
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 Ordinance. 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



Underwriter



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 18 to 19 of the Prospectus. The Underwriter 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 5 to 6 of the Prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors should exercise caution when dealings 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 Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Thursday, 19 July 2012 to Thursday, 26 July 2012 (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 Tuesday, 31 July 2012. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 10 to 12 of this prospectus.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
TERMINATION OF THE UNDERWRITING AGREEMENT	5
LETTER FROM THE BOARD	7
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	27
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION	30
APPENDIX III – GENERAL INFORMATION	35

EXPECTED TIMETABLE

2012

Record Date	Monday, 16 July
Register of members of the Company re-opens	Tuesday, 17 July
Despatch of the Prospectus Documents	Tuesday, 17 July
First day of dealings in nil-paid Rights Shares	Thursday, 19 July
Latest time for splitting of nil-paid Rights Shares	By 4:00 p.m. on Monday, 23 July
Last day of dealings in nil-paid Rights Shares	Thursday, 26 July
Latest time for acceptance of, and payment for the Rights Shares and for application and payment for excess Rights Shares	By 4:00 p.m. on Tuesday, 31 July
Latest time for the Rights Issue to become unconditional	By 4:00 p.m. on Thursday, 2 August
Announcement of results of acceptance of and excess application for the Rights Issue	Friday, 3 August
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	Monday, 6 August
Despatch of certificates for fully-paid Rights Shares on or before	Monday, 6 August
Commencement of dealings in fully-paid Rights Shares	Tuesday, 7 August

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 31 July 2012. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 31 July 2012. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares extends, the “Expected timetable” above 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 25 June 2012 relating to, among other things, the Rights Issue
“Board”	the board of the Directors
“BOCOM”	BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by the Bank of Communication Co., Ltd.
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Bright Smart Securities & Commodities Group Limited (Stock Code: 1428), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares to be issued to the Qualifying Shareholders
“Excluded Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong where the Directors, based on opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such 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

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Last Trading Day”	25 June 2012, being the last full trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Acceptance Date”	31 July 2012, or such date as the Underwriter may agree in writing with the Company, being the latest date which provisional allotments may be validly accepted as described in this prospectus
“Latest Practicable Date”	13 July 2012, 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
“Long Stop Date”	4:00 p.m. on 2 August 2012 or such other date as the Underwriter may agree with the Company in writing
“Mr. Yip”	Mr. Yip Mow Lum, the chairman of the Board, an executive Director and the controlling Shareholder
“NCHL”	New Charming Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Yip
“Overseas 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
“PRC”	the People’s Republic of China

DEFINITIONS

“Prospectus Documents”	this prospectus, the PALs and the EAFs
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Monday, 16 July 2012, the record date to determine entitlement to the Rights Issue
“Registrar”	Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, 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\$0.55 per Rights Share under the Rights Issue
“Rights Share(s)”	341,411,000 new Shares to be issued by way of rights at the subscription price of HK\$0.55 per Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date payable in full on acceptance
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	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 Options”	the outstanding options as at the Latest Practicable Date to subscribe for 15,268,000 new Shares granted to the directors, employees, consultants and contractors of the Group pursuant to the Share Option Scheme

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted on 4 August 2010
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Undertakings”	each of the irrevocable undertakings dated 25 June 2012 given by Mr. Yip, NCHL and BOCOM in favour of the Company and the Underwriter in relation to each of his/its undertakings to accept or procure the subscription of each of his/its full entitlement of the Rights Shares pursuant to the Rights Issue; and that Mr. Yip and NCHL, and BOCOM shall be the beneficial and (as the case may be) registered owners of not less than 486,012,000 Shares in aggregate and 50,000,000 Shares respectively on the Record Date
“Underwriter”	BOCOM International Securities Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by BOCOM
“Underwriting Agreement”	the conditional underwriting agreement dated 25 June 2012, entered into by the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	73,405,000 Rights Shares, being all the Rights Shares other than those which are subject to the Undertakings
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

