

耀才證券

BRIGHT SMART SECURITIES

香港交易所上市公司(1428)

BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED

耀才證券金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1428)

Executive Directors:

Mr. Yip Mow Lum (*Chairman*)
Mr. Hui Yik Bun (*Chief Executive Officer*)
Mr. Chan Wing Shing, Wilson

Independent non-executive Directors:

Mr. Yu Yun Kong
Mr. Szeto Wai Sun
Mr. Ling Kwok Fai, Joseph
Ms. Wong Ting Ting, Priscilla

Registered office:

P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

**Head office and principal place
of business:**

10th Floor and 23rd Floor
Wing On House
71 Des Voeux Road Central
Central, Hong Kong

8 April 2026

To the Independent Shareholders:

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
MORGAN STANLEY ASIA LIMITED
FOR AND ON BEHALF OF THE OFFEROR FOR ALL THE ISSUED SHARES OF
THE COMPANY (OTHER THAN THOSE ALREADY OWNED OR AGREED TO
BE ACQUIRED BY THE OFFEROR AND THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

We refer to (i) the Joint Announcement; (ii) the joint announcements dated 13 June 2025, 11 July 2025, 11 August 2025, 11 September 2025, 10 October 2025, 11 November 2025, 29 December 2025, 29 January 2026 and 2 March 2026 issued by the Offeror and the Company in relation to the status of satisfaction of the conditions precedent to Completion; (iii) the joint

announcement dated 16 May 2025 issued by the Offeror and the Company in relation to the delay in despatch of the composite document in relation to the Offer; (iv) the announcement issued by the Company dated 28 May 2025 in relation to the appointment of the Independent Financial Adviser; (v) the joint announcement dated 25 November 2025 issued by the Offeror and the Company in relation to, among others, the extension of the long stop date under the Share Purchase Agreement and further delay in despatch of the composite document; (vi) the joint announcement dated 16 March 2026 issued by the Offeror and the Company in relation to the satisfaction of the conditions precedent under the Share Purchase Agreement; and (vii) the Completion Announcement dated 30 March 2026.

As disclosed in the Joint Announcement, on 25 April 2025, the Seller and the Offeror entered into the Share Purchase Agreement pursuant to which the Seller conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares, being 857,980,000 Shares, representing approximately 50.55% of the total issued Shares and the Seller's entire shareholding in the Company as at the date of the Share Purchase Agreement, for a total cash consideration of HK\$2,814,174,400 (equivalent to HK\$3.28 per Sale Share).

Immediately prior to Completion, none of the Offeror and the Offeror Concert Parties owned, controlled or had direction over any Shares or otherwise held convertible securities, warrants or options of the Company. Immediately upon Completion, which took place on 30 March 2026, and as at the Latest Practicable Date, the Offeror and the Offeror Concert Parties held in aggregate 857,980,000 Shares, representing approximately 50.55% of the total issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) further information relating to the Group, the Offeror and the Offer (including the expected timetable and terms of the Offer); (ii) the letter from Morgan Stanley containing, among other things, details of the Offer; (iii) the letter from the Independent Board Committee to the Independent Shareholders containing its recommendations in respect of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meaning as defined in this Composite Document unless the context otherwise requires.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the independent non-executive Directors of the Company, namely, Mr. Yu Yun Kong, Mr. Szeto Wai Sun, Mr. Ling Kwok Fai, Joseph and Ms. Wong Ting Ting, Priscilla, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Pursuant to Rule 2.1 of the Takeovers Code, the Company has appointed, with the approval of the Independent Board Committee, Somerley as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full texts of the “Letter from the Independent Board Committee” addressed to the Independent Shareholders and the “Letter from the Independent Financial Adviser” addressed to the Independent Board Committee are set out in this Composite Document. You are advised to read both letters and the additional information contained in the appendices to the Composite Document carefully before taking any action in respect of the Offer.

