright Smart Group has weathered numerous economic downturns while consistently upholding an aggressive and proactive business philosophy. We have continuously invested more resources in promotional strategies, ensuring our advertising presence visible both online and offline. The Group has also adopted a diversified business approach to capitalize on thriving stock markets worldwide. Our sales team consistently introduces highly competitive and timely promotions, ensuring investors reap substantial rewards. With the US stock market booming in the first half of the year and Hong Kong stocks showing signs of “revengeful rebound” in the second half, our performance and client intake have surged significantly.

OPERATIONAL RESULTS

The Board announces that the Group recorded revenue of HK\$972.3 million (2024: HK\$908.8 million) for the Year, representing an increase of 7.0% compared to that for the Prior Year. Net profit after tax attributable to shareholders amounted to HK\$617.6 million (2024: HK\$558.5 million) representing an increase of 10.6% as compared to that for the Prior Year. Earnings per share for the Year was 36.39 HK cents (2024: 32.93 HK cents).

In addition to the solid implementation of the active, flexible and “client-oriented” and “caring about clients’ needs” business philosophy, the satisfactory performance of the Group was attributed to the following advantages:

1. Two proprietary trading apps, BS Securities (Baobao) and BS Futures (Doudou), have been well received by investors since their eye-catching launch.

2. Staying abreast of market trend, the Group has adopted some market-oriented strategies and put forth some offers such as:
- i. Rewards of 20 shares of TraHK (2800.hk) and 10 shares of HSBC (0005.hk) for opening new accounts;
 - ii. Rewards of up to 100 shares of Tencent (0700.hk) for rollover, with full refund of rollover fee up to HK\$0.2 million;
 - iii. Margin ratio up to 95%;
 - iv. 1-month genuine zero commission for trading of Hong Kong stocks/A shares, and lifetime waiver of platform charge;
 - v. Unprecedented interest rebate of up to HK\$16,800 for newly opened margin securities account;
 - vi. Provide free real-time streaming quotes (LV1) for Hong Kong stocks;
 - vii. Commission of only US\$0.008 per share for trading of U.S. stocks, waiver of platform charge, and interest rates for margin financing as low as 4.78%;
 - viii. For clients who are conducting their first trading on the U.S. stock market, two U.S. shares of the Manchester United (MANU.US) will be provided to them upon meeting the basic requirements;
 - ix. Rewards of US\$800 and lifetime waiver of platform charge for trading of U.S. futures/Nikkei futures/foreign exchange futures/gold and various global futures;
 - x. Commission for trading of Hong Kong futures and options as low as HK\$2.88 and HK\$5, respectively;
 - xi. Real-time streaming quotes and real-time chart analysis for global futures products; etc.
 - xii. All clients with stock accounts and futures accounts can enjoy lifetime platform fee waiver;
 - xiii. Bright Smart's clients can enjoy handling fee waiver and interest waiver for new shares subscription, regardless of in cash or on margin; etc.

TOTAL NUMBER OF CLIENT ACCOUNTS AND ASSETS

In view of changes in the market conditions, the Group has adjusted its marketing and operating strategies in a timely and appropriate manner over the years. Besides, the Group anticipated the increasing customers demand for online trading channels (mobile applications (APP) and online platforms) and increasingly concerned about cybersecurity. Therefore, each year, the Group invests heavily in enhancing various functions that keep pace with the times of mobile trading apps, BS Securities (Baobao) and BS Futures (Doudou). With continuous improvement of their performance and remarkable results, since their launch, the apps successfully drew nearly 300,000 downloads by users. The Group will continue to invest substantial resources and continuously improve its online trading channels and services while upgrading its network security devices in order to strengthen the protection of its clients' interests, be well-prepared for market fluctuations, overcome challenges and seize opportunities.

