耀星科技集团

BRIGHTSTAR TECHNOLOGY GROUP CO., LTD

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耀星科技集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8446)

VOLUNTARY ANNOUNCEMENT
KEY FINDINGS OF INTERNAL CONTROL REVIEW

This announcement is made by Brightstar Technology Group Co., Limited (the "**Company**", together with its subsidiary, collectively referred as the "**Group**") on a voluntary basis.

BACKGROUND OF THE INTERNAL CONTROL REVIEW

Reference is made to the announcement of the Company dated 26 June 2025 (the "**Announcement**"). The Announcement contained certain proposed remedial measures in relation to the Company's compliance with Rule 17.15 and Rule 17.17 of the GEM Listing Rules. Please refer to the Announcement for details of the proposed remedial measures. In view of the aforesaid proposed remedial measures, the Company has engaged an independent internal control consultant to conduct an internal control review and to make recommendations for the Company to improve its internal control system.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

The Company has engaged Redford Business Advisory Services Limited (the "**Internal Control Consultant**") as its independent internal control consultant to conduct a comprehensive review (the "**Internal Control Review**") of the internal control system, policies and procedures of the Group over including but not limited to the Group's internal procedures to ensure its compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), in particular, on Chapter 17, 19 and 20 of the GEM Listing Rules, and provide corresponding recommendations for rectification to the management of the Company (the "**Management**"). The Internal Control Consultant is an independent specialist business advisory firm, and has extensive experience in reviewing and advising on the internal control and corporate governance environment of companies listed on the Stock Exchange.

The Internal Control Consultant conducted a review of the Company's financial procedures, systems, and internal control elements with an aim to ensure that the Company has adequate internal controls and procedures in place to comply with its obligations under the GEM Listing Rules. The scope of work of the Internal Control Review covers the following aspects:

(i) Review the internal policies and procedures of the Group;

(ii) Review whether the Company to retain a competent personnel and engaged an external internal control consultant with proper understanding of GEM Listing Rules;

(iii) Identification procedures of the Group's connected parties, connected transactions, continuing connected and notifiable transactions (the "**Transactions**");

(iv) Establishment and review of list of connected parties and the Transactions;

(v) Review of the declaration of relationship in respect of the Group's connected parties;

(vi) Review the background investigation on counterparties to the Transactions, including but not limited to financial information, credit rating and public searches;

(vii) Review the maintenance of records by the Group;

(viii) Review the self-inspection procedures on various Transactions;

(ix) Review the Group's compliance with disclosure and reporting requirements under the GEM Listing Rules;

(x) Review all acquisition, disposal documents and/or agreements involving prepayment with value over HK$3 million (or with amount equivalent to) and review whether the Transactions have approved with written minutes, monthly checklists and term of agreements and standard protocol and contingency plans for counterparties failure to meet their obligation;

(xi) Review whether the Transactions were handled in compliance with the Group's internal control policies and procedures and the Rules; and

(xii) Review the training record of the Group's directors.

The Internal Control Review has been conducted for the period from July 2025 to September 2025.

The key internal control findings identified by the Internal Control Consultant throughout the Internal Control Review, corresponding recommendation for rectification (the "**Rectification Recommendation(s)**"), the Company's response and the remediation status are summaries as follows:

Key Findings	**Rectification Recommendations**	**Company's response and the remediation status**
Management has established detail policies regarding the Rules (the "**Policies**"). However, they have not strictly adhered to these Policies, and there is a lack of detailed work done to detect, approve, or report the Transactions.	The Internal Control Consultant has provided recommendations to the Group's management, including the establishment of a detailed checklist and approval form to enhance the implementation of the Policies, including but not limited to the following aspects of the Transactions: – Identification procedures; – Declaration procedures; – Comprehensive background investigation; – Periodic reconciliation procedures; and – Reporting procedures.	The Management accepted the recommendation.
A lack of competent personnel is involved in monitoring the Transactions.	The Internal Control Consultant has provided recommendations to the Group's management, including the engagement of the Company's retained lawyer (the "**Lawyer**") and Internal Control Consultants knowledgeable about the Rules to conduct regular checks on the Transactions and to update the Group's Policies regularly.	Management has accepted the recommendation and has engaged the Lawyer and the Internal Control Consultants. Further, all of the directors of the Company (the "**Director(s)**") completed a three-hour training session conducted by the Lawyer.

