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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)*  
**(the "Company", Stock Code: 1428)**

**SHARE PLACING TO PLACEEES,**

**TOP-UP SUBSCRIPTION OF SHARES  
UNDER GENERAL MANDATE**

**AND**

**RESUMPTION OF TRADING**

On 27 January 2014, the Company, Mr Yip and the Vendor entered into the Placing and Subscription Agreements with seven independent Placees (including Chow Tai Fook as a Placee) respectively in relation to the Placing and Subscription. A total of 150,000,000 existing Placing Shares (approximately 14.34% of the existing issued share capital of the Company as at the date of this announcement) were sold and placed by the Vendor to the Placees at a price of HK\$1.30 per Placing Share on completion of the Placing already taken place immediately after execution of the Placing and Subscription Agreements.

The Vendor has agreed to subscribe for a total of 75,000,000 new Subscription Shares (approximately 7.17% of the existing issued share capital of the Company as at the date of this announcement) at the same price of HK\$1.30 per Subscription Share under the Placing and Subscription Agreements. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Subject to the Listing for the Subscription Shares being granted, completion of the Subscription Shares is expected to take place within 14 days after the date of the Placing and Subscription Agreements.

The Company intends to use the funds raised, in the sum of approximately HK\$94.36 million after related expenses, from the Placing and Subscription Agreements for the general working capital of the Group.

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Monday, 27 January 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Tuesday, 28 January 2014.

## I. THE PLACING AND SUBSCRIPTION AGREEMENTS

The material terms of the Placing and Subscription Agreements dated 27 January 2014 between the Company, the Vendor, Mr Yip and seven Placees respectively are set out below.

### (A) THE PLACING

*Parties:* *The Vendor* – New Charming Holdings Limited, which placed the Placing Shares directly to the Placees. The Vendor is wholly owned by Mr Yip.

*The Vendor Guarantor* - Mr Yip, who guaranteed the due and punctual performance of the obligations of the Vendor in respect of the Placing

*Placees* - A total of seven corporate and individual investors, including Chow Tai Fook as a Placee. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placees are Independent Third Parties. No Placee has become a substantial shareholder of the Company immediately after the Placing and the Subscription.

*Placing Shares:* A total of 150,000,000 Placing Shares were placed to the Placees by the Vendor, representing approximately 14.34% of the existing issued share capital of the Company as at the date of this announcement. Of the 150,000,000 Placing Shares, 100,000,000 Placing Shares were taken up by Chow Tai Fook and as to 50,000,000 Placing Shares by the other six Placees.

*Placing Price:* HK\$1.30 per Share, representing:

- discount of approximately 18.24% to the closing price of HK\$1.59 per Share on the Last Trading Date; and
- discount of approximately 10.96% to the average closing price of approximately HK\$1.46 per Share for the last ninety consecutive trading days prior to the date of the Placing and Subscription Agreements.

The Placing Price was agreed after arm's length negotiations among the Company, the Vendor, the Vendor Guarantor and the Placees with reference to the prevailing market price and the liquidity of the Share.

*Completion of Placing:* The Placing was completed immediately after execution of the Placing and Subscription Agreements. The Placing Shares were sold by the Vendor to the Placees free from encumbrances together with the relevant rights to all dividends and other rights attached as at that date.

As informed by the Vendor, at completion of the Placing, the Vendor granted the Put Options to the Placees. See paragraph II below.

## **(B) THE SUBSCRIPTION**

*Parties:*                    *Subscriber – The Vendor*

*Issuer – The Company*

*Subscription Shares:*    75,000,000 Subscription Shares will be subscribed by the Vendor, representing:

- approximately 7.17% of the existing issued share capital of the Company as at the date of this announcement; and
- approximately 6.69% of the issued share capital of the Company as enlarged by the Subscription Shares on issue.

The Subscription Shares will, when fully paid, rank *pari passu* in all respects to the Shares in issue as at the date of completion of the Subscription together with the relevant rights to all dividends and other rights attached as at that date.

*Subscription Price:*        HK\$1.30 per Subscription Share, which is equivalent to the Placing Price. The net price per Subscription Share after related expenses is approximately HK\$1.26 per Subscription Share.