The Group has made constant progress over the years, and has invested a lot of resources regardless of market conditions to provide clients with more comprehensive, high-quality and more professional services. As at the end of March 2025, the Group, together with the Central Head Office and all branches and “Bright Smart Mobile Teaching Centre”, had a total of 13 outlets, covering the core areas of Hong Kong, some of which operate 7 days a week, breaking the industry tradition and attracting more customers to open their accounts on Sundays, to improve the quality of client service and bring convenience to our clients. The Group's proactive expansion successfully led to a steady growth in the total number of client accounts. During the Year, the number of new accounts (after deducting the number of client accounts closed) reached 24,517, increasing the total number of client accounts to 587,072, representing a growth of 4.4% as compared to 562,555 as at 31 March 2024. Client assets (including cash, stocks and margin deposits) recorded on 31 March 2025 increased by 27.9% to approximately HK\$64.2 billion (31 March 2024: approximately HK\$50.2 billion).

REVENUE

During the Year, the Group recorded revenue of HK\$972.3 million (2024: HK\$908.8 million), representing an increase of 7.0% as compared to that for the Prior Year. A summary of the Group's revenue by business divisions is set out below:

	Year ended 31 March				
	2025		2024		Increment/ (decrement)
	Proportion of total revenue HK\$'000	%	Proportion of total revenue HK\$'000	%	
Revenue from :					
— Securities brokerage	346,245	35.6%	231,898	25.6%	49.3%
— Hong Kong futures and options brokerage	115,455	11.9%	121,880	13.4%	(5.3%)
— Global futures brokerage	31,939	3.3%	79,312	8.7%	(59.7%)
— Bullion trading	4,191	0.5%	6,284	0.7%	(33.3%)
— Leveraged foreign exchange trading	835	0.1%	770	0.1%	8.4%
— Stock option brokerage	12,971	1.3%	12,055	1.3%	7.6%
— IPO brokerage	4,242	0.4%	1,010	0.1%	320.0%
Interest income from IPO financing	—	0.0%	1,015	0.1%	(100.0%)
Interest income from margin financing	339,349	34.9%	391,994	43.1%	(13.4%)
Handling and settlement fee income	117,089	12.0%	62,563	6.9%	87.2%
	<u>972,316</u>	<u>100.0%</u>	<u>908,781</u>	<u>100.0%</u>	<u>7.0%</u>

Securities brokerage

The total turnover of securities on HKEX for the Year was HK\$40,932.4 billion, representing a year-on-year increase of 72.1% (2024: HK\$23,781.7 billion). With an active market trading, commission income from the Group's securities brokerage business amounted to HK\$346.2 million (2024: HK\$231.9 million) and accounted for 40.5% (2024: 27.4%) of the total revenue, representing an increase of 49.3% as compared with the Prior Year.

Hong Kong futures and options brokerage

The number of derivative contracts traded on the Hong Kong Futures Exchange Limited (“HKFE”) for the Year increased by 11.1% to 210.0 million (2024: 189.0 million). The main reason was believed to be that the increase should be driven by institutional investors hedging their stock portfolios amid fluctuated market conditions. The commission income from the Group’s Hong Kong futures and options brokerage slightly decreased by 5.3% to HK\$115.5 million for the Year as compared to that for the Prior Year (2024: HK\$121.9 million), accounting for 13.5% (2024: 14.4%) of the total revenue.

Global futures brokerage

Commission income from global futures brokerage for the Year decreased by 59.7% to HK\$31.9 million as compared to that for the Prior Year (2024: HK\$79.3 million), accounting for 3.7% (2024: 9.4%) of the total revenue. The decrease was mainly due to the adjustment of the global futures brokerage fee model for maintaining the competitiveness of the Group, of which a total of HK\$41.7 million was classified as handling and settlement fee income during the Year. The global futures brokerage commission performance, after aggregation, decreased slightly by 7.2%.

Stock options brokerage

Commission income from the Group’s stock options brokerage for the Year increased by 7.6% to HK\$13.0 million as compared to that for the Prior Year (2024: HK\$12.1 million), accounting for 1.5% (2024: 1.4%) of the total revenue. As stock options are highly leveraged investment products, the Group carefully monitors the margin level of stock option accounts and makes adjustments according to market conditions in order to properly control risks.