Key Findings	Rectification Recommendations	Company's response and the remediation status
List of Transactions and lists of written agreement and prepayment (the "**Lists**") has not been kept properly.	The Internal Control Consultant has provided recommendations to the Group's management. An up- to-date Lists should be maintained, updated monthly, and reviewed and approved by both the Management and the Internal Control Consultants. The list of prepayment should clearly set out: (a) whether the prepayments contain certain commitments on work progress on the part of the counterparty, and if so, (i) the relevant key performance indicators, (ii) the fulfilment status of the commitment, (iii) the conditions at which the Group will be entitled to demand refund of the prepayment; and (b) whether each of the prepayments exceeds the threshold under Rules 17.15 and 17.17 of the GEM Listing Rules which is subject to general disclosure requirements; (iv) include a term to the effect that the Group is entitled to demand refund of the prepayment in full or in part upon the counterparty failing to fulfill commitments or perform its work; (v) review record from the Management and the Internal Control Consultants; (vi) credit assessment and reviewing the financial information on the counterparty; (v) public search on the counterparty; (vi) evaluate the benefits to the Group from the relevant prepayment; and (vii) contingency plans for the potential failure to receive any refund of the prepayments.	The Management accepted the recommendation.

Key Findings	Rectification Recommendations	Company's response and the remediation status
The Directors and the board of Directors (the "**Board**") verbally approved a notifiable transaction dated 28 March 2024, along with its proposed terms. However, the Company has not properly maintained any approval documentation.	The Internal Control Consultant has provided recommendations to the Group's management. An assessment form and checklist (the "**Form and Checklist**") for the Transactions should be established and completed for any proposed Transactions and assess the implication to the Group. The Form and Checklist should be reviewed by the Management and Internal Control Consultant and be submitted to Board for approval. Only approval Transactions can be executed and documented in the minutes. The Management and Internal Control Consultants should perform monthly review and assessment on the Group's financial information on a monthly basis, so as to ensure all the Transactions have been identified and relevant disclosures have been made.	The Management accepted the recommendation.

Key Findings	Rectification Recommendations	Company's response and the remediation status
The Group failed to publish announcements in a timely manner regarding the provision of prepayment to a service provider on 28 March 2024 (the "**Prepayment**"). The Prepayment constituted a discloseable transaction under chapter 17.15 of the GEM Listing Rules.	The Internal Control Consultant has provided recommendations to the Group's management. Regular Identification procedures (abovementioned) should be strictly adhered. For each of the Transactions, the Management should perform size test calculations (the "**Size Test Calculations**") in order to assess the extent of publication requirements. The Group must publish an announcement as soon as possible if it fails under the GEM Listing Rules requirements. Prior the publication, the Management, the Lawyer and Internal Control Consultants should be assigned to review the Size Test Calculations, the Form and Checklist and the announcement and be submitted to Board for approval.	The Management accepted the recommendation.

OPINIONS OF THE BOARD

As at the date of this announcement, the Group has adopted and implemented the relevant remediation work in accordance with the Rectification Recommendations as detailed above.

In addition, the following remedial measures have been carried out by the Group:

(i) a 3-hour internal training session has been conducted by a Hong Kong lawyer with all the Directors and senior management of the Group on 19 September 2025 to explain the relevant GEM Listing Rules requirements in relation to the advance to an entity and other continuing disclosure obligation of a listed issuer under Chapter 17 of the GEM Listing Rules, in order to strengthen their knowledge relating to advance to an entity and their ability to identify potential compliance issues at early stage;

