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耀才證券

BRIGHT SMART SECURITIES

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)

**PROPOSED RIGHTS ISSUE IN THE PROPORTION OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE
AND
CLOSURE OF BOOKS**

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriters of the Rights Issue



New Charming Holdings Limited

KINGSTON SECURITIES LTD.

PROPOSED RIGHTS ISSUE

The Board proposes to raise not less than HK\$561.15 million but not more than HK\$562.40 million, before expenses, by issuing not less than 561,154,006 Rights Shares but not more than 562,399,006 Rights Shares at the Rights Issue Price of HK\$1.00 per Rights Share.

The Rights Issue is available only to the Qualifying Shareholders on the basis of the provisional allotment of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date.

The minimum number of 561,154,006 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.00% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

Assuming full exercise of the Share Options on or prior to the Record Date, the maximum number of 562,399,006 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.00% of the issued share capital of the Company immediately prior to completion of the Rights Issue and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

The Record Date is Friday, 26 September 2014. The last day of dealings in the Shares on cum rights basis is Friday, 19 September 2014. The Shares will be dealt in on ex-rights basis from Monday, 22 September 2014. To qualify for the Rights Issue, Shareholders must be registered as members of the Company on the Record Date and must not be Excluded Shareholders.

LISTING RULES IMPLICATIONS

As the Rights Issue would not increase either the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

GENERAL

The Prospectus Documents containing, among other things, further details of the Rights Issue are expected to be despatched by the Company to the Qualifying Shareholders on or before Monday, 29 September 2014, and the Prospectus will be despatched to the Excluded Shareholders for information only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Monday, 22 September 2014. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 3 October 2014 to Friday, 10 October 2014 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 3 October 2014 to Friday, 10 October 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

PROPOSED RIGHTS ISSUE

The Board announces that the Rights Issue is proposed with the terms set out as follows:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement:	1,122,308,012 Shares
Number of new Shares to be issued upon full exercise of the Share Options (<i>Note</i>):	2,490,000 Shares
Number of Rights Shares:	Not less than 561,154,006 Rights Shares (assuming no exercise of the Share Options on or before the Record Date) but not more than 562,399,006 Rights Shares (assuming full exercise of the Share Options on or before the Record Date)
Rights Issue Price:	HK\$1.00 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue:	Not less than 1,683,462,018 Shares but not more than 1,687,197,018 Shares
Fund raised before expenses:	Not less than HK\$561.15 million but not more than HK\$562.40 million

Note: As at the date of this announcement, there are outstanding Share Options conferring rights on the holders thereof to subscribe for 2,490,000 new Shares. The exercise price of all the Share Options is HK\$0.98 per Share with an exercise period from 26 June 2013 to 25 June 2016.

The minimum number of 561,154,006 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.00% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

Assuming full exercise of the Share Options on or prior to the Record Date, the maximum number of 562,399,006 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.00% of the issued share capital of the Company immediately prior to completion of the Rights Issue and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As at the date of this announcement, save for the Share Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

Basis of provisional allotment

The basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Rights Issue Price payable in full on acceptance or otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Rights Issue Price

The Rights Issue Price for the Rights Shares is HK\$1.00 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Rights Issue Price represents:

- (i) a discount of approximately 27.54% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 24.24% to the average closing price of HK\$1.32 per Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 28.06% to the average closing price of HK\$1.39 per Share for the 10 consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 20.00% to the theoretical ex-rights price of HK\$1.25 per Share based on the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Rights Issue Price was determined based on arm's length negotiations between the Company and the Underwriters with reference to the recent closing prices of the Shares, the financial conditions of the Company and current market conditions. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Rights Issue Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when fully-paid, shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Excluded Shareholders.

To qualify for the Rights Issue, Shareholders must be registered as members of the Company on the Record Date and not be Excluded Shareholders. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfer documents of the Shares (with the relevant share certificate(s)) with Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. on Tuesday, 23 September 2014.

Holders of outstanding Share Options who wish to participate in the Rights Issue should exercise their options in accordance with their terms not later than 4:30 p.m. on Tuesday, 23 September 2014 so as to enable them to be registered as members of the Company on the Record Date.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 24 September 2014 to Friday, 26 September 2014, both dates inclusive. No transfers of Shares will be registered during this period.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of nil-paid Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds from such sale(s) will be retained by the Company for its benefit if a premium (net of expenses) can be achieved. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Application for excess Rights Shares

The Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of nil-paid Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted, by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for.