IPO brokerage

Benefited from the improved atmosphere in the Hong Kong stock market, the IPO business has also shown a significant recovery. Commission income from the Group’s IPO brokerage business for the Year increased by 320.0% to HK\$4.2 million (2024: HK\$1.0 million).

Margin financing

During the Year, due to the decrease in HIBOR rate and the Group’s average daily margin lending decreased by 9.2% to HK\$4.93 billion (2024: HK\$5.43 billion), the Group’s interest income from margin financing decreased by 13.4% as compared to that for the Prior Year to HK\$339.3 million (2024: HK\$392.0 million), and accounting for 39.7% (2024: 46.3%) of the total revenue. The Group always implements effective credit control procedures to avoid any bad debts.

Handling and settlement fee income

The Group's handling and settlement fee income increased by 87.2% year-on-year to HK\$117.1 million (2024: HK\$62.6 million) during the Period, accounting for 12.0% (2024: 6.9%) of its total revenue. The increase was mainly due to the adjustment of the global futures brokerage fee model, of which a total of HK\$41.7 million was classified as handling and settlement fee income during the Year.

PERFORMANCE OF PROPRIETARY INVESTMENTS

The Group held Hong Kong-listed securities, bonds and futures contracts as investments during the Year, the book value of investment portfolio as at 31 March 2025 stood at HK\$1.1 million (2024: HK\$51.6 million). During the Year, the investment income from financial assets at fair value through profit or loss was HK\$39.9 million (2024: loss of HK\$15.1 million).

OPERATING EXPENSES AND NET PROFIT MARGIN

The operating expenses of the Group for the Year increased by 8.1% to HK\$682.4 million as compared to that for the Prior Year (2024: HK\$631.2 million), and net profit margin of the Group increased to 63.5% (2024: 61.5%).

A breakdown of operating expenses is as follows:

	2025 HK\$'000	2024 HK\$'000	Increment/ (decrement) %
Staff cost	160,847	139,415	15.4%
Amortisation and depreciation	59,090	66,416	(11.0%)
Net charges for expected credit losses	794	1,272	(37.6%)
Finance costs	213,599	259,855	(17.8%)
Advertising and promotion expenses	17,403	11,640	49.5%
Auditors' remuneration	1,835	1,805	1.7%
Commission, handling and settlement expenses	85,766	74,266	15.5%
Information and communication expenses	42,934	38,864	10.5%
Rental, rates and building management fees	5,827	5,851	(0.4%)
Legal and professional fee	3,290	2,075	58.6%
Miscellaneous expenses	91,005	29,715	206.3%
	<u>682,390</u>	<u>631,174</u>	<u>8.1%</u>

OUTLOOK

As we enter the new year, after U.S. President Trump taking office, as his governance approach differs drastically from the previous administration, causing hardship for global markets to adapt, and Hong Kong is unavoidably affected. After taking office, he has imposed different degrees of tariffs on various countries, his domineering actions forced governments around the world into a state of high alert. The impact of the trade war is severe enough to devastate Hong Kong's economy in the midst of its recovery. Regarding the effect on the economy of Hong Kong as a crucial global trade transit station, the Sino-U.S. trade war has led to a decline in the volume of goods transferred through Hong Kong, affecting logistics, shipping, and related service industries, thereby hindering intermediary trade. As an international financial centre, Hong Kong has experienced a fluctuation of stock market due to the market uncertainties triggered by the trade war, affecting investor confidence. In early April this year, Trump suddenly escalated the situation by implementing "reciprocal tariffs", which has immediately triggered a global stock market crash. The HSI plummeted by over 3,000 points, even falling below the 20,000-point mark. The steep decline left investors deeply unsettled. Moreover, the tense Sino-U.S. relations indirectly affected Hong Kong's tourism industry, leading to a decrease in international tourists and business activities, which impacted industries such as luxury goods retail. It is expected that Trump will continue to play the same old tricks in the future, manipulating the tariff issue at will, and investors must remain vigilant at all times.

