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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 28 February 2011, Victor Tone, a wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with Target Insurance, an independent third party, for the leasing of the Premises. On 30 December 2011, Top Sunshine, a company wholly owned by Mr. Yip, acquired the title to the Premises from Target Insurance. The transaction contemplated under the Tenancy Agreement has accordingly become a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As the annual rent payable under the Tenancy Agreement (whether alone or aggregated with the rent payable under the Previous Tenancy Agreement pursuant to Rule 14A.25 of the Listing Rules) would not exceed 5% of the applicable percentage ratios or the sum of 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.

On 28 February 2011, Victor Tone (as tenant), a wholly-owned subsidiary of the Company, entered into the Tenancy Agreement with Target Insurance (as landlord) for the leasing of the Premises. On 30 December 2011, the title to the Premises was transferred from Target Insurance to Top Sunshine, a company wholly-owned by Mr. Yip, an executive Director, a controlling Shareholder and the chairman of the Company, following the completion of a provisional agreement concerning the sale and purchase of the Premises between Target Insurance and Top Sunshine entered into on 22 November 2011. The transaction contemplated under the Tenancy Agreement has accordingly become a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

A. PRINCIPAL TERMS OF THE TENANCY AGREEMENT

1. Date

28 February 2011

2. Parties

- (i) Victor Tone Limited, as tenant; and
- (ii) Target Insurance Company, Limited, as landlord
(Top Sunshine Development Limited, the successor in title, became the landlord of the Premises on 30 December 2011. The principal business of Top Sunshine is property investment.)

3. Premises let

The whole of First Floor and the Flat Roof or Canopy adjacent to the said First Floor together with the exclusive right to affix sign or signboards to the external wall of the said Flat Roof or Canopy from the floor level of the said First Floor up to the ceiling height of the said First Floor of Golden Hill Commercial Building, Nos. 39-41 Argyle Street, Kowloon, Hong Kong

4. Term

From 16 March 2011 to 15 March 2014 (both days inclusive)
(The term relevant to the continuing connected transaction shall commence from 30 December 2011 and end on 15 March 2014 (both days inclusive))

5. Rental

HK\$90,000 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

From 28 February 2011 to 15 March 2011

7. Option to renew

The tenant has an option to renew the tenancy for a further term of 2 years immediately after the expiry of the existing term at the then prevailing market rental, which shall not be lower than HK\$90,000 per month

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 three years ending 31 March 2012, 2013 and 2014 are HK\$280,000, HK\$1,080,000 and HK\$1,040,000 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. The Premises have been used 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 Victor Tone and Target Insurance with reference to comparable transactions and the prevailing market conditions. The terms of the Tenancy Agreement remain unchanged after the transfer of title to the Premises from Target Insurance to Top Sunshine. 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

On 30 December 2011, the title to the Premises was transferred from Target Insurance to Top Sunshine, a company wholly-owned by Mr. Yip, an executive Director, a controlling Shareholder and the chairman of the Company. The transaction contemplated under the Tenancy Agreement has accordingly become a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As the annual rent payable under the Tenancy Agreement (whether alone or aggregated with the rent payable under the Previous Tenancy Agreement pursuant to Rule 14A.25 of the Listing Rules) would not exceed 5% of the applicable percentage ratios or the sum of 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, an executive Director, a controlling Shareholder and the chairman of the Company
“Premises”	the whole of First Floor and the Flat Roof or Canopy adjacent to the said First Floor together with the exclusive right to affix sign or signboards to the external wall of the said Flat Roof or Canopy from the floor level of the said First Floor up to the ceiling height of the said First Floor of Golden Hill Commercial Building, Nos. 39-41 Argyle Street, Kowloon, Hong Kong
“Previous Tenancy Agreement”	the tenancy agreement as disclosed in the announcement of the Company dated 13 October 2011 which is still subsisting
“Shareholder(s) ”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Insurance”	Target Insurance Company, Limited, a third party independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules)

“Tenancy Agreement”	the tenancy agreement dated 28 February 2011 entered into between Victor Tone as tenant and Target Insurance as landlord in respect of the leasing of the Premises
“Top Sunshine”	Top Sunshine Development Limited, a company wholly owned by Mr. Yip
“Victor Tone”	Victor Tone Limited, a wholly-owned subsidiary of the Company

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

Hong Kong, 30 December 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.