The Board will allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (1) subject to the availability of excess Rights Shares, preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings provided that such applicant holds at least one board lot and it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for; whereas the Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will receive a greater number of Rights Shares than those applying for a smaller number)).

Any Rights Shares not accepted or applied for by the Qualifying Shareholders or transferees of nil-paid Rights Shares will be taken up by the Underwriters.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Tuesday, 23 September 2014 (the register of members of the Company will be closed from Wednesday, 24 September 2014 to Friday, 26 September 2014, both days inclusive).

Application for listing of the Rights Shares on the Stock Exchange

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the

respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 2,000), which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy (currently suspended) and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment or waiver (as the case may be) of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post to the Qualifying Shareholders and unsuccessful applicants who have accepted and applied for (where appropriate), and paid for the Rights Shares in accordance with the timetable at their own risk. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Stamp duty

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Rights of Overseas Shareholders

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than that of Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries as to whether the issue of the Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Excluded Shareholders.

Arrangements will be made for the Rights Shares, which would otherwise be provisionally allotted in nil-paid form to the Excluded Shareholders to a nominee of the Company which will arrange for the sale of such nil-paid Rights Shares as soon as practicable after dealings in the Rights Shares in their nil-paid form commence on the Stock Exchange, and, if and to the extent that such Rights Shares can be so sold, the nominee will thereafter account to the Company for the net proceeds of such sale (after deducting the expenses of sale (if any)), which will be distributed by the Company to the Excluded Shareholders in Hong Kong dollars pro rata (but rounded down to the nearest cent) to their shareholdings on the Record Date, except that individual amounts of HK\$100 or less shall not be so distributed but shall be retained for the benefit of the Company. Any unsold Rights Shares will be available for excess application.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Undertakings

NCHL is an investment holding company and wholly owned by Mr. Yip and Ms. Yip is the daughter of Mr. Yip. As at the date of this announcement, NCHL, Mr. Yip and Ms. Yip holds 600,000,000 Shares, 81,392,000 Shares and 1,400,000 Shares respectively and in aggregate of 682,792,000 Shares, representing approximately 60.84% of the issued share capital of the Company. In addition, Ms. Yip holds 990,000 Share Options.

As at the date of this announcement, each of NCHL and Mr. Yip has irrevocably undertaken to the Company that each of them shall be the beneficial and (as the case may be) registered owners of not less than 600,000,000 Shares and 81,392,000 Shares respectively on the Record Date, and that each of them shall accept and procure their respective nominee(s) (if any) to accept or procure the subscription of its/his entitlement of the Rights Shares pursuant to the Rights Issue.

As at the date of this announcement, Ms. Yip has irrevocably undertaken to the Company that she shall be the beneficial owner of not less than 1,400,000 Shares (assuming no exercise of the Share Options held by her on or before the Record Date) on the Record Date and she shall not dispose of any Shares which may be issued to her upon exercise of the Share Options held by her on or before the Record Date, and that she shall accept and procure her nominee(s) (if any) to accept or procure the subscription of her entitlement of the Rights Shares pursuant to the Rights Issue.

Underwriting Agreement

- Date: 3 September 2014
- Underwriters: NCHL; and
Kingston Securities
- Number of Rights Shares underwritten: All the Rights Shares (other than not less than 341,396,000 Rights Shares and not more than 341,891,000 Rights Shares undertaken to be taken up by Mr. Yip and his associates under the Undertakings), being not less than 219,758,006 Rights Shares and not more than 220,508,006 Rights Shares. The Rights Issue is fully underwritten severally by the Underwriters in the following manner:
- (i) NCHL: being not less than 132,258,006 Rights Shares (assuming no exercise of Share Options) but no more than 133,008,006 Rights Shares (assuming full exercise of Share Options); and
 - (ii) Kingston Securities: the remaining 87,500,000 Rights Shares not underwritten by NCHL.
- Underwriting commission: Kingston Securities will be entitled to receive an underwriting commission at the rate of 2.5% of the aggregate Rights Issue Price in respect of its portion of 87,500,000 Underwritten Shares. The commission rate was determined after arms' length negotiations between the Company and Kingston Securities with reference to, among other things, the scale of the Rights Issue and the market rate, and the Board considers that the underwriting commission rate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. NCHL shall not charge any underwriting commission.

