
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.

Capitalised terms used in this cover shall have same meanings as those defined in this prospectus.

If you are in any doubt as to any aspect of this prospectus or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

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 as well as compliance with the stock admission requirements of HKSCC, 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 their respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as 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.

A copy of each of the Prospectus Documents together with the documents specified in the paragraph headed "12. Documents delivered to the Registrar" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The SFC and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.



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)

RIGHTS ISSUE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriters of the Rights Issue



New Charming Holdings Limited

KINGSTON SECURITIES LTD.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, inter alia, the fulfillment and/or waiver (where applicable) of the conditions set out under the sub-paragraph headed "Conditions of the Rights Issue" on pages 20 to 21 of this prospectus. Any of the Underwriters is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events as set out in the section headed "Termination of the Underwriting Agreement" on pages 9 to 10 of this prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares. Any dealings in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or waived (as applicable) (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Friday, 3 October 2014 to Friday, 10 October 2014 (both dates inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and/or the Rights Shares (in their nil-paid form) are advised to consult their own professional advisers.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 15 October 2014. The procedures for acceptance and payment or transfer of the Rights Shares and application for excess Right Shares are set out on pages 14 to 17 of this prospectus.

29 September 2014

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EXPECTED TIMETABLE

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

Event	2014 (Hong Kong time)
Record date for 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

All time and dates in this prospectus refer to Hong Kong time and dates.

EXPECTED TIMETABLE

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 this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 3 September 2014 relating to, among other things, the Rights Issue
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“BSSI”	Bright Smart Securities International (H.K.) Limited, an indirect wholly-owned subsidiary of the Company
“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
“CFW”	China Finance (Worldwide) Limited, a company which is 100% beneficially owned by Mr. Yip
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) 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 Shares to be issued to the Qualifying Shareholders
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors, based on opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) 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

DEFINITIONS

“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 the Announcement
“Latest Acceptance Date”	15 October 2014, or such date as the Underwriters may agree in writing with the Company, being the latest date which provisional allotments may be validly accepted as described in this prospectus
“Latest Practicable Date”	24 September 2014, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yip”	Mr. Yip Mow Lum, the founder, the chairman of the Board, an executive Director and the controlling Shareholder of the Company
“Ms. Yip”	Ms. Yip Wing Yan Jacquelyn, the 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 Shareholder(s)”	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)

DEFINITIONS

“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 Documents”	this 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 were 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 Shareholder(s)”	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) 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
“Registrar”	Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the branch registrar of the Company in Hong Kong
“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)”	561,154,006 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)
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.30 each in the share capital of the Company
“Share Option(s)”	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 SFC
“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 prospectus
“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”	217,252,006 Rights Shares, being all the Rights Shares other than those which are subject to the Undertakings
“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

TERMINATION OF THE UNDERWRITING AGREEMENT

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) this 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.

TERMINATION OF THE UNDERWRITING AGREEMENT

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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yip Mow Lum (*Chairman*)
Mr. Chan Kai Fung (*Chief Executive Officer*)
Mr. Kwok Sze Chi
Mr. Chan Wing Shing, Wilson

Registered office:

Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Independent Non-executive Directors:

Mr. Yu Yun Kong
Mr. Szeto Wai Sun
Mr. Ling Kwok Fai, Joseph

Principal place of business:

10th Floor and 27th Floor
Wing On House
71 Des Voeux Road Central
Hong Kong

29 September 2014

To the Qualifying Shareholders

and the holder(s) of the Share Option(s) (for information purpose only)

Dear Sir/Madam,

RIGHTS ISSUE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Reference is made to the Announcement whereby the Board announced that the Company proposed the Rights Issue 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 new Shares but not more than 562,399,006 new 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.

Each of NCHL and Mr. Yip had 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 subscribe, and procure their respective nominee(s) (if any) to subscribe, for its/his entitlement of the Rights Shares pursuant to the Rights Issue.

LETTER FROM THE BOARD

Ms. Yip had 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 subscribe, and procure her nominee(s) (if any) to subscribe, for her entitlement of the Rights Shares pursuant to the Rights Issue.

The purpose of this prospectus is to provide you with the details regarding the Rights Issue, including information on the dealings, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

RIGHTS ISSUE

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 Record Date:	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:	561,154,006 Rights Shares
Rights Issue Price:	HK\$1.00 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue:	1,683,462,018 Shares
Fund raised before expenses:	Approximately HK\$561.15 million

Note: As at the Latest Practicable Date, 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 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.

As at the Latest Practicable Date, save for the Share Options as detailed above, the Company had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

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;
- (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; and
- (v) a discount of approximately 21.26% to the closing price of HK\$1.27 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Rights Issue Price was determined based on arm's length negotiations between the Company and the Underwriters with reference to the closing prices of the Shares before the date of the Underwriting Agreement, the financial conditions of the Company and the then prevailing 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. To qualify for the Rights Issue, Shareholders must be registered as members of the Company on the Record Date and not be the Excluded Shareholders.

LETTER FROM THE BOARD

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.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Wednesday, 15 October 2014. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**BRIGHT SMART SECURITIES & COMD GROUP LTD – PROVISIONAL ALLOTMENT A/C**" and crossed "**ACCOUNT PAYEE ONLY**". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 15 October 2014, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 7 October 2014 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” in the section headed “Underwriting Arrangement, for the Rights Issue” of this prospectus is not fulfilled or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Thursday, 23 October 2014.