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

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement:
- (i) that any statement contained in any of the Announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or
 - (ii) that any matter has arisen or been discovered which would, if the Announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement, the Prospectus Documents or any supplementary prospectus; or
 - (iii) that any of the representations, warranties and undertakings contained in the Underwriting Agreement is (or would if repeated at that time be) untrue or breached in a material respect; or
 - (iv) any event, act or omission which gives rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or
 - (v) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement in a material respect; or
 - (vi) any material adverse change in the business or in the financial or trading position of any member of the Group; or
 - (vii) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
 - (viii) the cancellation of the Rights Issue by the Company; or
 - (ix) any suspension in trading of the Shares on the Stock Exchange for a continuous period of more than five (5) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of the Announcement); or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
 - (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or the Cayman Islands or any other place in which any member of the Group conducts or carries on business; or
 - (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or
 - (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or
 - (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange); or
 - (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or the Cayman Islands or any other place in which any member of the Group conducts or carries on business,

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



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:

Scotia Centre

4th Floor

P.O. Box 2804

George Town

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

Wing On House

71 Des Voeux Road Central

Hong Kong

17 July 2012

To the Qualifying Shareholders,

and the holder(s) of the Share Options (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 dated 25 June 2012 whereby the Board announced that the Company proposed to raise not less than approximately HK\$187.8 million but not more than HK\$192.0 million, before expenses, by issuing not less than 341,411,000 Rights Shares but not more than 349,050,000 Rights Shares at the Rights Issue Price of HK\$0.55 per Rights Share. The Rights Issue is available only to the Qualifying Shareholders on the basis of the provisional allotment of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date.

LETTER FROM THE BOARD

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

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

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 Latest Practicable Date:	682,822,000 Shares
Number of Rights Shares:	341,411,000 Rights Shares
Rights Issue Price:	HK\$0.55 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue:	1,024,233,000 Shares
Fund raised before expenses:	Approximately HK\$187.8 million

The number of 341,411,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.00% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were outstanding Share Options conferring rights on the holders thereof to subscribe for 15,268,000 new Shares. The exercise price of all the Share Options is HK\$0.69 per Share with an exercise period from 13 October 2011 to 12 October 2013.

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.

Basis of provisional allotment

The basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Rights Issue Price payable in full on acceptance or otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Rights Issue Price

The Rights Issue Price for the Rights Shares is HK\$0.55 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Rights Issue Price represents:

- (i) a discount of approximately 20.29% to the closing price of HK\$0.690 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.35% to the average closing price of HK\$0.682 per Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 15.90% to the average closing price of HK\$0.654 per Share for the 10 consecutive trading days up to and including the Last Trading Day;
and
- (iv) a discount of approximately 8.33% to the closing price of HK\$0.600 per Share quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

The Rights Issue Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to the recent closing prices of the Shares, the financial conditions of the Company and current market conditions. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Rights Issue Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when fully-paid, shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of nil-paid Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application under the EAFs.

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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Tuesday, 31 July 2012. 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

LETTER FROM THE BOARD

Kong and made payable to “**BRIGHT SMART SECURITIES & COMMODITIES GROUP LIMITED – PROVISIONAL ALLOTMENT ACCOUNT**” 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 Tuesday, 31 July 2012, 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 4:00 p.m. on Monday, 23 July 2012 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, 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 interest 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.

If the Underwriter exercises 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 Arrangements for the Rights Issue” below 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

LETTER FROM THE BOARD

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 Monday, 6 August 2012.

Application for excess Rights Shares

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 where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for; whereas the Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will receive a greater number of Rights Shares than those applying for a smaller number)).

Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

LETTER FROM THE BOARD

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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong at or before 4:00 p.m. on Tuesday, 31 July 2012. 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 & COMMODITIES GROUP LIMITED – EXCESS APPLICATION ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Friday, 3 August 2012.

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 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 341,411,000 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 refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at his/her/its own risk on or before Monday, 6 August 2012. 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 refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Monday, 6 August 2012.

LETTER FROM THE BOARD

All cheques or cashier's orders will be presented for payment following receipt and all interest 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.

If the Underwriter exercises 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 Monday, 6 August 2012.

Application for listing of the Rights Shares on the Stock Exchange

The Company has made the 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.

LETTER FROM THE BOARD

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.

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.

LETTER FROM THE BOARD

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 wholly-owned by Mr. Yip. As at the Latest Practicable Date, NCHL and Mr. Yip held in aggregate 486,012,000 Shares, representing approximately 71.18% of the issued share capital of the Company as at the Latest Practicable Date. NCHL is an investment holding company.