Subject to the provisions of to the Underwriting Agreement, the Underwriters shall ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue. If and to the extent that at the latest time for acceptance of and payment for the Rights Shares, there shall be any Untaken Shares, they shall be taken up (i) firstly by NCHL to the maximum extent permissible under the Listing Rules such that the Company will be able to comply with the minimum public float requirement set out in Rule 8.08 of the Listing Rules. For the purpose of determining the interest of NCHL in the Company, it shall be deemed to be part of its interest the Put Option Shares; (ii) secondly by Kingston Securities or subscribers procured by Kingston Securities up to 87,500,000 Untaken Shares; and (iii) thirdly, by subscribers or sub-underwriters procured by NCHL if there are any remaining Untaken Shares after subscription by the Underwriters and/or other subscribers as described in (i) and (ii) above, such subscribers and sub-underwriters (a) shall be independent third parties of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive of the Company or substantial Shareholders or their respective associates; and (b) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.00% or more of the voting rights of the Company upon completion of the Rights Issue.

Kingston Securities shall use its best endeavours to ensure that each of the subscribers or sub-underwriters of the Untaken Shares procured by it (i) shall be an independent third party of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive of the Company or substantial Shareholders or their respective associates; and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.00% or more of the voting rights of the Company upon completion of the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, satisfaction and/or waiver of the following:

- (i) if required, the registration by and filing with the Registrar of Companies in Hong Kong and the Cayman Islands of the Prospectus Documents;
- (ii) the posting of copies of the Prospectus Documents to the Qualifying Shareholders on the Posting Date;
- (iii) compliance by the Company of its obligations under the terms of the Underwriting Agreement;
- (iv) compliance by NCHL, Mr. Yip and Ms. Yip with their respective obligations under the Undertakings;

- (v) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked by no later than the first day of their dealings; and
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days.

In the event that the conditions (i) and (ii) above are not fulfilled on or before the Posting Date or in the event that the conditions (iii), (iv), (v) and (vi) above have not been satisfied/or waived (other than condition (v) above which cannot be waived in whole or part by the Underwriters) at or before 4:00 p.m. on the Settlement Date or such other time as specified therein (whichever is earlier) (or, in each case, such later date as the Underwriters and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the others (except that certain expenses of the Underwriters shall remain payable by the Company) and the Rights Issue will not proceed.

Termination of the Underwriting Agreement

Any of the Underwriters shall be entitled by a notice in writing to the Company, served prior to 4:00 p.m. on the Settlement Date, to terminate the Underwriting Agreement if:

- (1) in the absolute opinion of that Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of that Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of that Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of that Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which shall include a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of that Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of that Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

Any of the Underwriters shall be entitled by a notice in writing to rescind the Underwriting Agreement if prior to 4:00 p.m. on the Settlement Date any material breach of any of the warranties contained in the Underwriting Agreement comes to the knowledge of that Underwriter. Any such notice shall be served by the Underwriters prior to 4:00 p.m. on the Settlement Date.

If prior to 4:00 p.m. on the Settlement Date any such notice as is referred to above is given by any of the Underwriters, the obligations of all parties under the Underwriting Agreement shall terminate forthwith (save for certain clauses in respect of “termination and force majeure” and “fees and expenses” which shall remain in full force).

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the others prior to such rescission or termination.

In such event of termination, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Monday, 22 September 2014. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 3 October 2014 to Friday, 10 October 2014 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 3 October 2014 to Friday, 10 October 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue and no exercise of the Share Options on or before the Record Date; (iii) immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders except Mr. Yip and his associates under the Rights Issue and no exercise of the Share Options on or before the Record Date; (iv) immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue and full exercise of the Share Options on or before the Record Date; and (v) immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders except Mr. Yip and his associates under the Rights Issue and full exercise of the Share Options on or before the Record Date. For illustration purpose, it is assumed that there are no Excluded Shareholders under the Rights Issue and the Underwriters do not themselves subscribe for any of the Underwritten Shares other than their entitlements under the provisional allotment.

