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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)

POSITIVE PROFIT ALERT FOR YEAR 2019/20

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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 is pleased 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 year ended 31 March 2020 (“**FY2019/20**”), the unaudited consolidated net profit (after tax) is expected to be approximately HK\$473 million, representing an increase of approximately 7.3% when compared with the audited net profit (after tax) of approximately HK\$441 million for the year ended 31 March 2019 (“**Last FY**”).

In FY2019/20, Hong Kong stock market was plagued by the Sino-US trade war, social unrest, the spread of novel coronavirus, and other unfavourable factors. As a result, the Hang Seng Index has experienced a downturn and most of the business sectors in the territory have become sluggish. According to the statistics of the Hong Kong Stock Exchange, the average daily transaction volume for FY2019/20 was approximately HK\$92.239 billion, representing a decrease of approximately 4.2% from the average daily transaction volume of approximately HK\$96.229 billion Last FY. Due to the lingering unfavourable market sentiment, a total of about 37 securities firms were down and out from 1 March 2019 to 1 April 2020. With the uncertain economic outlook, the securities industry has entered the “Survival of the Strongest” era and expectedly the elimination game will persist. Unavoidably those non-listed securities firms with smaller scale and no so financially sound will be less trustworthy and prone to closure.

The Group has outperformed the market. While the average daily trading volume of the Hong Kong Stock Exchange fell by 4.2%, the Group did not go with the trend but instead recorded an outstanding performance with an increase in the net profit by (after tax) 7.3%, thanks to our comparative advantages, namely:

1. The Group has always had a keen sense of proactive planning and forward thinking. As early as 2015, we established a backup office to cope with unexpected large-scale crises such as epidemics, natural disasters and human disasters. With the unprecedented pandemic outbreak in Hong Kong this year, the office is therefore put to good use. This move is the first in Hong Kong's securities industry and is unique in the field. The backup office is located in the core area of Kowloon, with a total area of more than 20,000 square feet. In terms of equipment and facilities, the scale is equivalent to our head office in Central. Despite any unexpected situation, the Group can still operate as usual and will not be closed. Most of our counterparts can only provide limited services and even go out of business when faced with unexpected incidents.
2. Our two proprietary trading applications (apps), "BS Securities (Baobao)" and "BS Futures (Doudou)", have been well received by our customers since their eye-catching launch last year. The following statistics show that our unfailing efforts have got rewards:
 - I. the total download number of BS Securities (Baobao) App and BS Futures (Doudou) App for the first quarter of 2020 has been up tremendously by 40.8% when compared with the last quarter.
 - II. The number of account opening through BS Securities (Baobao) App and the BS Futures (Doudou) App for the first quarter of 2020 has substantially increased by 64.4% when compared with the last quarter.
 - III. The number of transaction via BS Securities (Baobao) App for the first quarter of 2020 has significantly increased by 91.7% when compared with the last quarter.
 - IV. The order volume in the first quarter of 2020 was approaching 4 million, representing a substantial increase of 47.6% when compared with the last quarter.
 - V. The usage number of active clients of BS Securities (Baobao) App in the first quarter of 2020 has increased significantly by 57.8% when compared with the last quarter.
 - VI. The usage number of active clients of the online trading platform in the first quarter of 2020 has increased by 26.7% when compared with the last quarter.
3. Bearing in mind the market need, the Group has adopted some market-oriented strategies and put forth some offers such as:
 - I. Margin ratio as high as 95%, and super low interest as low as 2%;
 - II. A customer can get 20 shares of Track Fund (Stock Code: #2800) and 10 shares of HSBC (Stock Code: #005) free of charge upon account opening;
 - III. New customers can enjoy genuine zero commission for one month for Hong Kong and A shares trading; and
 - IV. Waiver of platform charge, etc.

The launch of the above-mentioned unprecedented offers has been well received by the investors across the board. As a result, the number of client accounts has reached 337,804 as at 31 March 2020, representing an increase of 19.3% when compared with the Last FY, leading to an increased revenue and brilliant results of the Group. The Group had hence won three Equity Derivatives Awards from the Stock Exchange, ie. Top Broker, Stock Futures 2019; Top Broker, Stock Options 2019; and Top Broker, Weekly Index Options 2019.

Looking forward, the Group will continue to exert ourselves based on the philosophy of “Caring about Clients’ Needs” and “Leading the Industry”. With the strategy of “High Profile in Low Time”, we will proactively seize every opportunity at an aggressive pace. Upholding the market positioning of “Low Cost, High Quality”, and being supported by a professional and caring service team, a comprehensive branch network and diversified products, we strive to enhance the brand effect, which may in turn boost the Group's scale and business to a higher level.

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, 6 April 2020

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