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

LETTER FROM THE BOARD

BOCOM held in aggregate 50,000,000 Shares, representing approximately 7.32% of the issued share capital of the Company as at the Latest Practicable Date. BOCOM is the investment banking and securities business flagship of the Bank of Communications Co., Ltd.

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

Underwriting Agreement

Date:	25 June 2012
Underwriter:	BOCOM International Securities Limited
Number of Rights Shares underwritten:	73,405,000 Rights Shares, being all the Rights Shares other than those which are subject to the Undertakings
Commission:	HK\$1,550,000 payable to the Underwriter, which was determined after arm's length negotiation between the Company and the Underwriter, and the Directors are of the view that the commission is fair and reasonable

The Company has undertaken to the Underwriter that within the period of first six months commencing from the date on which dealings in the fully-paid Rights Shares commence on the Stock Exchange, the Company shall not issue any Shares or issue or grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares, save for grant of options under the Share Option Scheme and issue of any Shares pursuant to the exercise of any Share Options. Without prejudice to the foregoing, the Underwriter acknowledges and agrees that the Company shall have the absolute right and discretion at any time to allot or issue, or offer to allot or issue, or accept subscription for, or grant any option, right or warrant to subscribe for any Shares or debt capital or other securities of the Company or any interests therein or any securities convertible into or exercisable or exchangeable for any Shares or which carry rights to subscribe for Shares or any kind of securities or equity-related issues (hereinafter collectively referred to as "**Securities Issue**") provided that if the Company carries out any Securities Issue for cash within one year from the date on which dealings in the fully-paid Right Shares

LETTER FROM THE BOARD

commence on the Stock Exchange, it shall first give notice (the “**Offer Notice**”) thereof to the Underwriter with all the material terms and conditions of the Securities Issue specified therein. Then, the Underwriter shall have the right of first priority acceptance (the “**Right of First Priority Acceptance**”) exercisable by notice in writing to the Company to subscribe for such Shares or debt capital or securities as stated in the Offer Notice on the same terms and conditions as are offered by the Company to such third party or third parties. The Right of First Priority Acceptance may only be exercised in respect of the whole (but not part) of the Shares or debt capital or securities offered under the Offer Notice. If the Right of First Priority Acceptance is not exercised by the Underwriter within seven (7) days after receipt of the Offer Notice, the Right of First Priority Acceptance shall be deemed to have lapsed and the Company shall be at liberty to carry out the Securities Issue on terms no more favourable than those set out in the Offer Notice. The Underwriter can waive the grant of the Right of First Priority Acceptance for any Securities Issue.

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

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the delivery to the Stock Exchange and the registration with the Registrar of Companies in Hong Kong respectively one (1) copy of each of the Prospectus Documents duly signed by two (2) Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Board (and with all documents required to be attached thereto by section 342C of the Companies Ordinance) not later than the date of the Prospectus and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus marked “For information only” to the Excluded Shareholders, in each case, on the date of the Prospectus;
- (c) the Listing Committee granting or agreeing to grant (subject to allotment), and not having withdrawn or revoked, the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Underwriter may accept and the satisfaction of such conditions (if any and where relevant) before 8:00 a.m. on the first day of dealings in the nil-paid Rights Shares (i.e. 19 July 2012);

LETTER FROM THE BOARD

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

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

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

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

- (a) any of the following shall have come to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe after the date of the Underwriting Agreement:
 - (i) that any statement contained in any of the Announcement, the Prospectus Documents or any supplementary prospectus was or has become untrue, incorrect or misleading in any material respect; or
 - (ii) that any matter has arisen or been discovered which would, if the Announcement, the Prospectus Documents or any supplementary prospectus had been issued at that time, constitute a material omission therefrom if it had not been disclosed in the Announcement, the Prospectus Documents or any supplementary prospectus; or
 - (iii) that any of the representations, warranties and undertakings contained in the Underwriting Agreement is (or would if repeated at that time be) untrue or breached in a material respect; or
 - (iv) any event, act or omission which gives rise to any liability of the Company pursuant to the indemnities contained in the Underwriting Agreement; or
 - (v) any breach of any of the obligations or undertakings of the Company under the Underwriting Agreement in a material respect; or
 - (vi) any material adverse change in the business or in the financial or trading position of any member of the Group; or
 - (vii) the permission to deal in and the listing of the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
 - (viii) the cancellation of the Rights Issue by the Company; or
 - (ix) any suspension in trading of the Shares on the Stock Exchange for a continuous period of more than five (5) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of the Announcement); or