THE OFFER

As set out in the “Letter from Morgan Stanley” on pages 13 to 26 of this Composite Document, Morgan Stanley is making the Offer for and on behalf of the Offeror to acquire all the Offer Shares on terms set out in this Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share. HK\$3.28 in cash

The Offer Price of HK\$3.28 per Offer Share is the same as the price per Sale Share of HK\$3.28 paid by the Offeror under the Share Purchase Agreement.

The Offeror will not increase the Offer Price. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares. The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights

attaching to them, including, without limitation, the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document

If after the date of this Composite Document, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror will reduce the Offer Price by the gross amount of the dividend, distribution and/or return of capital paid or made by the Company in respect of each Offer Share to such Independent Shareholders who accept or have accepted the Offer, and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, this Composite Document or any other announcement in relation to the Offer to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. Any such reduction will only apply to those Offer Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital.

As at the Latest Practicable Date, (i) the Company had not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) the Company did not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing of the Offer, or the lapse, withdrawal or termination of the Offer (whichever is earlier).

Further details of the terms of the Offer can be found in the “Letter from Morgan Stanley”, “Appendix I — Further Terms and Procedures for Acceptance of the Offer” in this Composite Document and the accompanying Form of Acceptance.

Comparison of value

The Offer Price of HK\$3.28 per Offer Share represents:

- (a) a discount of approximately 74.0% to the closing price of the Shares as quoted on the Stock Exchange on the Latest Practicable Date of HK\$12.60 per Share;
- (b) a premium of approximately 17.6% over the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day of HK\$2.79 per Share;
- (c) a premium of approximately 20.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of HK\$2.72 per Share;

- (d) a premium of approximately 26.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of HK\$2.59 per Share;
- (e) a premium of approximately 18.8% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Day of HK\$2.76 per Share;
- (f) a premium of approximately 23.8% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) trading days up to and including the Last Trading Day of HK\$2.65 per Share;
- (g) a premium of approximately 272.7% over the audited consolidated net asset value of approximately HK\$0.88 per Share, based on the audited consolidated net assets of the Company as at 31 March 2025 and the number of Shares in issue as at the Latest Practicable Date; and
- (h) a premium of approximately 203.7% over the unaudited consolidated net asset value of approximately HK\$1.08 per Share, based on the unaudited consolidated net assets of the Company as at 30 September 2025 and the number of Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$17.10 on 21 July 2025 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$2.11 on 28 November 2024.

Value of the Offer

As at the Latest Practicable Date, there were 1,697,296,308 Shares in issue and the Company did not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

On the basis of the Offer Price of HK\$3.28 per Offer Share, the entire issued share capital of the Company would be valued at HK\$5,567,131,890.24.

Assuming no new Shares are issued after the Latest Practicable Date, and excluding the 857,980,000 Shares held by the Offeror, 839,316,308 Shares will be subject to the Offer. On the basis of the Offer Price of HK\$3.28 per Offer Share and 839,316,308 Offer Shares, the Offer would be valued at, and the maximum consideration payable by the Offeror for full acceptance of the Offer would be, HK\$2,752,957,490.24.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Main Board (stock code: 1428). The Company is an investment holding company and principally engaged in the provision of financial services. The Group operates through four business segments: securities broking, commodities and futures broking, bullion trading and leveraged foreign exchange trading.

Financial and general information of the Group are set out in “Appendix II — Financial Information of the Group” and “Appendix III — General Information of the Group” of this Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