Application for excess Rights Shares

The Qualifying Shareholders are entitled to apply for 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.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong at or before 4:00 p.m. on Wednesday, 15 October 2014. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**BRIGHT SMART SECURITIES & COMD GROUP LTD – EXCESS APPLICATION A/C**” and crossed “**ACCOUNT PAYEE ONLY**”. The Registrar will notify the relevant Qualifying

LETTER FROM THE BOARD

Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess application for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Wednesday, 22 October 2014.

Shareholders and potential investors should note that the number of excess Rights Shares which may be allocated to them may be different where they make applications for excess Rights Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders/investors. Shareholders and investors with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Where the number of excess Rights Shares applied for under one EAF is larger than the total number of Rights Shares being offered under the Rights Issue, being 561,154,006 Rights Shares, such application would be treated as invalid and be rejected (other than from a nominee company). If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by a refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 23 October 2014. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by a refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Thursday, 23 October 2014.

All cheques or cashier's orders will be presented for payment following receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled or waived (as applicable), the monies received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 23 October 2014.

Application for listing of the Rights Shares on the Stock Exchange

The Company has made an application 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.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

LETTER FROM THE BOARD

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

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong. 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.

Based on the register of members of the Company, the Company had no Overseas Shareholder on the Record Date. As such, there will be no Excluded Shareholders.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

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 Latest Practicable Date, NCHL, Mr. Yip and Ms. Yip holds 600,000,000 Shares, 86,404,000 Shares and 1,400,000 Shares respectively and in aggregate of 687,804,000 Shares, representing approximately 61.28% of the issued share capital of the Company. In addition, Ms. Yip holds 990,000 Share Options.

LETTER FROM THE BOARD

Each of NCHL and Mr. Yip had 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 subscribe, and procure their respective nominee(s) (if any) to subscribe, for its/his entitlement of the Rights Shares pursuant to the Rights Issue.

Ms. Yip had 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 subscribe, and procure her nominee(s) (if any) to subscribe, for 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 343,902,000 Rights Shares undertaken to be taken up by Mr. Yip and his associates under the Undertakings), being 217,252,006 Rights Shares. The Rights Issue is fully underwritten severally by the Underwriters in the following manner:

- (i) NCHL: being 129,752,006 Rights Shares; 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.

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Subject to the provisions of 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

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- (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/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

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- (3) this 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 RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been 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 Latest Practicable Date; (ii) immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue; and (iii) immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders except Mr. Yip and his associates under the

LETTER FROM THE BOARD

Rights Issue. For illustration purpose, it is assumed that the Underwriters do not themselves subscribe for any of the Underwritten Shares other than their entitlements under the provisional allotment.

	As at the Latest Practicable Date		Immediately after the completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders under the Rights Issue		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 (Note 3)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Name of the Shareholders						
Mr. Yip and his associates						
NCHL	600,000,000	53.46	900,000,000	53.46	1,025,140,006	60.89
Mr. Yip	86,404,000	7.70	129,606,000	7.70	129,606,000	7.70
Ms. Yip	1,400,000	0.12	2,100,000	0.12	2,100,000	0.12
	<u>687,804,000</u>	<u>61.28</u>	<u>1,031,706,000</u>	<u>61.28</u>	<u>1,156,846,006</u>	<u>68.71</u>
Other Directors (Note 1)	2,659,288	0.24	3,988,932	0.24	2,659,288	0.16
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
Other placees	3,000,000	0.27	4,500,000	0.27	3,000,000	0.18
	<u>103,000,000</u>	<u>9.18</u>	<u>154,500,000</u>	<u>9.18</u>	<u>103,000,000</u>	<u>6.12</u>
Subtotal (Mr. Yip and his associates, other Directors and the Put Option Holders)	793,463,288	70.70	1,190,194,932	70.70	1,262,505,294	74.99
Public:						
Kingston Securities or subscriber(s) procured by Kingston Securities	–	–	–	–	87,500,000	5.20
Subscriber(s) or sub-underwriter(s) procured by NCHL (Note 3)	–	–	–	–	4,612,000	0.27
Other public Shareholders	328,844,724	29.30	493,267,086	29.30	328,844,724	19.54
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>

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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 hold the Shares.
2. Reference is made to the announcements of the Company dated 27 January 2014 (the “**Placing Announcement**”) and 29 January 2014. As disclosed in the Placing 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 Latest Practicable Date, Chow Tai Fook Nominee Limited and other Put Option Holders hold in aggregate 103,000,000 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. **This scenario is for illustrative purpose only.**

Pursuant 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. As at the Latest Practicable Date, NCHL has not procured any subscriber(s) or sub-underwriter(s).

4. As at the Latest Practicable Date, 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.
5. 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.
6. The percentages are subject to rounding error.

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.

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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. The Company intends to apply the net proceeds from the Rights Issue solely for the funding of 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.

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 then prevailing 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.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As indicated by the 2014 annual report of the Company, the Group’s turnover hit a record high of HK\$410.4 million for the year ended 31 March 2014 (2013: HK\$273.3 million), representing a significant increase of 50.2%. Profit attributable to equity shareholders was HK\$166.7 million (2013: HK\$92.2 million), representing an upward surge of 80.8% as compared with the prior year. The impressive results for the year ended 31 March 2014 (“**FY2014**”) 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 and commission income and fueled the growth of profit. The encouraging results underscored the Group’s competitive advantage among its peers in the industry. The basic earnings per Share was HK15.97 cents (2013: HK10.18 cents) and the diluted earnings per Share was HK15.96 cents (2013: HK10.17 cents). The Board proposed a final dividend of HK4.50 cents (2013: HK2.70 cents) per Share for the FY2014.