LETTER FROM THE BOARD

- (b) there develops, occurs, exists or comes into force:
- (i) any event or series of events in the nature of force majeure (including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, outbreak or escalation of hostilities (whether or not war is declared) or declaration of national or international emergency or calamity or crisis) in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
 - (ii) any new law or regulation or any change in existing laws or regulations (or any change in the interpretation or application thereof by any court or other competent authority) in Hong Kong or the Cayman Islands or any other place in which any member of the Group conducts or carries on business; or
 - (iii) the declaration of a banking moratorium by the relevant Hong Kong authorities; or
 - (iv) any event or series of events concerning or relating to or otherwise having an effect on, or any change in, local (including, without limitation, Hong Kong), national, regional or international financial, political, military, industrial, economic, legal, fiscal or regulatory matters or conditions; or
 - (v) any change in the conditions of local, national or international securities markets (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange); or
 - (vi) a change or development including a prospective change in taxation or exchange control in Hong Kong or the Cayman Islands or any other place in which any member of the Group conducts or carries on business,

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

LETTER FROM THE BOARD

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

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

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

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding structure of the Company (i) as at the 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 under the Rights Issue. For illustration purpose, it is assumed that the Underwriter does not itself subscribe for any of the Underwritten Shares.

LETTER FROM THE BOARD

Name of Shareholder	(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		(iii) Immediately after the completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders under the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
NCHL (<i>Note 1</i>)	450,000,000	65.90	675,000,000	65.90	675,000,000	65.90
Mr. Yip	36,012,000	5.28	54,018,000	5.28	54,018,000	5.28
Sub-total	486,012,000	71.18	729,018,000	71.18	729,018,000	71.18
BOCOM (<i>Note 2</i>)	50,000,000	7.32	75,000,000	7.32	75,000,000	7.32
Subscribers procured by the Underwriter (<i>Note 2</i>)	—	—	—	—	73,405,000	7.17
Mr. Chan Kai Fung (<i>Note 3</i>)	300,000	0.04	450,000	0.04	300,000	0.03
Other public Shareholders	146,510,000	21.46	219,765,000	21.46	146,510,000	14.30
Total	682,822,000	100.00	1,024,233,000	100.00	1,024,233,000	100.00
Total public Shareholders	196,510,000	28.78	294,765,000	28.78	294,915,000	28.79

Notes:

- The 450,000,000 Shares are held by NCHL, a company wholly-owned by Mr. Yip.
- The 50,000,000 Shares are held by BOCOM, a wholly-owned subsidiary of the Bank of Communication Co., Ltd. It is expected that none of the Underwriter, a company incorporated in Hong Kong with limited liability and wholly-owned by BOCOM, and the subscribers procured by it will become substantial Shareholders upon the completion of the Rights Issue.
- Mr. Chan Kai Fung is an executive director of the Company.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in the businesses of securities brokerage, margin financing and commodities and futures brokerage, and primarily focuses on online brokerage services in Hong Kong. The Company would like to strengthen its brand name by having a higher profile and visibility in the market which will in turn build up confidence of the Company's existing clients.

LETTER FROM THE BOARD

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

The estimated net proceeds from the Rights Issue will be approximately HK\$185.3 million. The Company intends to apply approximately 80% of the net proceeds from the Rights Issue to increase its margin financing capacity for its existing and new clients. To diversify its products and generate new streams of revenue, approximately 16% will be used for development of the leveraged foreign exchange trade and bullion businesses. The remaining will be used on capital expenditures for improving infrastructure and business expansion purposes such as opening new branches.

