

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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 EXISTING SHARES
HELD ON THE RECORD DATE**



PROPOSED RIGHTS ISSUE

The Board proposes to raise not less than approximately HK\$187.8 million but not more than HK\$192.0 million, before expenses, by issuing not less than 341,411,000 Rights Shares but not more than 349,050,000 Rights Shares at the Rights Issue Price of HK\$0.55 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 341,411,000 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 349,050,000 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 Monday, 16 July 2012. The last day of dealings in the Shares on cum-rights basis is Friday, 6 July 2012. The Shares will be dealt in on ex-rights basis from Monday, 9 July 2012. To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and must not be Excluded Shareholders.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

If the Underwriting Agreement is terminated by the Underwriter on or before the Long Stop Date or does not become unconditional, the Rights Issue will not proceed. The Rights Issue is subject to the satisfaction or waiver (as the case may be) of certain conditions as described under the section headed “Conditions of the Rights Issue” below.

In particular, it is subject to the Underwriter not exercising its right to terminate the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) on or before the Long Stop Date. Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled or waived.

PROPOSED RIGHTS ISSUE

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

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:	682,822,000 Shares
Number of new Shares to be issued upon full exercise of the Share Options (<i>Note</i>):	15,278,000 Shares
Number of Rights Shares:	Not less than 341,411,000 Rights Shares (assuming no exercise of the Share Options before the Record Date) but not more than 349,050,000 Rights Shares
Rights Issue Price:	HK\$0.55 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue:	Not less than 1,024,233,000 Shares but not more than 1,047,150,000 Shares
Fund raised before expenses:	Not less than HK\$187.8 million but not more than HK\$192.0 million

Note: As at the date of this announcement, there are outstanding Share Options conferring rights on the holders thereof to subscribe for 15,278,000 new Shares. The exercise price of all the Share Options is HK\$0.69 per Share with an exercise period from 13 October 2011 to 12 October 2013.

The minimum number of 341,411,000 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 349,050,000 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\$0.55 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 20.29% to the closing price of HK\$0.690 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.35% to the average closing price of HK\$0.682 per Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 15.90% to the average closing price of HK\$0.654 per Share for the 10 consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 14.46% to the theoretical ex-rights price of HK\$0.643 per Share based on the closing price of HK\$0.690 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 Underwriter 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, the Shareholders must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Tuesday, 10 July 2012.

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, 10 July 2012 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, 11 July 2012 to Monday, 16 July 2012, 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, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application under the EAFs.

Application for excess Rights Shares

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 where 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 applied for by the Qualifying Shareholders will be taken up by the Underwriter.

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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Tuesday, 10 July 2012 (the register of members of the Company will be closed from Wednesday, 11 July 2012 to Monday, 16 July 2012, 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 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 if a premium (net of expenses) can be obtained, 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 wholly owned by Mr. Yip. As at the date of this announcement, NCHL and Mr. Yip hold in aggregate 486,012,000 Shares, representing approximately 71.18% of the issued share capital of the Company as at the date of this announcement. NCHL is an investment holding company.

As at the date of this announcement, Mr. Yip and NCHL have irrevocably undertaken to the Company and the Underwriter that they will be the beneficial and (as the case may be) registered owners of not less than 486,012,000 Shares in aggregate on the Record Date, and that they will accept and procure their respective nominee(s) (if any) to accept their entitlement to the provisional allotment of 243,006,000 Rights Shares under the Rights Issue in respect of the 486,012,000 Shares held by them.

BOCOM holds in aggregate 50,000,000 Shares, representing approximately 7.32% of the issued share capital of the Company as at the date of this announcement. BOCOM is the investment banking and securities business flagship of the Bank of Communications Co., Limited.

As at the date of this announcement, BOCOM has irrevocably undertaken to the Company and the Underwriter that it will be the registered owner of not less than 50,000,000 Shares on the Record Date, and that it will accept its entitlement to the provisional allotment of 25,000,000 Rights Shares under the Rights Issue in respect of the 50,000,000 Shares held by it.