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Over the past year, the Group took initiatives to tap into the mainland China market and conducted studies on the establishment of consultation centre in the mainland to promote its business. The China Securities Regulatory Commission and the SFC jointly announced the introduction of “Shanghai-Hong Kong Stock Connect” which is expected to be launched formally in October 2014. This will not only help promote the integration of the stock markets in Shanghai and Hong Kong, enhance the attractiveness of the two markets to international investors, consolidate Hong Kong’s position as an offshore Renminbi centre, and improve the overall efficiency of the Hong Kong securities market, but will also solidify and strengthen Hong Kong’s leading position in the industry as an international financial centre. As one of the leading local securities financial groups in Hong Kong, the Group is reputable in the active development of diversified products and its service quality. Looking into the future, the Group will devote more resources to accelerate the development of business in mainland China, expand its scale of operation for more customers, actively promote the bullion trading platform and after-hour futures trading, recruit professionals for the development of the mainland market, and launch new services to meet market demands from time to time. Meanwhile, the Group will also launch vigorous promotion programs through online platform to capture both local and mainland customers. The Group will strive to take advantage of the unlimited development opportunities for business expansion.

The Group is actively expanding its business and building its presence, and gradually exploring the international business area through the introduction of diversified and up-to-date investment products to the global market and the uplifting of professionalism to cater for the ever-changing capital market. As China has become an important player in the international economy, the Group is committed to developing the mainland China market and allocating more resources to capture the mainland customers, with an aim to generate significant income for the Group.

In respect of the development of the mainland market, the Group will leverage on the “Bright Smart Finance Channel” (耀才財經台) as a flagship promotional tool and strengthen its marketing efforts. The Group’s celebrity stock commentator, Mr. Kwok Sze Chi (Executive Director and Marketing Director of the Group) will conduct seminars regularly in mainland China, in which exchanges between the Group and mainland investors are promoted and the latest information and news of the Hong Kong stock market are shared. Also, the Group offers one-stop financial services to the mainland investors through its powerful and robust online trading platform. Coupled with its favorable commission policy, it is expected that more customers from mainland China will be captured.

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 Latest Practicable Date:

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 Latest Practicable Date.

LETTER FROM THE BOARD

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 the Share Options. Further announcement will be made by the Company in this regard.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
For and on behalf of the Board of
Bright Smart Securities & Commodities Group Limited
Chan Kai Fung
Executive Director and Chief Executive Officer

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2012

The audited consolidated financial statements of the Group for the financial year ended 31 March 2012 together with the relevant notes to the financial statements are set out on page 75 to page 147 of the annual report of the Company for the year ended 31 March 2012 published on 12 July 2012, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.bsgroup.com.hk.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2013

The audited consolidated financial statements of the Group for the financial year ended 31 March 2013 together with the relevant notes to the financial statements are set out on page 83 to page 151 of the annual report of the Company for the year ended 31 March 2013 published on 8 July 2013, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.bsgroup.com.hk.

3. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2014

The audited consolidated financial statements of the Group for the financial year ended 31 March 2014 together with the relevant notes to the financial statements are set out on page 87 to page 159 of the annual report of the Company for the year ended 31 March 2014 published on 7 July 2014, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.bsgroup.com.hk.

4. INDEBTEDNESS

Borrowings

As at the close of business on 31 August 2014, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had borrowings amounting to approximately HK\$2,908 million, details of which are as follows:

The following table illustrates the Group's borrowings as at the close of business on 31 August 2014:

	<i>HK\$'000</i>
<i>Current</i>	
Bank loans	2,808,487
Amount due to a related company	100,000
	<hr/>
	2,908,487
	<hr/> <hr/>

Out of the total bank loans, HK\$1,198,000,000 is guaranteed by the Company.

Bank loans

The bank loans as at 31 August 2014 amounted to HK\$2,808,487,000. Securities collateral deposited by the Group's margin clients was re-pledged to banks to secure these loan facilities. Such banking facilities were utilised to the extent of HK\$2,472,687,000. The fair value of the collateral re-pledged to banks as at 31 August 2014 amounted to HK\$5,022,398,000.

The remaining bank loans which amounted to HK\$335,800,000 were not secured.

Amount due to a related company

On 13 June 2012, BSSI entered into a loan facility letter with CFW for provision of a HK\$600,000,000 revolving loan facility by CFW to BSSI for general working capital purposes. The loan bears interest at Hong Kong Inter Bank Offered Rate plus 2.75% per annum, is unsecured and repayable on demand. As at 31 August 2014, BSSI has drawn HK\$100,000,000 under this facility.

Contingent liabilities

As at 31 August 2014, corporate guarantees provided by the Company in respect of banking facilities granted by authorised institutions to its subsidiaries engaging in securities and futures broking amounted to HK\$2,430,000,000. As at 31 August 2014, the subsidiaries had utilised HK\$1,198,000,000 of these aggregate banking facility.

Disclaimer

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, or any outstanding debt securities, bank overdrafts and liabilities under acceptances or acceptance credits or other similar borrowings, indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 31 August 2014.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 31 August 2014.

5. WORKING CAPITAL

The Directors are of the opinion that the Group has sufficient working capital for the next twelve months from the date of this prospectus in the absence of unforeseen circumstances.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in financial or trading position of the Group since 31 March 2014.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of the Group has been prepared by the Directors to illustrate the effect of the proposed Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 March 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated net tangible assets of the Group as at 31 March 2014, as derived from the published annual report of the Company for the year ended 31 March 2014, and adjusted as described in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give true picture of the consolidated net tangible assets of the Group following the Rights Issue.