The terms of the Rights Issue (including the Rights Issue Price) were arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market prices of the Shares before the date of the Underwriting Agreement, the financial conditions of the Company, existing number of issued Shares, the fund expected to be raised by the Rights Issue and the current and expected market conditions. The Directors consider that under the Rights Issue, each Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company and that the discount of the Rights Issue Price will encourage the Shareholders to participate in the Rights Issue.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As indicated by the 2012 annual report of the Company (the "Annual Report"), the Group recorded a significant increase in profit of 49.3% for the year ended 31 March 2012 compared with the year ended 31 March 2011. The substantial increase in profit is attributable to a marked increase in turnover owing to the expansion of the Group's branch network. The Group reported a year-on-year turnover growth of 21.5% to HK\$228.7 million from HK\$188.2 million, hitting a record high. The Group's impressive results were mainly attributable to the expansion of its branch network and effective marketing strategies in client acquisition which gave rise to a remarkable growth of client accounts by 86.8%, contributing to a significant increase of commission income from brokerage and promoting profit growth.

The Company's favorable performance was achieved despite harsh market conditions fostered by the European debt crisis and a tighter monetary policy implemented by the PRC in an effort to curb inflation (particularly in the property sector). To illustrate, the

LETTER FROM THE BOARD

total transaction value of the Hong Kong stock market experienced a precipitous drop of 9.3% whilst the Company concurrently experienced a 7.9% growth in commission income from securities brokerage.

Looking forward, the Group believes there is still immense room for development in the market and will continue to attract new customers. The Group will continue to identify locations with potential for branch development, aiming for a territory-wide branch network that covers the 18 districts of Hong Kong.

Further, the Group will continue to strengthen its efforts in market exploration. As China has emerged as a major economic power in the international arena, the Group will strive to develop the Mainland market and commit more resources to attract customers in the Mainland, so as to increase revenue streams.

Lastly, the Group will continue its strategy to diversify its products and services, and develop a wide range of financial products to expand its sources of income. In recent months, the Group has successfully obtained the licences from the SFC to carry out Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities. With Type 7 licence, the Group became one of the securities houses in the market to facilitate trading of pre-listed new shares. The Group will endeavor to expand its business in asset management and is currently formulating plans to introduce discretionary management accounts for professional investors. To further diversify its products, the Group is also taking the initiative to roll out leveraged foreign exchange trade and bullion products.

In conclusion, the Group's market competitiveness and market presence will be strengthened upon the completion of the Rights Issue, enabling it to increase its margin financing capacity for its existing and new clients. The Group will also continue to look for new opportunities to diversify into new business sectors to expand its sources of income and its scale of operation and implement effective cost control measures to enhance overall profitability, generating better returns for Shareholders.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

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

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

ADJUSTMENT TO THE SHARE OPTIONS

In accordance with the Share Option Scheme, the Rights Issue may lead to adjustment to the number of Shares to be issued on the exercise of the Share Options and/or the exercise price payable by each Share Option holder in respect of each Share to be issued on the exercise of 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 COMBINED FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2010

The audited combined financial statements of the Group for the financial year ended 31 March 2010 together with the relevant notes to the financial statements are set out on page I-1 to page I-42 of the prospectus of the Company for share offer published on 12 August 2010, 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 2011

The audited consolidated financial statements of the Group for the financial year ended 31 March 2011 together with the relevant notes to the financial statements are set out on page 69 to page 139 of the annual report of the Company for the year ended 31 March 2011 published on 15 June 2011, 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 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.

4. INDEBTEDNESS**Borrowings**

As at the close of business on 31 May 2012, 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\$595 million, details of which are as follows:

The following table illustrates the Group's borrowings as at the close of business on 31 May 2012:

	<i>HK\$'000</i>
<i>Current</i>	
Bank loans	315,000
Amount due to a related company	<u>280,000</u>
	<u><u>595,000</u></u>

Bank loans

Securities collateral deposited by the Group's margin clients was re-pledged to banks to secure loan facilities. The fair value of the collateral re-pledged to banks as at 31 May 2012 amounted to HK\$822,329,000. Such banking facilities amounted to HK\$2,023,000,000 and were utilised to the extent of HK\$315,000,000.

Amount due to a related company

On 31 March 2011, Bright Smart Securities International (H.K.) Limited ("BSSI"), an indirect wholly-owned subsidiary of the Company, entered into a loan facility letter with China Finance (Worldwide) Limited ("CFW"), a company which is 100% beneficially owned by Mr. Yip, for provision of a HK\$310,000,000 revolving loan facility by CFW to BSSI for general working capital purposes. The loan bears interest at Hong Kong Inter Bank Offered Rate plus 2.25% per annum, is unsecured and repayable on demand. As at 31 May 2012, BSSI has drawn HK\$280,000,000 under this facility.