It is undeniable that Hong Kong has always been backed by the Motherland, both economically and geographically, and has been able to get out of its predicament many times over the years thanks to the Motherland's aids. Since last year, the Chinese Government has repeatedly introduced measures to salvage the economy and has even introduced numerous policies. The People's Bank of China has repeatedly lowered the reserve requirement ratio in the hope of revitalizing the liquidity of capital in the market, thereby further stimulating the investment needs of enterprises and the willingness of residents to spend money, and assisting the real estate market in accelerating the stabilization, laying the foundation for a solid and pragmatic economic operation, as well as enhancing the liquidity and flexibility of the capital market; after the introduction of a series of policies and measures, it can be witnessed that the Chinese economy has shown a definite upturn. Our Group firmly believes that Hong Kong's economy will continue to develop steadily as China continues to roll out various market rescue measures, bringing renewed optimism to the capital markets and benefiting both Hong Kong and Mainland China stock markets. Moving forward, our Group will continue to adhere to our core business principles of "seizing market opportunities" and "putting customers first". We will ensure that every employee remains dedicated to their role, delivering exceptional service to our clients. In the market, we will maintain an aggressive and proactive stance, never missing any opportunity to maximize returns for our shareholders.

Funds from Mainland China, commonly known as “southbound capital”, enable Mainland investors to directly trade Hong Kong stocks through the “Hong Kong Stock Connect”, which has continued to be the most important driver of Hong Kong stock transactions since the launch of the initiative, and is believed to be the main source of Hong Kong stock transactions in the future. The Stock Connect is a mechanism that has been implemented for many years and links the stock markets of Shanghai, Shenzhen and Hong Kong, allowing Hong Kong investors to directly trade Shanghai and Shenzhen A-shares. The northbound channels of capital flow are Shanghai Stock Connect and Shenzhen Stock Connect, respectively. With the introduction of these measures, Hong Kong’s stock market has enjoyed tremendous opportunities since Hong Kong’s return, and the achievements were there for all to see. The Cross-boundary WMC, which was launched by the governments of Hong Kong and Mainland China, is one of the key initiatives of the connect mechanism of the capital markets in Mainland China, Hong Kong and Macau. The initial Cross-boundary WMC, which was launched in September 2021, eligible residents from the Mainland cities and Hong Kong and Macau in Greater Bay Area can invest in wealth management products distributed by the banks from each other through the closed-loop funding channels established by the Mainland banking system or vice versa. The breakthrough of the Cross-boundary WMC lies in providing a formal and convenient channel, allowing retail investors to directly open and operate investment accounts across borders for the first time, with greater autonomy to choose their own wealth management products. In the future, as the economy of Mainland China improves temporarily and financial reforms will be deepened continuously and more ties with other markets will be established in Mainland China, it is expected that Hong Kong will continue to be an important gateway to the Mainland market for international companies and investors. The further expansion of the market connect plans (including the implementation of Cross-boundary WMC, the inclusion of ETFs in the Stock Connect mechanism, and the rapid development of the Greater Bay Area) will bring about tremendous new opportunities for investors and the industry. This will increase the capital flow to Hong Kong, which is believed to bring opportunities to the capital markets and unlimited business opportunities to the Group.

Developing diversified global financial products

In a twinkling, it has been already the 15th anniversary for the listing of the Group on HKEX. The Group has always been adhering to the principles of “never giving up” and “crisis will bring opportunities”, has seized every opportunity in the market and adopted an aggressive and courageous business philosophy. Over the past 30 years since its inception, the Group has always been concerned about Hong Kong and committed to moving forward alongside Hong Kong people to provide quality services to our customers. As the application of financial technology in wealth management business becomes more mature, the Group will continue to promote the digitalisation and intelligence of clients’ trading services by combining online and offline marketing and business operating strategies, utilising financial technology towards the objectives of reducing costs, increasing efficiency, expanding client base and enhancing client experience, so as to further strengthen its core competitiveness. The Group will continuously seek and expand global investment products so as to cater to the needs of different clients. The Group believes that investors’ interest in global financial products is increasingly growing. Therefore, the Group will continuously develop more global financial products to meet market demands, thus consolidating our leading position in the industry.