As the Subscription Shares represent 50% of the Placing Shares sold under the Placing, the Company agreed to reimburse the Vendor 50% of the seller's *ad valorem* stamp duty payable by the Vendor for sale of the Placing Shares and related expenses in relation to the Placing and Subscription pursuant to Placing and Subscription Agreements.

*Conditions precedent:*    Completion of the Subscription is conditional upon:

- (a) completion of the Placing having taken place; and
- (b) the Listing for the Subscription Shares being granted.

*Completion of the Subscription:*    Completion of the Subscription will take place on the first business day (or such other date as may be agreed by the Company and the Vendor) after all conditions mentioned above are fulfilled. If any of the conditions is not fulfilled on or before 7 February 2014, the Subscription shall terminate (unless otherwise agreed between the Company and the Vendor) and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise. Condition (a) has been satisfied as at the date of this announcement.

The Subscription is expected to be completed on or before 10 February 2014.

*General Mandate:*            The Subscription Shares will be allotted and issued pursuant to the General Mandate and therefore the completion of the Subscription Shares is not subject to the Shareholders' specific mandate.

The General Mandate has authorized the Directors to issue and allot up to 207,524,330 Shares. It has not been used prior to the Placing and Subscription Agreements.

## II. PUT OPTIONS

As informed by the Vendor, the Vendor granted the Put Options in favour of the Placees at completion of the Placing. The Company is not a party to the Put Options.

Under each Put Option, the relevant Placee has right to require the Vendor to purchase (or procure the purchase of) the Put Option Shares. The Put Option Shares comprise the Placing Shares placed to the Placees to the extent they remain to be beneficially owned by, and registered in the name of, the relevant Placees on the settlement date of the Put Option, being 27 January 2016. The Put Option Shares will be identified by the same numbered share certificates issued to the Placees on transfer of the relevant Placing Shares under the Placing. Unless exercised by the Placees during the period from 27 October 2015 to 27 November 2015 (both dates inclusive), the Put Options will lapse and cease to have any effect on the settlement date of the Put Option.

The exercise price of the Put Options granted to all Placees are the same, being at HK\$1.63 per Share less any cash dividend entitlements in respect of each Share declared, or recommended or resolved to be paid or made by the Company where the record date therefor falls within the period commencing from (and including) the date of the completion of the Placing until (and including) the day before the settlement date of the Put Option. The exercise price was agreed to after arm's length negotiations between the Vendor and the respective Placees themselves, with regard to the prevailing market price. No premium is payable to the Vendor for the grant of the Put Options.

## III. SHAREHOLDINGS OF THE COMPANY

The impact of the Placing and Subscription on the shareholdings of the Company is illustrated in the following table:

Shareholders (Note 1)	Before entering into the Placing and Subscription Agreements		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription		Immediately after exercise of the Put Options in full	
	No. of Shares	Approx %	No. of Shares	Approx %	No. of Shares	Approx %	No. of Shares	Approx %
Mr Yip (Notes 2 & 4)	756,392,000	72.33	606,392,000	57.99	681,392,000	60.80	831,392,000	74.18
Other Directors (Note 4)	2,647,932	0.26	2,647,932	0.26	2,647,932	0.24	2,647,932	0.24
Yip Wing Yan Jacquelyn (Notes 3 & 4)	1,400,000	0.13	1,400,000	0.13	1,400,000	0.12	1,400,000	0.12
Placees								
Chow Tai Fook	--	--	100,000,000	9.56	100,000,000	8.92	--	--
Other Placees	--	--	50,000,000	4.78	50,000,000	4.46	--	--
<i>Sub-total:</i>	--	--	150,000,000	14.34	150,000,000	13.38	--	--
Other public Shareholders	285,318,080	27.28	285,318,080	27.28	285,318,080	25.46	285,318,080	25.46
<b>Total</b>	<b>1,045,758,012</b>	<b>100.00</b>	<b>1,045,758,012</b>	<b>100.00</b>	<b>1,120,758,012</b>	<b>100.00</b>	<b>1,120,758,012</b>	<b>100.00</b>

Notes:

1. *The number of existing Shares held by the Shareholders mentioned in the table above is based on the information shown on the website of the Stock Exchange as at the date of this announcement.*
2. *The Shares of Mr Yip (chairman and executive director of the Company) stated above include direct and indirect interests in the Shares, inclusive of those Shares owned by the Vendor.*
3. *Ms. Yip Wing Yan Jacquelyn ("Ms. Yip"), daughter of Mr Yip, is an employee of the Group.*
4. *The outstanding Share options granted by the Company under its share option scheme adopted on 4 August 2010 to the above other Directors and Ms. Yip entitle them to subscribe for up to 1,490,000 new Shares.*

#### **IV. REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS**

Upon completion of the Placing and the Subscription, the gross proceeds from the Placing are estimated to be approximately HK\$195 million. Net proceeds to the Company from the Subscription, after related expenses, are approximately HK\$94.36 million. They are intended to be used as the general working capital of the Group.