Name of the Shareholders	As at the date of this announcement		Immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue and no exercise of the Share Options on or before the Record Date		Immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders except Mr. Yip and his associates under the Rights Issue and no exercise of the Share Options on or before the Record Date		Immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue and full exercise of the Share Options on or before the Record Date		Immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders except Mr. Yip and his associates under the Rights Issue and full exercise of the Share Options on or before the Record Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Yip and his associates										
NCHL	600,000,000	53.46	900,000,000	53.46	1,032,258,006	61.32	900,000,000	53.34	1,033,008,006	61.23
Mr. Yip	81,392,000	7.25	122,088,000	7.25	122,088,000	7.25	122,088,000	7.24	122,088,000	7.24
Ms. Yip	1,400,000	0.13	2,100,000	0.13	2,100,000	0.12	3,585,000	0.21	3,585,000	0.21
	<u>682,792,000</u>	<u>60.84</u>	<u>1,024,188,000</u>	<u>60.84</u>	<u>1,156,446,006</u>	<u>68.69</u>	<u>1,025,673,000</u>	<u>60.79</u>	<u>1,158,681,006</u>	<u>68.68</u>
Other Directors (Note 1)	2,059,288	0.18	3,088,932	0.18	2,059,288	0.12	3,538,932	0.21	2,359,288	0.14
Put Option Holders (Note 2)										
Chow Tai Fook Nominee Limited	100,000,000	8.91	150,000,000	8.91	100,000,000	5.94	150,000,000	8.89	100,000,000	5.93
Other placees	4,000,000	0.36	6,000,000	0.36	4,000,000	0.24	6,000,000	0.36	4,000,000	0.24
	<u>104,000,000</u>	<u>9.27</u>	<u>156,000,000</u>	<u>9.27</u>	<u>104,000,000</u>	<u>6.18</u>	<u>156,000,000</u>	<u>9.25</u>	<u>104,000,000</u>	<u>6.17</u>
Subtotal (Mr. Yip and his associates, other Directors and the Put Option Holders)	788,851,288	70.29	1,183,276,932	70.29	1,262,505,294	74.99	1,185,211,932	70.25	1,265,040,294	74.99
Kingston Securities	-	-	-	-	87,500,000	5.20	-	-	87,500,000	5.18
Other public Shareholders	333,456,724	29.71	500,185,086	29.71	333,456,724	19.81	501,985,086	29.75	334,656,724	19.83
Total	<u>1,122,308,012</u>	<u>100.00</u>	<u>1,683,462,018</u>	<u>100.00</u>	<u>1,683,462,018</u>	<u>100.00</u>	<u>1,687,197,018</u>	<u>100.00</u>	<u>1,687,197,018</u>	<u>100.00</u>

Notes:

1. Mr. Chan Kai Fung (Chief Executive Officer), Mr. Kwok Sze Chi and Mr. Chan Wing Shing, Wilson, being the executive Directors and Mr. Yu Yun Kong, Mr. Szeto Wai Sun and Mr. Ling Kwok Fai, Joseph, being the independent non-executive Directors holds the Shares and/or the Share Options.
2. Reference is made to the announcements of the Company dated 27 January 2014 (the “**Announcement**”) and 29 January 2014. As disclosed in the Announcement, NCHL 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 NCHL to purchase (or procure the purchase of) the Put Option Shares. The Put Option Shares comprise the placing shares of the Company 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 of the Company 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 Options.

As at the date of this announcement, Chow Tai Fook Nominee Limited and other Put Option Holders hold in aggregate 104,000,000 Put Option Shares which are entitled to exercise the Put Options. For avoidance of doubt, the Put Option Holders are not entitled to require NCHL to purchase (or procure the purchase of) any Rights Shares which may be subscribed by them. In addition, no adjustment on the number of the Put Option Shares or the exercise price of the Put Options is required arising from the Rights Issue.

