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## **BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED**

### **耀才證券金融集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1428)**

## **CONTINUING CONNECTED TRANSACTION**

On 13 October 2011, Victor Tone Limited, a wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with Resultever for the lease of an office premises in Quarry Bay, Hong Kong. Resultever is a company wholly owned by Mr. Yip, the chairman, an executive Director and the controlling Shareholder. The transaction contemplated under the Tenancy Agreement accordingly constitutes continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As some of the applicable percentage ratios in respect of the annual rent payable under the Tenancy Agreement exceed 0.1% (but less than 5%) and the annual rent is above the sum of HK\$1,000,000 (but less than HK\$10,000,000), the Tenancy Agreement is only 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**

13 October 2011

#### **2. Parties**

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

#### **3. Premises let**

Cockloft No.1, 2, 3, 4, 5, 6 and Shop No.7 (Formerly Shop No.995A) on Ground Floor & Cockloft, Tak Lee Building, No.993 King's Road, Hong Kong

#### **4. Term**

From 13 October 2011 to 31 March 2013 (both days inclusive)

**5. Rental**

HK\$105,000 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 13 October 2011 to 12 November 2011

**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 two years ending 31 March 2012 and 2013 is HK\$556,000 and HK\$1,190,000 respectively.

**C. REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTION**

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

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 a new branch office will be established at the Premises for provision of securities broking, margin financing and commodities and futures broking 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**

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

As some of the applicable percentage ratios in respect of the annual rent payable under the Tenancy Agreement exceed 0.1% (but less than 5%) and the annual rent above the sum of HK\$1,000,000 (but less than HK\$10,000,000), the Tenancy Agreement is only 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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yip”	Mr. Yip Mow Lum, the chairman, an executive Director and the controlling Shareholder
“Premises”	Cockloft No.1, 2, 3, 4, 5, 6 and Shop No.7 (Formerly Shop No.995A) on Ground Floor & Cockloft, Tak Lee Building, No.993 King’s Road, Hong Kong
“Resultever”	Resultever Limited, a company wholly owned by Mr. Yip
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 13 October 2011 entered into between Victor Tone Limited as tenant and Resultever as landlord in respect of the leasing of the Premises

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

Hong Kong, 13 October 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Yip Mow Lum (Chairman), Mr. Chan Kai Fung (CEO), Mr. Kwok Sze Chi and Mr. Chan Wing Shing, Wilson; and the independent non-executive directors of the Company are Mr. Yu Yun Kong, Mr. Szeto Wai Sun and Mr. Ling Kwok Fai, Joseph.*