Promoting digital investment services

The Group has always adopted a proactive business model and all of its trading systems are already connected to major financial markets around the world, allowing customers to trade anytime and anywhere through BS Baobao and Doudou APPs and all online trading channels, and the Group also regularly optimises and improves all online trading functions and the speed to place an order. The Group continuously promotes 24-hour eDDA service approved by the Hong Kong Monetary Authority, allowing clients to deposit money and trade financial products anytime, anywhere, 24 hours a day regardless of time differences and Hong Kong holidays. The Group has always been keeping client’s demand in mind. In addition to providing real-time quotes on U.S. stocks market for our clients earlier, the Group has already provided real-time streaming quotes on Hong Kong stocks market (LV1) to all our clients when Hong Kong stocks are finally on an uptrend, so that our clients can grasp the real-time information of the global financial market at the first time and seize the opportunity to enter the market.

Laying a solid foundation and strengthening the sales network

The Group perpetuated the expansion of its offline network. Together with the Bright Smart Mobile Teaching Centre that travels around Hong Kong, the Group now has a total of 13 outlets. To cater for the needs of our customers, some branches now open seven days a week, in a bid to provide clients with considerate services. The Group will capitalise on market opportunities timely and further refine this branch network to provide customers with considerate personal services.

To play an important role in investors' education over years, the Group launched the first broadcasting channel "Bright Smart Finance Channel", through which it makes a financial programme on each trading day to provide investors with instant information and answer their questions. Besides, it organised various investment seminars and stock and futures investment simulation competitions free of charge. The Group partnered with world-renowned stock exchanges, financial institutions and top industry experts to provide investors with comprehensive, reliable and free wealth management information so as to enhance their knowledge about financial products and economic trends across the world and broaden their investment choices. The Group believes that investors' education should be open for all, easy to understand and diversified so as to enhance the financial literacy and abilities of the public via different channels and assist them in developing responsible financial habits, behaviours and decisions.

Enhancing online trading security

The Group has invested substantial resources in improving the efficiency and capacity of its online trading systems to meet clients' needs. In order to offer a more convenient and stable online trading platform, the Group makes huge investment each year in improving its trading systems, and has previously relocated its central computer system to the centralised data centre of HKEX in Tseung Kwan O, which is a rarity in the industry. The Group will continue to enhance the capacity and speed of the trading system, conduct regular tests, including regular simulated tests involving a trading volume exceeding five times of the existing peak volume on HKEX, so as to continuously enhance the efficiency and stability of the existing securities and futures trading platforms. The Group aims to provide a fast and reliable trading platform for our customers to invest with reassurance.

In view of the fact that Internet technology and mobile communication technology have become an indispensable part of our daily lives, and with the rapid development of online financing, the issue of online trading security has also arisen. Investors are becoming increasingly vigilant of risks and are paying more and more attention to the safety of online trading. Cybersecurity has become an indispensable part of the public concern, and the Group regularly engages a world-renowned cybersecurity company to conduct cybersecurity tests for all systems; and are munificent on the cost of regularly upgrading the security equipment of all systems, so that all customers can feel safe and secure during the transactions. In addition, customers will receive SMS or email alerts from the Group once trading is completed. The Group always reminds its customers to be careful of falling into investment pitfalls.

Conclusion

The Group firmly believes that Hong Kong's economy still has a lot of uncertainties, but Hong Kong remains the most resilient and capable of overcoming and resolving crises, and its position as an international financial center remains irreplaceable. During the past period of adversity, the Group is particularly grateful for the long-term support and trust of our shareholders and the dedication of our staff, which have brought many important results to the Group. All of our employees have not only shown perseverance but have also been able to adapt to rapid change, so as to carry out the Group's missions with determination, and to meet and exceed exacting standards in the process. This will continue to be the Group's top priority as it strives to maintain strict compliance with the regulatory system in Hong Kong and to build market and public confidence through the performance of its daily duties and the implementation of effective cost control measures. The Group would also like to express its gratitude to the members of the Board for their continued guidance and support to the Group.