(ii) all material transactions (with amount equivalent to or over HK$3 million) (if any) to be conducted by the Group are first reviewed by the Group's internal control staff and then be submitted to the Head of Finance to determine whether any of these transactions constitute notifiable transaction or connected transaction, or trigger continuing disclosure obligation under the GEM Listing Rules before being conducted. If such potential transactions may constitute notifiable transaction or connected transaction, or trigger continuing disclosure obligation under the GEM Listing Rules, the Head of Finance shall report to the Internal Control Consultant and the Board immediately for the Board to discuss and seek advices from relevant legal and finance professionals and if necessary, make appropriate announcement to the public promptly. The accounting department shall not process any payment to be made out by the Group in respect of the above transactions without getting the confirmations from the internal control staff and the Head of Finance that such transactions are in compliance with the relevant GEM Listing Rules;

(iii) before entering into agreements involving prepayments (if any), the Group's internal control staff (under the supervision of the Head of Finance of the Company) are designated to conduct credit assessments on the counterparty by: (1) reviewing the financial information obtained from the potential counterparty; (2) reviewing the credit rating of the potential counterparty (where applicable); (3) conducting public searches on the potential counterparty and assess its financial background to assess the prepayment recoverability; (4) considering the benefits that the relevant prepayment would bring for the Group; (5) set-up standard protocol and contingency plans for the potential failure to receive any refund of the prepayments;

(iv) the Group has maintained a list of prepayments provided to third parties which clearly set out: (a) whether the prepayments contain certain commitments on work progress on the part of the counterparty, and if so, (1) the relevant key performance indicators, (2) the fulfilment status of the commitment, and (3) the conditions at which the Group will be entitled to demand refund of the prepayment; and (b) whether each of the prepayments exceeds the threshold under Rules 17.15 and 17.17 of the GEM Listing Rules which is subject to general disclosure requirements.

In relation to future agreements relating to prepayment agreements, the Group has ensured that it shall include a term to the effect that the Group is entitled to demand refund of the prepayment in full or in part upon the counterparty failing to fulfill commitments or perform its work; and the Internal Control Consultant shall actively review and monitor the work progress on a regular basis. If it has come to the attention of the Internal Control Consultant that there are circumstances giving rise to serious doubt as to the counterparty's ability to fulfil the relevant commitments in accordance with the agreement, the Internal Control Consultant shall promptly inform the Board for the Board to assess whether and when to terminate the agreement and demand refund in full of the prepayment.

Both the Internal Control Consultant and the Board (including the independent non-executive Directors) are of the view that the enhanced internal control measures implemented by the Group based on the Rectification Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review in order to prevent, monitor and detect occurrence of similar incidents as those relating to compliance with Rule 17.15 and Rule 17.17 of the GEM Listing Rules as contained in the Announcement, and to meet the Company's obligations under the GEM Listing Rules.

The Company has adopted all advice and recommendations suggested by the Internal Control Consultant, and has adopted, revised and/or strengthened (as applicable) relevant policies and procedures of the Company. The Internal Control Consultant has conducted a follow-up review after the implementation of relevant remedial measures on the Rectification Recommendations by the Group. After considered the Internal Control Review report and the remedial measures taken by the Company, the Board and the Internal Control Consultant is of the view that: (a) all internal control deficiencies identified in the Internal Control Report have been adequately addressed through appropriate recommended rectifications; (b) the remedial measures taken by the Company are sufficient and adequate; and (c) the Company has established sufficient and reliable governance, internal control, and reporting systems to perform its obligations under the GEM Listing Rules.

The Board and the Internal Control Consultant will continue to monitor the effectiveness of the Company's internal control system and procedures to perform its obligations under the GEM Listing Rules, and ensure the Group's internal control policies and procedures are reasonable and adequate, and integrate them into our operations.

By order of the Board
Brightstar Technology Group Co., Ltd
Cui Hai Bin
Chairman and Executive Director

Hong Kong, 30 September 2025

* *For identification purposes only*

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cui Hai Bin, Mr. Yeung Ho Ting Dennis and Ms. Zhang Yan Ling; and four independent non-executive Directors, namely, Ms. Jiang Yu E, Mr. Ji Gui Bao, Mr. Li Bing and Mr. Chen Zhipeng.