Contingent liabilities

As at 31 May 2012, subsidiaries of the Company engaging in securities and futures broking have secured banking facilities from authorised institutions for a total amount of HK\$2,023,000,000. The Company has issued corporate guarantees for a total principal amount of HK\$623,000,000 for these facilities. As at 31 May 2012, the subsidiary has utilised HK\$175,000,000 of these banking facilities.

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 May 2012.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 31 May 2012.

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 2012.

(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 2012.

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 2012, as derived from the published annual report of the Group for the year ended 31 March 2012, 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.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

	Consolidated net tangible assets of the Group as at 31 March 2012 <i>HK\$ million</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$ million</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 March 2012 <i>HK\$ million</i>
Based on 341,411,000 Rights Shares to be issued at subscription price of HK\$0.55 per Rights Share	<u>493.8</u>	<u>185.3</u>	<u>679.1</u>
Consolidated net tangible assets per Share as at 31 March 2012 <i>(Note 3)</i>			<u>HK\$0.72</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 March 2012 <i>(Note 4)</i>			<u>HK\$0.66</u>

Notes:

- 1) The consolidated net tangible assets of the Group as at 31 March 2012 represent the consolidated net assets of the Group as at 31 March 2012.
- 2) The estimated net proceeds from the Rights Issue of approximately HK\$185.3 million are based on 341,411,000 Rights Shares to be issued (in proportion of 1 Rights Share for every 2 existing Shares held as at the Record Date which is 682,822,000 Shares) at the subscription price of HK\$0.55 per Rights Share and after the deduction of estimated related expenses of approximately HK\$2.5 million.
- 3) The calculation of the consolidated net tangible assets per Share is based on 682,822,000 Shares in issue as at 31 March 2012.
- 4) The calculation of unaudited pro forma adjusted consolidated net tangible assets per Share is based on 1,024,233,000 Shares which comprise 682,822,000 Shares in issue as at 31 March 2012 and 341,411,000 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 KPMG, certified public accountants, in respect of the unaudited pro forma financial information of the Group for the purpose of inclusion in this prospectus.



8th Floor
Prince's Building
10 Charter Road
Central
Hong Kong

The Board of Directors
Bright Smart Securities & Commodities Group Limited

17 July 2012

Dear Sirs,

Bright Smart Securities & Commodities Group Limited (“the Company”) and its subsidiaries (“the Group”)

We report on the unaudited pro forma financial information (the “Unaudited Pro Forma Financial Information”) of the Group set out on pages 30 and 31 in Appendix II to the prospectus dated 17 July 2012 (“the Prospectus”), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the rights issue (the “Rights Issue”) might have affected the financial information presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 30 and 31 of the Prospectus.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the Unaudited 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” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited 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 Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 March 2012 or any future date.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under “Reasons for the Rights Issue and Use of Proceeds” set out in the section headed “Letter from the Board” in the Prospectus.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Company; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

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 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>682,822,000</u>	Shares of HK\$0.30 each as at the Latest Practicable Date	<u>204,846,600</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>
682,822,000	Shares in issue as at the Latest Practicable Date	204,846,600
<u>341,411,000</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>102,423,300</u>
<u>1,024,233,000</u>		<u>307,269,900</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 15,268,000 new Shares. The exercise price of all of the Share Options is HK\$0.69 (subject to adjustment) per Share with an exercise period from 13 October 2011 to 12 October 2013.

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, 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 underlying Shares under		Total	Approximate percentage of issued share capital (Note 2)
			Number of Shares interested	Share Options (Note 3)		
Mr. Yip (Note 1)	Long position	Interest in a controlled corporation	675,000,000	—	675,000,000	65.90%
Mr. Yip	Long position	Beneficial owner	54,018,000	—	54,018,000	5.28%
Chan Kai Fung	Long position	Beneficial owner	300,000	2,000,000	2,300,000	0.22%
Kwok Sze Chi	Long position	Beneficial owner	—	2,000,000	2,000,000	0.20%
Chan Wing Shing, Wilson	Long position	Beneficial owner	—	400,000	400,000	0.04%
Yu Yun Kong	Long position	Beneficial owner	—	666,000	666,000	0.07%
Szeto Wai Sun	Long position	Beneficial owner	—	666,000	666,000	0.07%
Ling Kwok Fai, Joseph	Long position	Beneficial owner	—	666,000	666,000	0.07%