	Consolidated net tangible assets of the Group as at 31 March 2014	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 March 2014
	<i>HK\$ million (Note 1)</i>	<i>HK\$ million (Note 2)</i>	<i>HK\$ million</i>
Based on 561,154,006 Rights Shares to be issued at subscription price of HK\$1.00 per Rights Share	<u>1,004.37</u>	<u>557.95</u>	<u>1,562.32</u>
Consolidated net tangible assets per Share as at 31 March 2014 (<i>Note 3</i>)			<u>HK\$0.90</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 March 2014 (<i>Note 4</i>)			<u>HK\$0.93</u>

Notes:

1. The consolidated net tangible assets of the Group as at 31 March 2014 represent the consolidated net assets of the Group as at 31 March 2014.
2. The estimated net proceeds from the Rights Issue of approximately HK\$557.95 million are based on 561,154,006 Rights Shares to be issued (in proportion of 1 Rights Share for every 2 existing Shares held as at the Record Date which is 1,112,308,012 Shares) at the subscription price of HK\$1.00 per Rights Share and after the deduction of estimated related expenses of approximately HK\$3.20 million.
3. The calculation of the consolidated net tangible assets per Share is based on 1,120,928,012 Shares in issue as at 31 March 2014.
4. The calculation of unaudited pro forma adjusted consolidated net tangible assets per Share is based on 1,682,082,018 Shares which comprise 1,120,928,012 Shares in issue as at 31 March 2014 and 561,154,006 Rights Shares to be issued.

(B) ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of inclusion in this prospectus.



8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong
29 September 2014

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**TO THE DIRECTORS OF BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Bright Smart Securities & Commodities Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 March 2014 and related notes as set out in Appendix II to the prospectus dated 29 September 2014 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue in the proportion of one rights share for every two existing shares held on the record date (the “**Rights Issue**”) on the Group's financial position as at 31 March 2014 as if the Rights Issue had taken place at 31 March 2014. As part of this process, information about the Group's financial position as at 31 March 2014 has been extracted by the Directors from the consolidated financial statements of the Company for the year then ended, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 March 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of providing information regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus or this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date up to completion of the Rights Issue) was and will be as follows:

As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares of HK\$0.30 each	<u>600,000,000</u>

<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>1,122,308,012</u> Shares of HK\$0.30 each as at the Latest Practicable Date	<u>336,692,403</u>

Immediately after completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares of HK\$0.30 each	<u>600,000,000</u>

<i>Issued and fully paid:</i>	<i>HK\$</i>
1,122,308,012 Shares in issue as at the Latest Practicable Date	336,692,403
561,154,006 Rights Shares to be allotted and issued under the Rights Issue	168,346,202
<u>1,683,462,018</u>	<u>505,038,605</u>

All the Rights Shares to be issued will rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Right Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

As at the Latest Practicable Date, there were outstanding Share Options conferring rights to subscribe for 2,490,000 new Shares. The exercise price of all of the Share Options is HK\$0.98 (subject to adjustment) per Share with an exercise period from 26 June 2013 to 25 June 2016.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Right Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save for the Share Options, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, save for the Share Options and the Put Options, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules, were as follows:

(a) Interests in the Company

Name of Director	Long/short position	Nature of interests	Number of	Number of	Total	Approximate
			Shares interested	Shares under Share Options (Note 3)		percentage of issued share capital (Note 2)
Mr. Yip (Note 1)	Long position	Interest in a controlled corporation	1,132,752,006	–	1,132,752,006	67.29%
Mr. Yip	Long position	Beneficial owner	129,606,000	–	129,606,000	7.70%
Chan Kai Fung	Long position	Beneficial owner	200,000	–	200,000	0.01%
Kwok Sze Chi	Long position	Beneficial owner	1,600,000	–	1,600,000	0.10%
Chan Wing Shing, Wilson	Long position	Beneficial owner	100,000	–	100,000	0.01%
Yu Yun Kong	Long position	Beneficial owner	478,644	100,000	578,644	0.03%
Szeto Wai Sun	Long position	Beneficial owner	280,644	100,000	380,644	0.02%
Ling Kwok Fai, Joseph	Long position	Beneficial owner	–	100,000	100,000	0.01%

Notes:

- The total of 129,752,006 Shares out of the 1,132,752,006 Shares represent the Underwritten Shares which are underwritten by NCHL under the Underwriting Agreement as at the Latest Practicable Date. NCHL is wholly-owned by Mr. Yip. With the undertaking to accept the entitlement to the provisional allotment of the Rights Issue, Mr. Yip is deemed to have total interests in 1,262,358,006 Shares.
- The approximate percentage of shareholding was calculated based on the enlarged issued share capital of 1,683,462,018 shares of the Company upon completion of the Rights Issue.
- The exercise price of the Share Options is HK\$0.98 per Share. The Share Options were granted pursuant to the Share Option Scheme and the exercise period is from 26 June 2013 to 25 June 2016.

(b) Interests in associated corporations of the Company

Name of associated corporation	Name of Director	Long/short position	Nature of interests	Number of shares interested	Approximate percentage of issued share capital of the relevant company
NCHL	Mr. Yip	Long position	Beneficial owner	1	100.00%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any beneficial or deemed interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules.

