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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)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO TENANCY AGREEMENTS**

The Board hereby announces that on 7 August 2018 (after trading hours), the Landlords and the Tenant, which is an indirect wholly owned subsidiary of the Company, entered into the Tenancy Agreements for the lease of the Premises and the Car Parking Spaces from 8 August 2018 to 31 March 2019 (both days inclusive).

As at the date of this announcement, the Landlords are companies wholly-owned by Mr. Yip, the chairman of the Board, an executive Director and a controlling Shareholder. Therefore, the Landlords are the associates of Mr. Yip and hence connected persons of the Company. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual rent payable under the Tenancy Agreements (whether alone or aggregated with the rent payable under the Previous Tenancy Agreement pursuant to Rule 14A.81 of the Listing Rules) exceeds 0.1% but is below 5% of the applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio), the Tenancy Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

## **A. INTRODUCTION**

The Board of Bright Smart Securities & Commodities Group Limited hereby announces that on 7 August 2018 (after trading hours), the Landlords and the Tenant, which is an indirect wholly owned subsidiary of the Company, entered into the Tenancy Agreements for the lease of the Premises and the Car Parking Spaces from 8 August 2018 to 31 March 2019 (both days inclusive).

## **B. THE PREMISES TENANCY AGREEMENT**

The principal terms of the Premises Tenancy Agreement are as follows:

### **1. Date**

7 August 2018

### **2. Parties**

- (i) Ideal Magic, as tenant; and
- (ii) Realmate, as landlord.

### **3. Premises**

5<sup>th</sup> to 9<sup>th</sup> floor and Roof, 79 Pok Fu Lam Road, Hong Kong (fully furnished).

### **4. Term**

From 8 August 2018 to 31 March 2019 (both days inclusive).

### **5. Monthly rental**

HK\$550,000 per month (exclusive of government rent and rates, management fee and all other charges), payable in advance on the first day of each calendar month.

### **6. Right to renew**

Pursuant to the Premises Tenancy Agreement, the Tenant has a right to renew the tenancy for a further term of three (3) years commencing immediately after the expiry of the aforesaid term at the then prevailing market rental. The Tenant shall notify Realmate in writing for such renewal no later than 31 December 2018. Such renewal will be subject to the Board's approval or the Shareholders' approval and the compliance with the relevant requirements under the Listing Rules, if applicable.

## **C. THE CAR PARKING SPACES TENANCY AGREEMENT**

The principal terms of the Car Parking Spaces Tenancy Agreement are as follows:

### **1. Date**

7 August 2018

### **2. Parties**

- (i) Ideal Magic, as tenant; and
- (ii) Great Challenge, as landlord.

### **3. Car Parking Spaces**

Nos. 1, 2, 3, 4, 5, & 5S on Lower Ground Floor of Floral Tower, Nos. 1-9 Mosque Street, Hong Kong

### **4. Term**

From 8 August 2018 to 31 March 2019 (both days inclusive).

### **5. Monthly rental**

HK\$19,800 per month (exclusive of government rent and rates, management fee and all other charges), payable in advance on the first day of each calendar month.

### **6. Right to renew**

Pursuant to the Car Parking Spaces Tenancy Agreement, the Tenant has a right to renew the tenancy for a further term of three (3) years commencing immediately after the expiry of the aforesaid term at the then prevailing market rental. The Tenant shall notify Great Challenge in writing for such renewal no later than 31 December 2018. Such renewal will be subject to the Board's approval or the Shareholders' approval and the compliance with the relevant requirements under the Listing Rules, if applicable.

## **D. ANNUAL CAPS**

The annual caps in respect of the Premises Tenancy Agreement and the Car Parking Spaces Tenancy Agreement based on the annual rental payable by the Tenant for the period from 8 August 2018 to 31 March 2019 are approximately HK\$4,276,000 and HK\$154,000 respectively.

The total amount of annual rent payable under the Tenancy Agreements for the period from 8 August 2018 to 31 March 2019 is approximately HK\$4,430,000.

The monthly rents (and the above estimated annual caps) for the transactions contemplated under the Tenancy Agreements are determined after arm's length negotiation between the parties with reference to the market rent as determined by an independent professional valuer appointed by the Group having regard to the comparable transactions in the vicinity and the prevailing market conditions.