Pursuant to the terms of the Underwriting Agreement, NCHL shall take up the Rights Shares to the maximum extent permissible under the Listing Rules such that the Company will be able to comply with the minimum public float requirement set out in Rule 8.08 of the Listing Rules (for the purpose of determining the interest of NCHL in the Company, it shall be deemed to be part of its interest the Put Option Shares).

3. As at the date of this announcement, Ms. Yip, other Directors and other option holders are entitled to subscribe for up to 990,000 new Shares, 300,000 new Shares and 1,200,000 new Shares respectively upon full exercise of the Share Options.
4. The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.
5. The percentages are subject to rounding error.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

2014

Last day of dealing in Shares on a cum-rights basis	Friday, 19 September
First day of dealing in Shares on an ex-rights basis	Monday, 22 September
Latest time for lodging transfer documents of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 23 September
Closure of register of members of the Company (both dates inclusive)	Wednesday, 24 September to Friday, 26 September
Record date determining entitlements to the Right Issue	Friday, 26 September
Register of members of the Company re-opens	Monday, 29 September
Despatch of the Prospectus Documents	Monday, 29 September
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Friday, 3 October
Latest time for splitting of nil-paid Rights Shares	By 4:30 p.m. on Tuesday, 7 October
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Friday, 10 October
Latest time for acceptance of, and payment for the Rights Shares and for application and payment for excess Rights Shares	By 4:00 p.m. on Wednesday, 15 October
Latest time to terminate the Underwriting Agreement. and for the Rights Issue to become unconditional	By 4:00 p.m. on Tuesday, 21 October
Announcement of results of acceptance of and excess application for the Rights Issue	Wednesday, 22 October
Certificates for fully-paid Rights Shares to be despatched on or before	Thursday, 23 October
Refund cheques to be despatched in relation to wholly or partially unsuccessful application for excess Rights Shares on or before	Thursday, 23 October
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 24 October

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 15 October 2014. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 15 October 2014. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on Wednesday, 15 October 2014, the dates mentioned in the section headed “Expected timetable for the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in provision of financial services, including securities broking, margin financing, commodities and futures broking and bullion trading.

For the year ended 31 March 2014, the Group’s turnover hit a record high of approximately HK\$410.4 million (2013: HK\$273.3 million), representing a significant increase of 50.2%. Profit attributable to equity Shareholders was approximately HK\$166.7 million (2013: HK\$92.2 million), representing an upward surge of approximately 80.8% as compared with the prior year. The impressive results for the year were mainly attributable to the aggressive business development strategy taken by the management. With an extensive branch network expansion plan and the strong support of marketing promotion programs, success in customer acquisition was significant and rapid expansion of customer base was realized, which in turn contributed to a significant increase of brokerage commission income and fueled the growth of profit.

The Board also anticipates that there will be rapid growth of the business of the Group and following the launch of the “Shanghai-Hong Kong Stock Connect” Program which will create new opportunities, there will be a surge in the number of customers and trading volume. It is expected that there will be a corresponding increase in client demand for margin financing which in turn will raise the need for additional working capital. The Board believes that the increase in working capital will enhance the Group’s competitive edge.

The estimated net proceeds from the Rights Issue will be approximately HK\$557.95 million (assuming no exercise of Share Options) or HK\$559.20 million (assuming full exercise of Share Options). The Company intends to apply the net proceeds from the Rights Issue for the funding and further development of the Group's existing and future businesses, including an increase in the margin financing capacity for its existing and new clients. The net price per Rights Share shall be approximately HK\$0.99 assuming no exercise and full exercise of the Share Options.

The terms of the Rights Issue (including the Rights Issue Price) were arrived at after arm's length negotiation between the Company and the Underwriters with reference to the market prices of the Shares before the date of the Underwriting Agreement, the financial conditions of the Company, existing number of issued Shares, the fund expected to be raised by the Rights Issue and the current and expected market conditions. The Directors consider that under the Rights Issue, each Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company and that the discount of the Rights Issue Price will encourage the Shareholders to participate in the Rights Issue.