(c) Substantial Shareholders' interests

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Interests in the Company

Name	Long/short position	Nature of interests	Number of Shares interested	Total	Approximate percentage of issued share capital (Note 1)
NCHL Chow Tai Fook Nominee Limited	Long position	Beneficial owner	1,132,752,006	1,132,752,006	67.29%
Kingston Securities	Short position	Beneficial owner	100,000,000	100,000,000	5.94%
Galaxy Sky Investments Limited	Long position	Beneficial owner (Note 2)	87,500,000	87,500,000	5.20%
Kingston Capital Asia Limited	Long position	Interest of controlled corporation (Note 2)	87,500,000	87,500,000	5.20%
Kingston Financial Group Limited	Long position	Interest of controlled corporation (Note 2)	87,500,000	87,500,000	5.20%
Active Dynamic Limited	Long position	Interest of controlled corporation (Note 2)	87,500,000	87,500,000	5.20%
Chu Yuet Wah	Long position	Interest of controlled corporation (Note 2)	87,500,000	87,500,000	5.20%

Notes:

- The approximate percentage of shareholding was calculated based on the enlarged issued share capital of 1,683,462,018 shares of the Company upon completion of the Rights Issue.
- The total of 87,500,000 Shares represent the 87,500,000 Underwritten Shares which are underwritten by Kingston Securities under the Underwriting Agreement. Kingston Securities is wholly-owned by Galaxy Sky Investments Limited which in turn is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is 100% owned by Kingston Financial Group Limited which is 42.90% owned by Active Dynamic Limited. Mrs. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

(d) Competing interests

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(e) Other interests

- (i) Certain premises are leased to the members of the Group under several tenancy agreements ("**Tenancy Agreements**") made with the associates of Mr. Yip. The material terms of the Tenancy Agreements are summarized below. Further details with respect to the relevant Tenancy Agreement as set out in the circular dated 8 March 2013 issued by the Company may be referred to.

	Date of tenancy	Parties	Term	Premises	Rental	Options to renew
1.	15 February 2013	<i>Landlord</i> – Victory Beauty Limited, a company wholly owned by Mr. Yip <i>Tenant</i> – BSSI	3 years commencing from 1 April 2013 to 31 March 2016 (both days inclusive)	10/F, Wing On House, No. 71 Des Voeux Road Central, Central, Hong Kong	HK\$800,000 per month (exclusive of Government rent and rates, management fee and other charges (including, but not limited to, water and electricity charges))	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.
2.	15 February 2013	<i>Landlord</i> – Well Point Limited, a company wholly owned by Mr. Yip <i>Tenant</i> – BSSI	3 years commencing from 1 April 2013 to 31 March 2016 (both days inclusive)	M/F, Peter Building, Nos. 58-60 Queen's Road Central, Nos. 13-17 Stanley Street, Hong Kong	HK\$300,000 per month (exclusive of Government rent and rates, management fee and other charges (including, but not limited to, water and electricity charges))	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.
3.	15 February 2013	<i>Landlord</i> – Resultever Limited, a company wholly owned by Mr. Yip <i>Tenant</i> – Victor Tone Limited, a wholly-owned subsidiary of the Company	3 years commencing from 1 April 2013 to 31 March 2016 (both days inclusive)	Shop No. 7 on G/F & Cockloft and Cockloft Nos. 1-6, Tak Lee Building, No. 993 King's Road, Hong Kong	HK\$130,000 per month (exclusive of Government rent and rates, management fee and other charges (including, but not limited to, water and electricity charges))	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.

	Date of tenancy	Parties	Term	Premises	Rental	Options to renew
4.	15 February 2013	<p><i>Landlord</i> – Sea Magic Limited, a company wholly owned by Mr. Yip</p> <p><i>Tenant</i> – Huge Dynasty Limited, a wholly-owned subsidiary of the Company</p>	3 years commencing from 1 April 2013 to 31 March 2016 (both days inclusive)	G/F and Cockloft, Nos. 141-145 Kwong Fuk Road, Tai Po, New Territories, Hong Kong	HK\$130,000 per month (exclusive of Government management fee and other charges (including, but not limited to, water and electricity charges))	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.
5.	15 February 2013	<p><i>Landlord</i> – Top Sunshine Development Limited, a company wholly owned by Mr. Yip</p> <p><i>Tenant</i> – Victor Tone Limited, a wholly-owned subsidiary of the Company</p>	3 years commencing from 1 April 2013 to 31 March 2016 (both days inclusive)	The whole of 1/F, Golden Hill Commercial Building, Nos. 39-41 Argyle Street, Kowloon, Hong Kong	HK\$135,000 per month (exclusive of Government management fee and other charges (including, but not limited to, water and electricity charges))	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.
6.	15 February 2013	<p><i>Landlord</i> – Fortunate State Limited, a company wholly owned by Mr. Yip</p> <p><i>Tenant</i> – Huge Dynasty Limited, a wholly-owned subsidiary of the Company</p>	From 17 October 2012 to 31 March 2016 (both days inclusive)	The Entrance (at Left Frontage) of Portion A1 of Shops Nos. 6, 7 and 8 on G/F, M/F and 1/F of Honour House, Nos. 375-381 & 375A-379A Nathan Road, No. 24 Kansu Street and Nos. 2-10 Woosung Street, Kowloon, Hong Kong	HK\$660,000 per month (exclusive of Government management fee and other charges (including, but not limited to, water and electricity charges))	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.
7.	30 July 2013	<p><i>Landlord</i> – Prolong Treasure Limited, a company wholly owned by Mr. Yip</p> <p><i>Tenant</i> – Victor Tone Limited, a wholly-owned subsidiary of the Company</p>	2 years commencing from 1 August 2013 to 31 July 2015 (both days inclusive)	Flat D, 16/F, Block 1, The Zenith, 3 Wan Chai Road, Wanchai, Hong Kong	HK\$37,000 per month (inclusive of Government rent and rates, and management fee)	Nil

- (ii) BSSI as a service provider entered into seven (7) financial services agreements all dated 15 February 2013 (“**Financial Services Agreements**”) with Messrs. Yip Mow Lum, Chan Kai Fung, Kwok Sze Chi, Chan Wing Shing, Wilson, Yu Yun Kong, Szeto Wai Sun and Ling Kwok Fai, Joseph (“**Connected Persons**”, all being directors of the Company) as customers respectively in relation to the provision of financial services to the Connected Persons and their respective associates.