	Immediately prior to Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>Number of Shares as a percentage of total number of Number of Shares</i>	<i>Shares in issue (%)</i>	<i>Number of Shares</i>	<i>Number of Shares as a percentage of total number of Shares in issue (%)</i>
(A) Offeror and the Offeror Concert Parties				
Offeror	—	—	857,980,000	50.55
Morgan Stanley ⁽¹⁾	—	—	—	—
(B) Seller				
Seller	857,980,000	50.55	—	—
(C) Directors				
Mr. Hui Yik Bun	600,000	0.04	600,000	0.04
Mr. Yu Yun Kong	558,829	0.03	558,829	0.03
Mr. Szeto Wai Sun	217,666	0.01	217,666	0.01
Mr. Ling Kwok Fai, Joseph	70,000	0.00	70,000	0.00
(C) Sub-total	1,446,495	0.09	1,446,495	0.09
(D) Public Shareholders	837,869,813	49.36	837,869,813	49.36
Total	1,697,296,308	100	1,697,296,308	100

Notes:

- (1) Morgan Stanley is the exclusive financial adviser to the Offeror in connection with the Offer. Accordingly, Morgan Stanley and the relevant members of the Morgan Stanley group which respectively hold Shares on their own account or manage Shares on a discretionary basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by members of the Morgan Stanley group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code). Members of the Morgan Stanley group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as Morgan Stanley are not presumed to be acting in concert with the Offeror.
- (2) All percentages in the above table are approximations. This table is prepared on the assumption that no new Shares will be issued after the date of this Composite Document.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Morgan Stanley” and “Appendix IV — General Information of the Offeror” of this Composite Document for information on the Offeror.

INTENTION OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Morgan Stanley” in this Composite Document for information on the intention of the Offeror regarding the Group. The Board notes the intention of the Offeror and welcomes in particular, the potential expansion of the business within the Group’s existing regulated activities and the proposed changes to the composition of the Board and management personnel as set out in the sections headed “Reasons for and Benefits of the Offer” and “Intention of the Offeror in relation to the Group” in the “Letter from Morgan Stanley”, and that the Offeror has no plan to make any major changes to the current business operations of the Group, including any redeployment of the fixed assets of the Company, or the introduction of any major changes in the continued employment of the employees of the Group as a result of the Offer. The Board will render cooperation with and support to the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

PROPOSED CHANGES TO THE COMPOSITION OF THE BOARD

As at the Latest Practicable Date, the Board comprises seven Directors, with three executive Directors, namely, Mr. Yip Mow Lum, Mr. Hui Yik Bun and Mr. Chan Wing Shing, Wilson, and four independent non-executive Directors, namely, Mr. Yu Yun Kong, Mr. Szeto Wai Sun, Mr. Ling Kwok Fai, Joseph and Ms. Wong Ting Ting Priscilla.

Your attention is drawn to the section headed “Proposed changes to the composition of the Board and Board committees” in the “Letter from Morgan Stanley” of this Composite Document.

Further announcement(s) will be made upon any changes to the Board in compliance with the Takeovers Code and Listing Rules as and when appropriate.

LISTING OF THE SHARES AND RIGHT OF COMPULSORY ACQUISITION

Your attention is drawn to the section headed “Listing of the Shares and Right of Compulsory Acquisition” in the “Letter from Morgan Stanley” contained in this Composite Document.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer and does not intend to avail itself of any power of compulsory acquisition.

The sole director of the Offeror and the New Directors have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirements of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company’s compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

RECOMMENDATIONS

Your attention is drawn to (i) the “Letter from the Independent Board Committee” to the Independent Shareholders containing its recommendations in respect of the Offer; and (ii) the “Letter from the Independent Financial Adviser” containing its advice to the Independent Board Committee in relation to the Offer and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendations. You are advised to read both letters and the remainder of this Composite Document carefully before taking any action in respect of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the “Letter from Morgan Stanley” and the appendices to this Composite Document. You are also recommended to read carefully Appendix I “Further Terms and Procedures for Acceptance of the Offer” of this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

[signature page to the Letter from the Board]

Yours faithfully,

By order of the Board of

Bright Smart Securities & Commodities Group Limited

A handwritten signature in black ink, appearing to be 'Hui Yik Bun', written in a cursive style. The signature is positioned above the printed name and title.

Hui Yik Bun

Executive Director