The payment of rents under the Tenancy Agreements will be funded by internal resources of the Group.

#### **E. INFORMATION ABOUT THE GROUP**

The principal activity of the Company is investment holding, while the principal activity of the Group is the provision of financial services, including securities broking, margin financing, commodities & futures broking and bullion trading.

The Tenant is a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company. Its principal activity is the provision of administrative services to the Group.

#### **F. INFORMATION ABOUT THE LANDLORDS**

The Landlords are companies incorporated in Hong Kong wholly-owned by Mr. Yip, who is the chairman of the Board, an executive Director and a controlling Shareholder as at the date of this announcement. The principal business of the Landlords is property investment.

#### **G. REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS**

The Premises are intended to be used for entertainment by VIP clients of the Group. The Car Parking Spaces will be used by vehicles of the Group.

The Directors (including the independent non-executive Directors but excluding Mr. Yip and Mr. Chan) are of the view that the Tenancy Agreements were entered into after arm's length negotiations in the ordinary and usual course of business of the Group and the terms of the Tenancy Agreement are normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Further, the Directors (including the independent non-executive Directors but excluding Mr. Yip and Mr. Chan) consider that the related annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Yip, who is the chairman of the Board, an executive Director and a controlling Shareholder, being the ultimate beneficial owner of the Landlords; and for good corporate governance, Mr. Chan, who is an executive Director, being a nephew of Mr. Yip, abstained from voting on the relevant resolutions in the Board meeting approving the Tenancy Agreements and the transactions contemplated thereunder due to Mr. Yip's material interests in the transactions.

## H. LISTING RULES IMPLICATIONS

As at the date of this announcement, the Landlords are companies wholly-owned by Mr. Yip, the chairman of the Board, an executive Director and the controlling Shareholder. Therefore, the Landlords are the associates of Mr. Yip and hence connected persons of the Company. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual rent payable under the Tenancy Agreements (whether alone or aggregated with the rent payable under the Previous Tenancy Agreement pursuant to Rule 14A.81 of the Listing Rules) exceeds 0.1% but is below 5% of the applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio), the Tenancy Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context otherwise requires:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Car Parking Spaces”	the car parking spaces of Nos. 1, 2, 3, 4, 5, & 5S on Lower Ground Floor of Floral Tower, Nos. 1-9 Mosque Street, Hong Kong
“Car Parking Spaces Tenancy Agreement”	the tenancy agreement dated 7 August 2018 entered into between Great Challenge as landlord and Ideal Magic as tenant for the lease of the Car Parking Spaces
“Company”	Bright Smart Securities & Commodities Group Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1428)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Great Challenge”	Great Challenge Limited, a company incorporated in Hong Kong and wholly-owned by Mr. Yip
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlords”	collectively Realmate and Great Challenge, both are companies wholly-owned by Mr. Yip
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Wing Shing, Wilson, an executive Director and a nephew of Mr. Yip
“Mr. Yip”	Mr. Yip Mow Lum, the chairman of the Board, an executive Director and the controlling Shareholder
“Premises”	the premises situated at 5 <sup>th</sup> to 9 <sup>th</sup> floor and Roof, 79 Pok Fu Lam Road, Hong Kong (fully furnished)
“Premises Tenancy Agreement”	the tenancy agreement dated 7 August 2018 entered into between Realmate as landlord and Ideal Magic as tenant for the lease of the Premises
“Previous Tenancy Agreement”	the tenancy agreement as disclosed in the announcement of the Company dated 8 November 2016, which is still subsisting
“Realmate”	Realmate Limited, a company incorporated in Hong Kong and wholly-owned by Mr. Yip
“Share(s)”	ordinary share(s) of HK\$0.30 each in the capital of the Company
“Shareholder(s) ”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed to it under the Listing Rules
“Tenancy Agreements”	collectively, the Premises Tenancy Agreement and the Car Parking Spaces Tenancy Agreement
“Tenant” or “Ideal Magic”	Ideal Magic Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 7 August 2018

*As at the date of this announcement, the Board comprises Messrs. Yip Mow Lum (Chairman), Hui Yik Bun (Chief Executive Officer), Chan Wing Shing, Wilson, Yu Yun Kong\*, Szeto Wai Sun\* and Ling Kwok Fai, Joseph\*.*

*\* Independent Non-executive Directors*