Under the Financial Services Agreements, BSSI may, upon request, (but not obliged to) provide financial services, including margin financing and initial public offering (“**IPO**”) financing, to the Connected Persons and their respective associates during the term on a non-exclusive basis. The term of each Financial Services Agreement is three years commencing from 1 April 2013 to 31 March 2016 (both days inclusive). The interest rate to be charged by BSSI to the Connected Persons and their respective associates shall be comparable to those offered by BSSI to other customers who are independent third parties of similar credit standing, trading record and quality of collaterals given and in accordance with the credit policy of BSSI from time to time. In reality, the Connected Persons are charged the same interest rate as announced by BSSI from time to time which is determined with reference to the prevailing market conditions and applied across all customers. Discounts are sometimes offered to other customers who are independent third parties depending on the quality of their collaterals and their trading record, but not to the Connected Persons. Under the standard client agreements with customers, interest shall be payable on the last day of each calendar month or forthwith upon demand by BSSI while the principal amount of the loan shall be repayable on demand by BSSI. In the case of IPO financing, such loan would usually be repayable on the date when the listed issuer publishes the allocation results.

Further details are set out in the circular dated 8 March 2013 issued by the Company.

- (iii) CFW entered into a loan facility letter dated 13 June 2012 (“**Facility Letter CFW**”) with BSSI, under which a HK\$600,000,000 revolving loan facility was granted by CFW to BSSI for general working capital purposes. The loan bears interest at HIBOR (that is, Hong Kong Interbank Borrowing Rate) plus 2.75% per annum, is unsecured and repayable on demand.
- (iv) World Mix Limited (“**WML**”), a company which is 100% beneficially owned by Mr. Yip, entered into three loan facility letters dated 31 March 2011, 16 June 2014 and 2 September 2014 respectively (“**Facility Letters WML**”) with the Company, under which revolving loan facilities in the amount of HK\$310,000,000, HK\$80,000,000 and HK\$50,000,000 were granted by WML to the Company for general working capital purposes. The first loan bears interest at HIBOR plus 2.25% per annum while the other two loans bear interest at HIBOR plus 2.75% per annum. All of them are unsecured and repayable on demand.

Save for the Underwriting Agreement and as disclosed above, none of the Directors had any direct or indirect interests in any assets which have since 31 March 2014 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and none of the Directors was materially interested in any other contracts or arrangements subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any material litigation or claims and, so far as the Directors were aware, no material litigation or claims were pending or threatened by or against any members of the Group.

5. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office of the Company	Floor 4, Willow House Cricket Square P.O. Box. 2804 Grand Cayman KY1-1112 Cayman Islands
Principal place of business in Hong Kong	10th Floor and 27th Floor Wing On House 71 Des Voeux Road Central Hong Kong
Principal share registrar and transfer office	Appleby Trust (Cayman) Ltd. Clifton House, 75 Fort Street, P.O. Box 1350 Grand Cayman, KY1-1108, Cayman Islands
Branch share registrar and transfer office of the Company in Hong Kong	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Mr. Chan Kai Fung Flat G, 7th Floor Cheung Pak Mansion 2 Greig Road Parkvale Quarry Bay Hong Kong

	Mr. Chan Wing Shing, Wilson Flat D, 10th Floor Lascar Court 3 Lok Ku Road Sheung Wan Hong Kong
Company secretary	Mr. Chan Kwan Pak Flat 4, 13th Floor, Block B Fortune Terrace 4-16 Tak Shing Street Tsim Sha Tsui, Kowloon Hong Kong
Legal advisers to the Company in respect of the Rights Issue	As to Cayman Islands law: Appleby 8th Floor, Bank of America Tower 12 Harcourt Road Central, Hong Kong As to Hong Kong law: Iu, Lai & Li Solicitors & Notaries Rooms 2201, 2201A & 2202 22nd Floor, Tower I Admiralty Centre No. 18 Harcourt Road Hong Kong
Financial adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Reporting accountants	KPMG <i>Certified Public Accountants</i> 8th Floor, Prince's Building 10 Charter Road Central Hong Kong

Principal bankers

Bank of China (Hong Kong) Limited
Bank of China Tower,
1 Garden Road
Hong Kong

Bank of Communication Co., Ltd. Hong Kong
Branch
20 Pedder Street
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Chong Hing Bank Limited
Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
11/F., The Centre
99 Queen's Road Central
Central
Hong Kong

Fubon Bank (Hong Kong) Limited
Fubon Bank Building
34-38 Des Voeux Road Central
Hong Kong

Hang Seng Bank Limited
Hang Seng Bank Building
83 Des Voeux Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia)
Limited
33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

	The Bank of East Asia, Limited Bank of East Asia Building 10 Des Voeux Road Central Central Hong Kong
	The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong
	Wing Hang Bank, Limited 161 Queen's Road Central Hong Kong
Underwriters	New Charming Holdings Limited 10th Floor, Wing On House 71 Des Voeux Road Central Hong Kong
	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong

6. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and Residential Address of Directors

Name	Address
<i>Executive Directors</i>	
Mr. Yip Mow Lum (Chairman)	House No. 6 No. 2 Barker Road Hong Kong
Mr. Chan Kai Fung (Chief Executive Officer)	Flat G, 7th Floor, Cheung Pak Mansion Pakvale 2 Greig Road Quarry Bay Hong Kong

Mr. Kwok Sze Chi	Flat C, 27th Floor Tower 2, The Victoria Towers 188 Canton Road Tsimshatsui Kowloon Hong Kong
Mr. Chan Wing Shing, Wilson	Flat D, 10th Floor Lascar Court 3 Lok Ku Road Sheung Wan Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Yu Yun Kong	Flat E, 9th Floor, Block 4 Discovery Park 398 Castle Peak Road Tsuen Wan New Territories Hong Kong
Mr. Szeto Wai Sun	Flat 13A Star Court 4 Man Wan Road Homantin Kowloon Hong Kong
Mr. Ling Kwok Fai, Joseph	Flat B, 2nd Floor Pinewood Garden 39 Perkins Road Jardines Lookout Hong Kong

(b) Biographies of Directors and Senior Management**Executive Directors****Mr. Yip Mow Lum, Chairman**

Aged 62, is the founder, the Chairman of the Board, an Executive Director and the controlling shareholder of the Company. Mr. Yip is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He is responsible for the formulation of corporate strategies, overseeing operations and the overall steering of the Group's management. Mr. Yip has solid experience in the brokerage industry and investment and has over 20 years' management experience in securities and futures brokerage. He is a director of Bright Smart Asset Management Limited ("**Bright Smart Asset Management**"), Bright Smart Forex Limited ("**Bright Smart Forex**"), Bright Smart Global Bullion Limited ("**Bright Smart Global Bullion**"), Bright Smart Futures & Commodities Company Limited ("**Bright Smart Futures**") and BSSI. Mr. Yip is a responsible officer recognized by the SFC for engaging in the Type 2 (dealing in futures contracts) regulated activity. He is the sole director of NCHL, the controlling shareholder of the Company and the uncle of Mr. Chan Wing Shing, Wilson, one of the Executive Directors of the Company and the father of Ms. Yip Wing Yan, Jacquelyn, the Managing Director of the Group. Mr. Yip is also the controlling shareholder, the chairman and a non-executive director of Magnum Entertainment Group Holdings Limited (a listed company in Hong Kong).

Mr. Chan Kai Fung, Executive Director & Chief Executive Officer

Aged 47, is an Executive Director and the Chief Executive Officer of the Company with overall responsibility for the business and operations of the Group. Mr. Chan has over 20 years' management experience in securities and futures businesses, and is specialized in IPO financing projects. He is also a director of Bright Smart Asset Management, Bright Smart Forex, Bright Smart Global Bullion, Bright Smart Futures and BSSI. Before joining the Group, Mr. Chan was a director of Coin Fall Limited (a securities brokerage company) and Lucky Man Properties Limited as well as the administration manager of Maxview Enterprises Limited.

Mr. Kwok Sze Chi, Executive Director & Marketing Director

Aged 59, a celebrity stock commentator, an Executive Director of the Company and the Marketing Director of the Group and the chief program consultant for "**Bright Smart Financial Channel**" since 2010 with responsibilities for the arrangement and management of the programs on the whole channel, the management of an analysts team as well as the marketing and business development. Mr. Kwok has over 30 years' experience in securities and futures businesses and has expertise in corporate management, marketing strategy and securities analysis. Mr. Kwok is also a director of Bright Smart Asset Management, an independent non-executive director of Victory City International Holdings Limited (a listed company in Hong Kong) and has been a director of The Institute of Securities

Dealers Limited and a vice chairman of The Hong Kong Institute of Financial Analysts and Professional Commentators Limited since 2001 and 2004 respectively. Prior to joining the Group, Mr. Kwok held senior positions in Peace Town Securities Limited and Cheerful Securities Limited. He is a responsible officer recognized by the SFC for engaging in the Type 1 (dealing in securities), Type 4 (advising on securities), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities. He is also a representative recognized by the SFC for engaging in the Type 2 (dealing in futures contracts) regulated activity.

Mr. Chan Wing Shing, Wilson, Executive Director & Dealing Director

Aged 50, is an Executive Director of the Company and the Dealing Director of the Group in charge of the daily dealing operations of BSSI and Bright Smart Futures. Mr. Chan is also a director of BSSI and Bright Smart Futures. He has over 15 years' experience in securities and futures businesses and is a responsible officer recognized by the SFC for engaging in the Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 7 (providing automated trading services) regulated activities. Mr. Chan is the nephew of Mr. Yip, the founder, the Chairman of the Board and the controlling shareholder of the Company and the cousin of Ms. Yip Wing Yan, Jacquelyn, the Managing Director of the Group.

Independent Non-executive Directors

Mr. Yu Yun Kong, Independent Non-executive Director

Aged 48, is an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Yu is a practising certified public accountant with over 20 years' experience in public accounting practice. He is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and also an associate member of the Taxation Institute of Hong Kong.

Mr. Szeto Wai Sun, Independent Non-executive Director

Aged 55, is an Independent Non-executive Director, a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Mr. Szeto holds a Bachelor's Degree in Laws (Hons) and a Postgraduate Certificate in Laws from The University of Hong Kong, and obtained the Professional Certificate in Chinese Civil & Commercial Law, a course jointly organised by Tsinghua University in the PRC and the School of Professional and Continuing Education of The University of Hong Kong in 2002. Mr. Szeto was admitted as a solicitor in Hong Kong in 1985 and worked in a number of law firms in Hong Kong including Edmund Cheung & Co. and Y.T. Chan & Co., before founding his own firm W.S. Szeto & Lee, Solicitors (now known as Sun Lawyers) in 2003. He remains the Senior Partner of Sun Lawyers.