Underwriting Agreement

Date:	25 June 2012
Underwriter:	BOCOM International Securities Limited
Number of Rights Shares underwritten:	All Rights Shares which are not subject to the Undertakings, being not less than 73,405,000 Rights Shares and not more than 81,044,000 Rights Shares
Commission:	HK\$1,550,000 payable to the Underwriter, which was determined after arm's length negotiation between the Company and the Underwriter, and the Directors are of the view that the commission is fair and reasonable

The Company has undertaken to the Underwriter that within the period of first six months commencing from the date on which dealings in the fully-paid Rights Shares commence on the Stock Exchange, the Company shall not issue any Shares or issue or grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares, save for grant of options under the Share Option Scheme and issue of any Shares pursuant to the exercise of any Share Options. Without prejudice to the foregoing, the Underwriter acknowledges and agrees that the Company shall have the absolute right and discretion at any time to allot or issue, or offer to allot or issue, or accept subscription for, or grant any option, right or warrant to subscribe for any Shares or debt capital or other securities of the Company or any interests therein or any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for Shares or any kind of securities or equity-related issues (hereinafter collectively referred to as "**Securities Issue**") provided that if the Company carries out any Securities Issue for cash within one year from the date on which dealings in the fully-paid Right Shares commence on the Stock Exchange, it shall first give notice (the "**Offer Notice**") thereof to the Underwriter with all the material terms and conditions of the Securities Issue specified therein. Then, the Underwriter shall have the right of first priority acceptance (the "**Right of First Priority Acceptance**") exercisable by notice in writing to the Company to subscribe for such Shares or debt capital or securities as stated in the Offer Notice on the same terms and conditions as are offered by the Company to such third party or third parties. The Right of First Priority Acceptance may only be exercised in respect of the whole (but not part) of the Shares or debt capital or securities offered under the Offer Notice. If the Right of First Priority Acceptance is not exercised by the Underwriter within seven (7) days after receipt of the Offer Notice, the Right of First Priority Acceptance shall be deemed to have lapsed and the Company shall be at liberty to carry out the Securities Issue on terms no more favourable than those set out in the Offer Notice. The Underwriter can waive the grant of the Right of First Priority Acceptance for any Securities Issue.

The Underwriting Agreement provides that the Underwriter shall subscribe or (as agent for the Company) procure subscribers for the Underwritten Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the delivery to the Stock Exchange and the registration with the Registrar of Companies in Hong Kong respectively one (1) copy of each of the Prospectus Documents duly signed by two (2) Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Board (and with all documents required to be attached thereto by section 342C of the Companies Ordinance) not later than the date of the Prospectus and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus marked "For information only" to the Excluded Shareholders, in each case, on the date of the Prospectus;
- (c) the Listing Committee granting or agreeing to grant (subject to allotment), and not having withdrawn or revoked, the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Underwriter may accept

and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the first day of dealings in the nil-paid Rights Shares (i.e. 19 July 2012);

- (d) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (e) the Underwriter not having exercised the right of termination granted to it under the Underwriting Agreement;
- (f) the Shares remaining listed on the Stock Exchange at all times up to and including the Long Stop Date and the current listing of the Shares not having been withdrawn and no indication having been received from the Stock Exchange before the Long Stop Date to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (g) the fulfilment by Mr. Yip, NCHL and BOCOM of their respective obligations under the Undertakings in accordance with the terms and conditions of the Rights Issue and in respect of their respective obligations to subscribe or procure the subscription for the Rights Shares offered to them respectively under the Rights Issue on or before the Latest Acceptance Date;
- (h) the issue of the Rights Shares and the obligations of the Underwriter to underwrite the Underwritten Shares not being prohibited by any statute, order, rule, directive or regulation in effect on or promulgated after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority or any judicial or governmental authority in Hong Kong and/or the Cayman Islands; and
- (i) the representations, warranties and undertakings given by the Company to the Underwriter under the Underwriting Agreement remaining true and accurate in all material respects at all times on or before the Long Stop Date.

The Underwriter may waive the condition set out in paragraph (d) above at any time before the Long Stop Date by notice in writing to the Company. If any of the conditions set out above has not been fulfilled or waived by the Underwriter in all respects by or at the time and/or date(s) specified therefor (or, if no time or date is specified, the Long Stop Date), the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and terminate and no party shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement. The Company agrees to use all reasonable endeavours to procure the fulfillment of the conditions set out in paragraphs (a), (b), (c), (d), (f) and (i) above.