Notes:

- 1) NCHL is wholly-owned by Mr. Yip. With the undertaking to accept the entitlement to the provisional allotment of 243,006,000 Rights Shares, Mr. Yip is deemed to have total interests in 729,018,000 Shares.
- 2) The approximate percentage of shareholding was calculated based on the enlarged issued share capital of the Company upon completion of the Rights Issue.
- 3) The exercise price of the Share Options is HK\$0.69 per Share. The Share Options were granted on 13 October 2011 pursuant to the Share Option Scheme and the exercise period is from 13 October 2011 to 12 October 2013.

(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 or were expected, 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	Number of underlying Shares under Share Options	Total	Approximate percentage of issued share capital (Note)
NCHL	Long position	Beneficial owner	675,000,000	—	675,000,000	65.90%

Note:

The approximate percentage of shareholding was calculated based on the enlarged issued share capital of the Company upon completion of the Rights Issue.

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

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 March 2012 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

On 31 March 2011, the Company entered into a loan facility letter with World Mix Limited (“WML”), a company which is 100% beneficially owned by Mr. Yip, for provision of a HK\$310,000,000 revolving loan facility by WML to the Company for general working capital purposes. The loan bears interest at Hong Kong Interbank Offered Rate plus 2.25% per annum, is unsecured and repayable on demand.

On 13 June 2012, BSSI, an indirect wholly-owned subsidiary of the Company, entered into a loan facility letter with CFW, a company which is 100% beneficially owned by Mr. Yip, 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 Interbank Offered Rate plus 2.75% per annum, is unsecured and repayable on demand.

Save as disclosed above, none of the Directors was materially interested in any contract or arrangement 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	Scotia Centre 4th Floor P.O. Box. 2804 George Town Grand Cayman KY1-1112 Cayman Islands
Principal place of business in Hong Kong	10th 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 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Authorised representatives	Mr. Chan Kai Fung Flat D, 12th Floor Tower 125 11 Po Yan Street Sheung Wan Hong Kong Mr. Chan Wing Shing, Wilson Flat D, 10th Floor Lascar Court 3 Lok Ku Road Sheung Wan Hong Kong
Company secretary	Ms. Lam Mei Kam, Catharine Flat 2, 22nd Floor, Block A Wah Ming Centre 421 Queen's Road West Hong Kong
Legal advisers to the Company as to Hong Kong law	Iu, Lai & Li Solicitors & Notaries 20th Floor, Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong

Financial adviser to the Company	Optima Capital Limited Suite 1501, 15th Floor Jardine House 1 Connaught Place Central, Hong Kong
Auditor	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 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 Hang Seng Bank Limited 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

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

The Bank of East Asia, Limited
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

Underwriter

BOCOM International Securities Limited
9/F., Man Yee Building
68 Des Voeux Road Central
Hong Kong

6. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Residential Address of Directors

Name	Address
<i>Executive Directors</i>	
Mr. Yip Mow Lum (Chairman)	House B7 King's Court 5 Mount Kellett Road Hong Kong
Mr. Chan Kai Fung (Chief Executive Officer)	Flat D, 12th Floor Tower 125 11 Po Yan Street Sheung Wan 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, 9/F., Block 4 Discovery Park 398 Castle Peak Road Tsuen Wan New Territories Hong Kong

Name	Address
Mr. Szeto Wai Sun	Flat 13A Star Court 4 Man Wan Road Homantin Kowloon Hong Kong
Mr. Ling Kwok Fai, Joseph	Room 629, 6/F Tower 4 Hong Kong Parkview 88 Tai Tam Reservoir Road Hong Kong

Biographies of Directors and Senior Management

Executive Directors

Mr. Yip Mow Lum, Chairman

Aged 60, is the founder, the Chairman of the Board 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 Board. 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 10 years' management experience in securities and futures brokerage. He is a director of Bright Smart Asset Management Limited ("Bright Smart Asset Management"), Bright Smart FX & Bullion Limited ("Bright Smart FX"), Bright Smart Futures & Commodities Company Limited ("Bright Smart Futures"), BSSI and Bright Smart Investment Holdings Limited ("Bright Smart Investment"). Mr. Yip is a responsible officer recognised by the SFC for engaging in 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.