In the meantime, the Board may consider carrying out other potential fund raising exercises such as the issuance of debt securities to raise additional funds for further development of the Group's businesses.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

The following sets out the fund raising activity of the Company during the past 12 months immediately preceding the date of this announcement:

Date of the announcements	Event	Net proceeds	Intended use of proceeds as announced	Actual use of the proceeds
27 January 2014 and 29 January 2014	Subscription of Shares under specific mandate	Approximately HK\$94.16 million	General working capital of the Group	Has been utilized as intended

Save as disclosed, the Company has not raised any other funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Rights Issue would not increase either the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

ADJUSTMENT TO THE SHARE OPTIONS

In accordance with the Share Option Scheme, the Rights Issue may lead to adjustment to the number of Shares to be issued on the exercise of the Share Options and/or the exercise price payable by each Share Option holder in respect of each Share to be issued on the exercise of Share Options. Further announcement will be made by the Company in this regard.

GENERAL

The Prospectus Documents containing, among other things, further details of the Rights Issue are expected to be despatched by the Company to the Qualifying Shareholders on or before Monday, 29 September 2014, and the Prospectus will be despatched to the Excluded Shareholders for information only.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Bright Smart Securities & Commodities Group Limited (Stock code: 1428), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Share to be issued to the Qualifying Shareholders

“Excluded Shareholder(s)”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and one of the Underwriters
“Last Trading Day”	3 September 2014, being the last full trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Acceptance Date”	15 October 2014, or such date as the Underwriters may agree in writing with the Company, being the latest date on which provisional allotments may be validly accepted as described in the Prospectus
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yip”	Mr. Yip Mow Lum, the chairman of the Board, an executive Director and the controlling Shareholder
“Ms. Yip”	Ms. Yip Wing Yan Jacquelyn, daughter of Mr. Yip and an employee of the Group
“NCHL”	New Charming Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Underwriters, which is wholly owned by Mr. Yip

“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders
“Placees”	seven corporate and individual investors to whom the placing shares of the Company were offered and sold by way of private share placing under the placing and subscription agreements dated 27 January 2014
“Placing”	the placing of the Shares by NCHL to the Placees pursuant to the placing and subscription agreements dated 27 January 2014 (as supplemented by the placing and subscription (supplemental) agreements dated 29 January 2014)
“Posting Date”	Monday, 29 September 2014, or such other day as may be agreed between the Company and the Underwriters, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China
“Prospectus”	a prospectus relating to the Rights Issue to be despatched to the Qualifying Shareholders and the Excluded Shareholders
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Put Options”	the rights of the Placees to require NCHL to purchase the relevant Put Option Shares, which rights are granted by NCHL on 27 January 2014
“Put Option Holders”	the holders of the Put Options
“Put Option Shares”	the placing shares of the Company with the Put Options placed to the Put Option Holders
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date

“Record Date”	Friday, 26 September 2014, the record date to determine entitlement to the Rights Issue
“Rights Issue”	the issue by way of rights of the Rights Shares in the proportion of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Rights Issue Price, on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Issue Price”	the subscription price of HK\$1.00 per Rights Share under the Rights Issue
“Rights Share(s)”	not less than 561,154,006 new Shares but not more than 562,399,006 new Shares to be issued by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Rights Issue Price
“Settlement Date”	Tuesday, 21 October 2014, being the fourth Business Day following the Latest Acceptance Date (or such other date as the Underwriters and the Company may agree in writing)
“Share(s)”	ordinary share(s) of HK\$0.30 each in the share capital of the Company
“Share Options”	the outstanding options to subscribe for 2,490,000 new Shares granted to the directors, employees, consultants and contractors of the Group pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 4 August 2010
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong

“Undertakings”	the irrevocable undertakings dated 3 September 2014 given by NCHL, Mr. Yip and Ms. Yip in favour of the Company, details of which are set out in the paragraph headed “Undertakings” under the section headed “Underwriting Arrangements for the Rights Issue” in this announcement
“Underwriters”	NCHL and Kingston Securities
“Underwriting Agreement”	the agreement dated 3 September 2014, entered into by the Company and each of the Underwriters in relation to the Rights Issue
“Underwritten Shares”	all Rights Shares which are not the subject of the Undertakings, being not less than 219,758,006 Rights Shares and not more than 220,508,006 Rights Shares
“Untaken Shares”	the Rights Shares which have not been accepted or applied for by the Qualifying Shareholders or transferees of nil-paid Rights Shares
“HK\$”	Hong Kong dollar, 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, 3 September 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*