The Group firmly believes that only by keeping abreast of the needs of clients can it stand out in the fierce competition. The Group will continue to adhere to the "client-oriented and service-first" philosophy, and adopt both aggressive and defensive strategies. On the one hand, it has been striving to optimize the performance of all trading systems, and on the other hand, it introduced products of great interest to the market, with a view to enhancing customer experience at all times, so that customers can have access to the most advantageous financial products in the world; in terms of the promotion strategy, it will allocate more resources on various online and offline platforms for publicity and promotion and increasing brand exposure, attracting more investors to open accounts and trade products through Bright Smart Securities. The Group plans to further optimize its regional promotions, in order to reach a wider range of target clients more effectively, thereby expanding its market share and strengthening its brand competitiveness.

The Group's achievements today depend on the long-standing support and trust of its clients. The Group will be dedicated to providing clients with better services and developing safer, more stable, faster and more convenient trading platforms in the future, so as to give back clients for their love and support and make them feel at home. Meanwhile, the Group will develop more diversified businesses, recruit talents from different sectors and seize every valuable opportunity, so as to enhance our operation efficiency and seek higher returns for shareholders.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations were financed by shareholders' equity, cash generated from operation and bank borrowings.

The Group maintains sufficient liquidity with total bank deposits, bank balances and cash amounting to HK\$476.6 million as at 31 March 2025 (2024: HK\$441.3 million). The Group had bank borrowings of HK\$4,370.0 million as at 31 March 2025 (2024: HK\$3,775.0 million) which bore interest primarily at floating rate. The bank borrowings were primarily collateralised by its margin clients' securities pledged to the Group. As at 31 March 2025, unutilised banking facilities amounted to HK\$13,040.5 million (2024: HK\$17,609.9 million). The Group's gearing ratio (total bank borrowings excluding IPO financing divided by the total shareholders' equity) was 291.0% (2024: 261.4%). As at 31 March 2025, the Group had net current assets of HK\$1,344.3 million (2024: HK\$1,308.6 million) and a current ratio (current assets divided by current liabilities) of 1.2 times (2024: 1.2 times).

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of the subsidiaries maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the Year, all the licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules (Cap. 571N of the Laws of Hong Kong "FRR").

CHARGES ON ASSETS

No asset of the Group was subject to any charge as at 31 March 2025 and 2024.

CONTINGENT LIABILITIES

As at 31 March 2025, corporate guarantees provided by the Company in respect of banking facilities granted by authorised institutions to its subsidiaries engaging in securities and futures broking amounted to HK\$15,109.4 million (2024: HK\$15,983.2 million). As at 31 March 2025, the subsidiaries of the Company have utilised HK\$3,675.0 million of these aggregate banking facilities (2024: HK\$3,295.0 million).

As at 31 March 2025, the directors did not consider that any claim would be made against the Group under any of the guarantees.

CAPITAL COMMITMENTS

The capital commitments as at 31 March 2025 were approximately HK\$0.2 million (2024: HK\$0.2 million).

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2025, the Group had a work force of 195 employees (2024: 196 employees). Staff costs, excluding directors' emoluments, amounted to approximately HK\$108.4 million for the Year (2024: HK\$105.4 million). The Group's remuneration policy aims to offer competitive remuneration packages to recruit, retain and motivate competent employees. The Group believes that the remuneration packages are reasonable and competitive and in line with market trends. The Group has put in place a bonus scheme for its executives and employees as a measure to provide a competitive remuneration package for the Group's long-term growth and development. The Group also provides appropriate training and development programmes to its employees to enhance the staff's work ability and personal efficiency.

SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the Year, the Group did not make any significant acquisitions or disposals of subsidiaries.

LITIGATION

As at 31 March 2025 and up to the date of this report, the Group has not been involved in any litigation of significance.

RISK MANAGEMENT

Credit risk

The Group's credit risk is primarily attributable to amounts due from clients, brokers and clearing houses. The management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis.

