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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

The Company through Bright Smart Securities International (H.K.) Limited, a wholly-owned subsidiary of the Company, acquired a total of 769,700 Alibaba Shares (which represents approximately 0.004% of the total issued shares of Alibaba as at 3 February 2021) on the market in a series of transactions conducted between 27 April 2020 and 3 February 2021 for an aggregate consideration of approximately HK\$187.3 million (exclusive of relevant transaction costs). The average price for the Acquisition of each Alibaba Share was approximately HK\$243.34.

As one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

ACQUISITION

The Company through Bright Smart Securities International (H.K.) Limited, a wholly-owned subsidiary of the Company, acquired a total of 769,700 Alibaba Shares (which represents approximately 0.004% of the total issued shares of Alibaba as at 3 February 2021) on the market in a series of transactions conducted between 27 April 2020 and 3 February 2021 for an aggregate consideration of approximately HK\$187.3 million (exclusive of relevant transaction costs). The average price for the Acquisition of each Alibaba Share was approximately HK\$243.34. The aggregate consideration of the Acquisition represented the market price of the Alibaba Shares and was payable from the Group's internal resources.

As the Acquisition was made through the market, the Company was not aware of the identities of the sellers of such Alibaba Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the sellers of the Alibaba's Shares and their respective ultimate beneficial owner are Independent Third Parties.

Acquired Alibaba Shares represent approximately 0.004% of the total issued shares of Alibaba as at 3 February 2021. Taking into account the Previous Acquisitions, Previous Disposals and the Disposals, the Group remains to hold 120,000 Alibaba Shares immediately after the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group's principal businesses are provision of financial services, including securities broking, margin financing, commodities and futures broking, bullion trading and leveraged foreign exchange trading. Without prejudice to the financial situation of the Company, the Group believes that investing in steady listed companies stock can enhance income for the Group as a whole.

Alibaba, with businesses comprising core commerce, cloud computing, digital media and entertainment, innovation initiatives, payment services and financial services provided to consumers and merchants, has performed and developed well in recent years. Having considered the performance of Alibaba in recent years and its future development potential, the Company considers that the Acquisition is an attractive investment and can enhance income for the Group as a whole. Meanwhile, as the Acquisition was made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisition was fair and reasonable, on normal commercial terms and in the best interests of the Company and its Shareholders as a whole.

INFORMATION ON ALIBABA

Alibaba is a company incorporated in the Cayman Islands with its American depositary shares listed on the New York Stock Exchange (Stock Symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988). According to publicly available information, Alibaba is a holding company that provides the technology infrastructure and marketing reach to help merchants, brands and other businesses to leverage the power of new technology to engage with users and customers to operate. Alibaba operates four business segments. The core commerce segment provides China retail, China wholesale, international retail, international wholesale, logistics services and local consumer services. The cloud computing segment provides complete suite of cloud services, including database, storage, network virtualization services, big data analytics and others. The digital media and entertainment segment provides consumer services beyond the core business operations. The innovation initiatives and others segment is to innovate and deliver new services and products.

The following financial information is extracted from the publicly available documents of Alibaba:

	For the year ended	
	31 March	
	2020	2019
	<i>RMB' Million</i>	<i>RMB' Million</i>
Revenue	509,711	376,844
Profit before taxation	166,645	96,221
Net profit after taxation	140,350	80,234

Based on the publicly available documents of Alibaba, the consolidated net asset value of Alibaba as at 30 September 2020 was approximately RMB973,190 million.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following respective meanings:

“Acquisition”	The Company through Bright Smart Securities International (H.K.) Limited, a wholly-owned subsidiary of the Company, acquired a total of 769,700 Alibaba Shares (which represents approximately 0.004% of the total issued shares of Alibaba as at 3 February 2021) on the market in a series of transactions conducted between 27 April 2020 and 3 February 2021 for an aggregate consideration of approximately HK\$187.3 million (exclusive of relevant transaction costs). The average price of each Alibaba Share was approximately HK\$243.34
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“Acquired Alibaba Shares”	an aggregate of 769,700 Alibaba Shares acquired by the Group in the Acquisition
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“Alibaba”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands with its American depositary shares listed on the New York Stock Exchange (Stock Symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988)
“Alibaba Share(s)”	ordinary shares in the share capital of Alibaba
“Board”	the board of Directors
“Company”	Bright Smart Securities & Commodities Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1428)
“Director(s)”	the director(s) of the Company
“Disposals”	the Company through Bright Smart Securities International (H.K.) Limited, a wholly-owned subsidiary of the Company, disposed of a total of 710,100 Alibaba Shares (which represents approximately 0.003% of the total issued shares of Alibaba as at 3 February 2021) on the market in a series of transactions conducted between 18 June 2020 and 2 February 2021 for an aggregate consideration of approximately HK\$176.2 million (exclusive of relevant transaction costs). The average disposal price of each Alibaba Share was approximately HK\$248.07
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the

	Stock Exchange
“PRC”	the People’s Republic of China
“Previous Acquisitions”	referring to the announcement of the Company dated 13 March 2020, the Company through a wholly-owned subsidiary of the Company, acquired a total of 500,000 Alibaba Shares on the market in a series of transactions conducted between 20 February 2020 and 13 March 2020 for an aggregate consideration of approximately HK\$97.2 million (exclusive of relevant transaction costs). The average acquisition price of each Alibaba Share was approximately HK\$194.41
“Previous Disposals”	referring to the announcement of the Company dated 21 May 2020, the Company through a wholly-owned subsidiary of the Company, disposed of a total of 439,600 Alibaba Shares on the market in a series of transactions conducted between 13 March 2020 and 21 May 2020 for an aggregate consideration of approximately HK\$87.2 million (exclusive of relevant transaction costs). The average disposal price of each Alibaba Share was approximately HK\$198.39
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 3 February 2021

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.