Termination of the Underwriting Agreement

If at any time between the date of the Underwriting Agreement and the Long Stop Date:

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement:
- (i) that any statement contained in any of this announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or
 - (ii) that any matter has arisen or been discovered which would, if this announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in this announcement, the Prospectus Documents or any supplementary prospectus; or
 - (iii) that any of the representations, warranties and undertakings contained in the Underwriting Agreement is (or would if repeated at that time be) untrue or breached in a material respect; or
 - (iv) any event, act or omission which gives rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or
 - (v) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement in a material respect; or
 - (vi) any material adverse change in the business or in the financial or trading position of any member of the Group; or
 - (vii) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
 - (viii) the cancellation of the Rights Issue by the Company; or
 - (ix) any suspension in trading of the Shares on the Stock Exchange for a continuous period of more than five (5) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of this announcement); or
- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
 - (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or the Cayman Islands or any

- other place in which any member of the Group conducts or carries on business; or
- (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or
 - (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or
 - (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange); or
 - (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or the Cayman Islands or any other place in which any member of the Group conducts or carries on business,

and which, in any such case and in the absolute opinion of the Underwriter, will or may be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Group as a whole or the Rights Issue or the success thereof; or make it inadvisable or inexpedient to proceed with the Rights Issue; or have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

WARNING OF THE RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

If the Underwriting Agreement is terminated by the Underwriter on or before the Long Stop Date or does not become unconditional, the Rights Issue will not proceed. The Rights Issue is subject to the satisfaction or waiver (as the case may be) of certain conditions as described under the section headed “Conditions of the Rights Issue” above.

In particular, it is subject to the Underwriter not exercising its right to terminate the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” above) on or before the Long Stop Date. Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled or waived.

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 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 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 Underwriter does not itself subscribe for any of the Underwritten Shares.

Name of Shareholder	<i>(i) As at the date of this announcement</i>		<i>(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</i>		<i>(iii) Immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders under the Rights Issue and no exercise of the Share Options on or before the Record Date</i>		<i>(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</i>		<i>(v) Immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders under the Rights Issue and full exercise of the Share Options on or before the Record Date</i>	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
NCHL (Note 1)	450,000,000	65.90	675,000,000	65.90	675,000,000	65.90	675,000,000	64.46	675,000,000	64.46
Mr. Yip	36,012,000	5.28	54,018,000	5.28	54,018,000	5.28	54,018,000	5.16	54,018,000	5.16
Sub-total	486,012,000	71.18	729,018,000	71.18	729,018,000	71.18	729,018,000	69.62	729,018,000	69.62
BOCOM (Note 2)	50,000,000	7.32	75,000,000	7.32	75,000,000	7.32	75,000,000	7.16	75,000,000	7.16
Subscribers procured by the Underwriter (Note 2)					73,405,000	7.17			81,044,000	7.74
Other directors of the Company and its subsidiaries (Note 3)	-	-	-	-	-	-	10,197,000	0.97	6,798,000	0.65
Other holders of Share Options	-	-	-	-	-	-	12,720,000	1.22	8,480,000	0.81
Other public Shareholder	146,810,000	21.50	220,215,000	21.50	146,810,000	14.33	220,215,000	21.03	146,810,000	14.02
Total	682,822,000	100.00	1,024,233,000	100.00	1,024,233,000	100.00	1,047,150,000	100.00	1,047,150,000	100.00
Total public Shareholders	196,810,000	28.82	295,215,000	28.82	295,215,000	28.82	307,935,000	29.41	311,334,000	29.73

Note:

1. The 450,000,000 Shares are held by NCHL, a company wholly-owned by Mr. Yip.
2. The 50,000,000 Shares are held by BOCOM, a wholly-owned subsidiary of the Bank of Communication Co., Limited. It is expected that none of the Underwriter, a company incorporated in Hong Kong with limited liability and wholly-owned by BOCOM, and the subscribers procured by it will become substantial Shareholders upon the completion of the Rights Issue.
3. Other directors of the Company and its subsidiaries represent the holders of Share Options, including Mr. Chan Kai Fung, Mr. Kwok Sze Chi, Mr. Chan Wing Shing Wilson, Mr. Yu Yun Kong, Mr. Szeto Wai Sun, Mr. Ling Kwok Fai Joseph and Ms. Li Wan Mei who are entitled to subscribe for 2,000,000, 2,000,000, 400,000, 666,000, 666,000, 666,000 and 400,000 Shares respectively under the Share Options.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