In respect of amounts due from clients, individual credit evaluations are performed on all clients (including cash and margin clients) based on the underlying collateral. Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within a few days from the trade date. Because accounts receivable from cash clients relate to a wide range of customers for whom there was no recent history of default, there has not been a significant change in credit quality and the balances are considered fully recoverable, and the prescribed deposit requirements and the short settlement period involved, the credit risk arising from the amounts due from cash clients is considered low. The Group normally obtains liquid securities and/or cash deposits as collateral for providing financing to its cash and margin clients and has policy to manage these exposures on a fair value basis. Margin loans due from margin clients are repayable on demand. For commodities and futures brokerage, an initial margin is required prior to opening transaction. Market conditions and adequacy of securities collateral and margin deposits of each cash account, margin account and futures account are monitored by the management on a daily basis. Margin calls and forced liquidation are made where necessary.

In respect of amounts receivable from brokers and clearing houses, credit risks are considered low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

The Group has no significant concentration of credit risk as credits are granted to a large population of clients.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with FRR. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms.

Interest rate risk

The Group charges interest to its margin clients and cash clients with outstanding loan amounts on the basis of its cost of funding plus a mark-up. Financial assets, such as margin loans and bank deposits, and financial liabilities, such as bank loans, bear interest primarily at floating rates. The interest-bearing assets and liabilities, such as margin loans and bank loans, are mainly priced based on HIBOR rate. The Group mitigates its interest rate risk by monitoring market interest rate movements and revising the interest rates offered to its customers on an ongoing basis in order to limit potential adverse effects of interest rate movements on net interest income. The Group regularly calculates the impact on profit or loss of a possible interest rate shift on its portfolio of bank borrowings, margin loans receivable and interest-bearing bank deposits.

Foreign exchange risk

The Group is exposed to currency risk primarily arising from financial instruments that are denominated in United States dollars ("USD"), Renminbi ("RMB"), Singapore dollars ("SGD"), Japanese Yen ("JPY"), Australian dollars ("AUD") and British pound ("GBP"). As the Hong Kong dollar ("HKD") is pegged to the USD, the Group considers the risk of movements in exchange rates between the HKD and the USD as insignificant. In respect of financial instruments denominated in other currencies, the Group ensures that the net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The management monitors all the foreign currency positions on a daily basis.

Price risk

The Group is exposed to price changes arising from listed equity investments, futures contracts and accounts receivable classified as financial assets at fair value through profit or loss.

The Group's equity investments are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") while investment in futures contracts are traded on HKFE. Listed investments held in the financial assets at fair value through profit or loss portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Accounts receivable from margin, cash and IPO clients expose the Group to price risk as their fair value is made with reference to the fair value of collaterals, capped by the principal amount and accrued interest, without discounting.

FINAL DIVIDEND

The Directors resolved not to recommend payment of any dividend for the year ended 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to attend and vote at the AGM, from Wednesday, 20 August 2025 to Tuesday, 26 August 2025 (both days inclusive), during this period no transfer of shares will be registered. In order to attend and vote at the AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong for registration, not later than 4:30 p.m. on Tuesday, 19 August 2025. The AGM will be held on Tuesday, 26 August 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries of each Director, all the Directors have confirmed that they have complied with the Model Code throughout the Year.

REVIEW OF ANNUAL RESULTS

The annual results for the Year had been reviewed by the audit committee of the Company, which comprises the four independent non-executive Directors of the Company.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group’s results for the Year had been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft financial statements for the Year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

EVENTS AFTER THE YEAR

Subsequent to the Year, the Company issued a joint announcement with Wealthiness and Prosperity Holding Limited (the “Offeror”) dated 25 April 2025 (the “Joint Announcement”) in relation to, amongst other things, the Offer (as defined in the Joint Announcement).

Save as above mentioned, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to the Year and up to the date of this announcement.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the HKEX (<https://www.hkexnews.hk>) and the website of the Company (<https://www.bsgroup.com.hk>). The Annual Report 2024/25 and the notice of AGM will be despatched to the shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Yip Mow Lum (Chairman), Mr. Hui Yik Bun (Chief Executive Officer) and 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.