Mr. Ling Kwok Fai, Joseph, Independent Non-executive Director

Aged 59, is an Independent Non-executive Director, a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Mr. Ling has over 18 years' experience in accounting, finance and administration and has been a director and the company secretary of a charitable organisation since 2004. Mr. Ling joined Midland Realty (Holdings) Limited in 1990 and was the executive director when he left the company in 1997. Prior to that, he was a controller of Hong Kong Telephone Company Limited and has also worked at Chase Manhattan Bank and the First National Bank of Boston in the accounting field. Mr. Ling is an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

Senior Management**Ms. YIP Wing Yan, Jacquelyn, Managing Director**

Aged 33, is the Managing Director of the Group with the responsibilities for overseeing the Group's daily internal operations and devising key strategies for future development plans. Ms. Yip also leads, coordinates and gives advice to various departments to provide optimum supports and quality services. She holds a Bachelor's Degree in Business Administration (major in Accountancy) from City University of Hong Kong. Ms. Yip is the daughter of Mr. Yip, the founder, the Chairman of the Board and the controlling shareholder of the Company and the cousin of Mr. Chan Wing Shing, Wilson, one of the Executive Directors of the Company.

Ms. LI Wan Mei, Chief Financial Officer

Aged 31, is the Chief Financial Officer in charge of the overall financial and accounting management of the Group. Ms. Li has over 8 years' accounting experience, including three years' experience gained in PricewaterhouseCoopers. She holds a Bachelor's Degree (first class honours) in Business Administration from the Lingnan University and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. HUI Yik Bun, Edmond, Sales Director

Aged 40, is the Sales Director of the Company, has over 20 years of experience in securities and futures businesses, and has worked in departments related to securities and futures in a number of firms. Mr. Hui has expertise in brokerage operations, sales management and market operations of securities and futures businesses, particularly with over 10 years' experience in frontline branch management. Prior to this existing position, Mr. Hui served as Assistant Sales Director managing all sales and customer services departments and supervising over 150 officers. Mr. Hui is also a representative recognized by the SFC for engaging in the Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities.

Mr. CHUNG Ka Keung, IT Manager

Aged 43, is the Head of Information Technology Department with the responsibilities for the formulation of information technology strategies as well as administration and development of the information technology systems of the Group. Mr. Chung holds a bachelor's degree (Highest Honours) in Computer Science from Carleton University, Canada and a master's degree in Science from The Chinese University of Hong Kong. He has over 20 years' experience in the design and development of systems. Prior to joining the Group, Mr. Chung was the chief technology officer of Ayers Solutions Limited where he was responsible for developing its flagship software product — Ayers GTS online securities/futures trading system.

Mr. CHAN Kwan Pak, Company Secretary

Aged 58, is a member of the Institute of Chartered Secretaries and Administrators and Hong Kong Institute of Chartered Secretaries, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has extensive experience in company secretarial practices in respect of listed companies.

7. EXPERT

The following is the name and the qualification of the expert who has given its opinions, which is contained in this prospectus:

Name	Qualification
KPMG	Certified Public Accountants

KPMG has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group dated 29 September 2014 and reference to its name in the form and context in which it appears. As at the Latest Practicable Date, KPMG did not have any direct or indirect shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group. As at the Latest Practicable Date, KPMG did not have any direct or indirect interest in any assets which have, since 31 March 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the placing and subscription agreements all dated 27 January 2014 entered into among NCHL, Mr. Yip, the Company and the Placees respectively (collectively, the “**Placing Agreements**”), pursuant to which an aggregate of 150,000,000 Shares were placed to the Placees at the price of HK\$1.30 per Share. Further particulars of the Placing were set out in the Placing Announcement;
- (b) the supplemental agreements all dated 29 January 2014 entered into among NCHL, Mr. Yip, the Company and the Placees respectively (collectively, the “**Supplemental Agreements**”), amending the terms of the Placing Agreements by making subscription of shares by NCHL conditional on the passing of an ordinary resolution by the independent Shareholders at a general meeting of the Company and extending the long stop date for fulfillment of the conditions to 13 March 2014. Further particulars of the Supplemental Agreements were set out in the announcement of the Company dated 29 January 2014; and
- (c) the Underwriting Agreement.

9. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

10. EXPENSES

The expenses in connection with the Rights Issue, including the commission to the Underwriters and the relevant professional fees incurred by the Company, are estimated to be approximately HK\$3.20 million and will be payable by the Company.

11. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance thereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

12. DOCUMENTS DELIVERED TO THE REGISTRAR

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

13. MISCELLANEOUS

This prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and principal place of business of the Company at 10th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong during normal business hours from 9:00 a.m. to 6:00 p.m. on any weekday other than Saturdays and public holidays from the date of this prospectus up to and including Wednesday, 15 October 2014:

- a. the memorandum and articles of association of the Company;
- b. the Company's annual reports for the financial years ended 31 March 2013 and 2014;
- c. the accountants' report on the unaudited pro forma financial information as set out in Appendix II to this prospectus;
- d. the material contracts referred to under the paragraph headed "Material contracts" in this appendix; and
- e. the written consent referred to under the paragraph headed "Expert" in this appendix.