The terms of the Placing and Subscription Agreements (including the Placing Price and the Subscription Price) are determined among the parties thereto after arm's length negotiation, and taking into account the prevailing market price and the liquidity of the Share.

The Directors (including the independent non-executive Directors) have considered various ways of raising funds for the remarkable growth of the Group and consider that the Placing and Subscription would broaden the shareholder base and capital base of the Company as well as to enhance the liquidity of the Shares, and the terms of the Placing and Subscription Agreements are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

#### **V. GENERAL**

The Company has not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

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 and futures broking and bullion broking.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

#### **VI. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Monday, 27 January 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Tuesday, 28 January 2014.

#### **VII. DEFINITIONS**

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

"associates"	: shall have the same meaning as defined under the Listing Rules
"Board"	: the board of the Directors
"Company"	: Bright Smart Securities & Commodities Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"connected persons"	: has the meaning as ascribed to it under the Listing Rules
"Chow Tai Fook"	: Chow Tai Fook Nominee Limited, which is a limited liability company incorporated in Hong Kong and a Placee
"Director(s)"	: the director(s) of the Company
"General Mandate"	: the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 8 August 2013 to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of such general meeting
"Group"	: the Company and its subsidiaries
"Hong Kong"	: the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	: party(ies) that is/are not connected with the Company, any directors, chief executives, controlling shareholders or substantial shareholders of the Company or its subsidiaries or any of their respective associates
"Last Trading Day"	24 January 2013, being the last day of trading of the Shares on the Stock Exchange prior to the date of the Placing and Subscription Agreements
"Listing"	: the grant of a listing of and permission to deal in the securities on the Stock Exchange
"Listing Rules"	: the Rules Governing the Listing of Securities on the Stock Exchange
"Mr Yip" or "Vendor Guarantor"	: Mr. Yip Mow Lum, the chairman of the Board, an executive Director and the controlling Shareholder

"Placee(s)"	: seven corporate and individual investors to whom the Placing Shares were offered and sold by way of private share placing under the Placing and Subscription Agreements;
"Placing"	: the placing of the Placing Shares by the Vendor to the Placees pursuant to the Placing and Subscription Agreements
"Placing and Subscription Agreements"	: collectively the Placing and Subscription Agreements all dated 27 January 2014 entered into among the Vendor, Mr Yip, the Company and the Placees respectively
"Placing Price"	: HK\$1.30 per Placing Share
"Placing Share(s)"	: 150,000,000 Share(s) currently owned by the Vendor
"Put Options"	: the rights of the Placees to require the Vendor to purchase the relevant Put Option Shares, which rights are granted by the Vendor as summarized in paragraph II of this announcement
"Put Option Shares"	: as defined in paragraph II of this announcement
"Shares"	: the ordinary shares of nominal value of HK\$0.30 each in the share capital of the Company
"Shareholders"	: the shareholders of the Company
"Stock Exchange"	: The Stock Exchange of Hong Kong Limited
"Subscription"	: the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreements
"Subscription Price"	: HK\$1.30 per Subscription Share
"Subscription Share(s)"	: 75,000,000 new Shares to be allotted and issued by the Company to the Vendor under the Subscription
"substantial shareholder(s)"	: has the meaning ascribed to it under the Listing Rules
"Vendor"	: New Charming Holdings Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr Yip
"HK\$"	: Hong Kong dollars, the lawful currency of Hong Kong
"%"	: per cent.

By order of the Board  
**Bright Smart Securities & Commodities Group Limited**  
**Chan Kai Fung**  
*Executive Director and Chief Executive Officer*

Hong Kong, 27 January 2014

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

*\* Independent Non-executive Directors*