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BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED

耀才證券金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(the "Company", Stock Code: 1428)

CONTINUING CONNECTED TRANSACTION

On 16 October 2012, Huge Dynasty, a wholly-owned subsidiary of the Company, as tenant entered, into the Tenancy Agreement with Fortunate State for the leasing of the Premises in Honour House in Kowloon. The Premises are intended to be used by the Group as a new head office in Kowloon, Hong Kong. The term of the lease on the Premises is three years commencing from 17 October 2012 to 16 October 2015 (both days inclusive).

Fortunate State is a company wholly owned by Mr. Yip, the chairman of the Board of Directors, an executive Director and the controlling Shareholder. The Tenancy Agreement accordingly constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules. The Tenancy Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A. PRINCIPAL TERMS OF THE TENANCY AGREEMENT

1. Date

16 October 2012

2. Parties

- (i) Huge Dynasty Limited, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) Fortunate State Limited, a company wholly owned by Mr. Yip, as landlord. The principal business of Fortunate State is property investment

3. Premises let

The Entrance (at left frontage) of Portion A1 of Shops 6, 7 and 8 on the Ground Floor, Mezzanine Floor and First Floor of Honour House, Nos. 375-381 & 375A-379A Nathan Road, No. 24 Kansu Street and Nos. 2-10 Woosung Street, Kowloon, Hong Kong

4. Term

Three years commencing from 17 October 2012 to 16 October 2015 (both days inclusive)

5. Rental

HK\$660,000 per month (exclusive of Government rent and rates, management fee and other charges (including, but not limited to, water and electricity charges)), payable in advance on the first day of each calendar month

6. Rent-free period

31 days from 17 October 2012 to 16 November 2012

7. Option to renew

The tenant has an option to renew the tenancy for a further term of 3 years immediately after the expiry of the term at the prevailing market rental

B. ANNUAL CAP AND RENT

The annual cap in respect of the Tenancy Agreement based on the annual rental payable thereunder for each of the four financial years ending 31 March 2013, 2014, 2015 and 2016 are HK\$3,510,000, HK\$7,700,000, HK\$7,700,000 and HK\$4,190,000 respectively.

C. REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTION

The Group is principally engaged in the provision of financial services, including securities brokerage, margin financing and commodities and futures brokerage.

The Directors (including the independent non-executive Directors) are of the view that the Tenancy Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Group and in line with the Group's plan to expand its business and customer base. It is intended that the Premises will be used by the Group as a new head office in Kowloon, Hong Kong for provision of securities brokerage, margin financing and commodities and futures brokerage services to customers in the surrounding area. The terms of the Tenancy Agreement have been determined after arm's length negotiation between the parties with reference to comparable transactions and the prevailing market conditions. The Directors (including the independent non-executive Directors) are of the view that the terms of the Tenancy Agreement and the annual cap in respect thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

D. LISTING RULES IMPLICATIONS

Fortunate State is a company wholly owned by Mr. Yip, the chairman of the Board, an executive Director and the controlling Shareholder. The lease on the Premises under the Tenancy Agreement accordingly constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The highest applicable percentage ratio in respect of the annual rent for payable under the Tenancy Agreement (whether alone or aggregated with the annual rents payable under the Previous Tenancy Agreements pursuant to Rule 14A.25 of the Listing Rules) on an annual basis in each financial year ending 31 March 2013, 2014, 2015 and 2016, exceeds 0.1% but is less than 5%. The Tenancy Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Mr. Yip is interested in such transaction and had abstained from voting on the relevant resolution of the Board approving the same.

E. DEFINITIONS

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

“Board”	the board of Directors
“Company”	Bright Smart Securities & Commodities Group Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Fortunate State”	Fortunate State Limited, a company wholly owned by Mr. Yip
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huge Dynasty”	Huge Dynasty Limited, a wholly-owned subsidiary of the Company
“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

“Premises”	the Entrance (at left frontage) of Portion A1 of Shops 6, 7 and 8 on the Ground Floor, Mezzanine Floor and First Floor of Honour House, Nos. 375-381 & 375A-379A Nathan Road, No. 24 Kansu Street and Nos. 2-10 Woosung Street, Kowloon, Hong Kong
“Previous Tenancy Agreements”	the tenancy agreements as disclosed in the announcements of the Company dated 13 October 2011 and 30 December 2011 respectively which are still subsisting as at the date of this announcement
“Shareholder(s) ”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 16 October 2012 entered into between Huge Dynasty as tenant and Fortunate State as landlord for the leasing of the Premises

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

Hong Kong, 16 October 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*