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

	<u>2012</u>
Last day of dealing in Shares on a cum-rights basis.....	Friday, 6 July
First day of dealing in Shares on an ex-rights basis.....	Monday, 9 July
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue.....	By 4:30 p.m. on Tuesday, 10 July
Register of members of the Company closes.....	Wednesday, 11 July to Monday, 16 July
Record Date.....	Monday, 16 July
Register of members of the Company re-opens.....	Tuesday, 17 July
Despatch of the Prospectus Documents.....	Tuesday, 17 July
First day of dealings in nil-paid Rights Shares.....	Thursday, 19 July
Latest time for splitting of nil-paid Rights Shares.....	By 4:00 p.m. on Monday, 23 July
Last day of dealings in nil-paid Rights Shares.....	Thursday, 26 July

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 Tuesday, 31 July
Latest time for the Rights Issue to become unconditional.....	By 4:00 p.m. on Thursday, 2 August
Announcement of results of acceptance of and excess application for the Rights Issue.....	Friday, 3 August
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before.....	Monday, 6 August
Despatch of certificates for fully-paid Rights Shares on or before.....	Monday, 6 August
Commencement of dealings in fully-paid Rights Shares.....	Wednesday, 8 August

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 31 July 2012. 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;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 31 July 2012. 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 31 July 2012, 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 the businesses of securities brokerage, margin financing and commodities and futures brokerage, and primarily focuses on online brokerage services in Hong Kong. The Company would like to (i) strengthen its brand name by having a

higher profile and visibility in the market which will in turn build up confidence of the Company's existing clients; and (ii) achieve greater efficiency resulting from stricter disclosure standards.

The reasons for the Rights Issue are to strengthen the liquid capital of the Group's licensed subsidiaries, in order to boost the Group's products and services offerings to its clients with satisfaction on liquid capital requirement of the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong), and hence to increase the revenue and market share.

The estimated net proceeds from the Rights Issue will be approximately HK\$185.3 million (assuming no exercise of Share Options) or HK\$189.5 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 terms of the Rights Issue (including the Rights Issue Price) were arrived at after arm's length negotiation between the Company and the Underwriter 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.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

There has not been any fund raising exercise conducted by the Company in the past 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

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.

GENERAL

The Company will despatch the Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders (if any) on or about 17 July 2012.

DEFINITIONS

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

“Board”	the board of the Directors
“BOCOM”	BOCOM Holdings Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Bank of Communication Co., Limited
“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
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“Last Trading Day”	25 June 2012, being the last full trading day of the Shares on the Stock Exchange before the release of this announcement

“Latest Acceptance Date”	31 July 2012, or such date as the Underwriter may agree in writing with the Company, being the latest date 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
“Long Stop Date”	4:00 p.m. on 2 August 2012 or such other date as the Underwriter may agree with the Company in writing
“Mr. Yip”	Mr. Yip Mow Lum, the chairman of the Board, an executive Director and the controlling Shareholder
“NCHL”	New Charming Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and 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
“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
“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”	Monday, 16 July 2012, 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\$0.55 per Rights Share under the Rights Issue

“Rights Share(s)”	the issue of not less than 341,411,000 Rights Shares but not more than 349,050,000 Rights Shares at the subscription price of HK\$0.55 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date payable in full on acceptance
“Share(s)”	existing ordinary share(s) of HK\$0.30 each in the share capital of the Company
“Share Options”	the outstanding options to subscribe for 15,278,000 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
“Undertakings”	each of the irrevocable undertakings dated 25 June 2012 given by Mr. Yip, NCHL and BOCOM in favour of the Company and the Underwriter in relation to each of his/its undertakings to accept or procure the subscription of each of his/its full entitlement of the Rights Shares pursuant to the Rights Issue; and that Mr. Yip and NCHL, and BOCOM shall be the beneficial and (as the case may be) registered owners of not less than 486,012,000 Shares in aggregate and 50,000,000 Shares respectively on the Record Date
“Underwriter”	BOCOM International Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BOCOM
“Underwriting Agreement”	the agreement dated 25 June 2012, entered into by the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	all Rights Shares which are not the subject of the Undertakings, being not less than 73,405,000 Rights Shares and not more than 81,044,000 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, 25 June 2012

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*