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

Aged 45, is an Executive Director and a Chief Executive Officer of the Company with overall responsibility for the business and operations of the Group. Mr. Chan has over nine years' management experience in securities and futures businesses, and specialises in IPO financing project. He is also a director of Bright Smart Asset Management, Bright Smart FX, Bright Smart Futures, BSSI and Bright Smart Investment. 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 57, an Executive Director of the Company and the Marketing Director of the Group with responsibilities for the formulation of marketing strategy of the Group, the management of the analysts team as well as the marketing and business development of BSSI and Bright Smart Futures. Mr. Kwok has over 20 years' experience in securities and futures businesses and has expertise in marketing strategy, securities analysis and corporate management. 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 recognised by the SFC for engaging in 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 recognised by the SFC for engaging in Type 2 (dealing in futures contracts) regulated activity.

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

Aged 47, 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 nine years' experience in securities and futures businesses and is a responsible officer recognised by the SFC for engaging in 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.

Independent Non-executive Directors**Mr. Yu Yun Kong, Independent Non-executive Director**

Aged 46, is an Independent Non-executive Director of the Company, the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Board. Mr. Yu is a practising certified public accountant with over 20 years' experience in public accounting practice. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Szeto Wai Sun, Independent Non-executive Director

Aged 53, is an Independent Non-executive Director of the Company and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board. Mr. Szeto holds a Bachelor's Degree in Laws (Hons) and a Postgraduate Certificate in Laws from The University of Hong Kong. He was admitted as a solicitor in Hong Kong in 1985 and worked in a number of law firms in Hong Kong including Chan & Co. Y. T. and Cheung & Co. Edmund before becoming a partner in Szeto W.S. & Lee. Mr. Szeto obtained the Professional Certificate in Chinese Civil & Commercial Law, a course which was 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. Ling Kwok Fai, Joseph, Independent Non-executive Director

Aged 56, is an Independent Non-executive Director of the Company and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board. Mr. Ling has over 16 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 an 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**Mr. Ng Kim Wah, Chief Executive Officer**

Aged 42, is a Chief Executive Officer of the Company with overall responsibility for the business and operations of the Group. Mr. Ng has over 15 years of extensive experience in the banking industry and financial sector. Prior to joining the Group, he was the Regional Head of Bank Relations, Asia Pacific, at an international financial institution where his responsibilities included credit & risk management, assets & liabilities management and capital & funding management for the Asia Pacific region. Mr. Ng has assumed different senior roles in various reputable banks, including Oversea-Chinese Banking Corporation Limited, Sumitomo Mitsui Banking Corporation Limited and Bank of China (Hong Kong) Limited and has extensive knowledge and experience in the operations of financial institutions. Mr. Ng graduated from The University of Winnipeg, Canada, with a Bachelor's Degree in Arts (major in Statistics) and obtained a Master's Degree in Finance from RMIT University, Australia.

Mr. Leong Yean-Shen, Jimmy, Chief Executive Officer

Aged 41, is a Chief Executive Officer of the Company with overall responsibility for the business and operations of the Group. Mr. Leong has over 19 years of comprehensive international experience with financial institutions both locally and overseas. He has assumed different management positions during the period and brings with him extensive knowledge in treasury, financial markets, capital markets, fund and investment management. Before joining the Group, Mr. Leong worked for an international financial institution as the Regional Treasurer for Asia Pacific and was responsible for all aspects of the treasury function across seven countries within the Asia Pacific region. Prior to that, he held senior level appointments at an Asian regional bank as the Treasurer and Head of Overseas Financial Markets based in Hong Kong and other financial institutions including J.P. Morgan and Standard Chartered Bank in London and Singapore. Mr. Leong holds a Bachelor of Science degree in Electrical Engineering from Washington University in Saint Louis, Missouri, United States of America.

Mr. Shiu Yuk Lun, Godwin, Head of Legal and Compliance

Aged 50, is the Head of Legal and Compliance of the Group in charge of all legal and compliance aspects of the Group. Prior to joining the Group, Mr. Shiu has served the Hong Kong Monetary Authority, Hang Seng Bank Limited, DBS Bank Limited, KBC Bank, Commonwealth Bank of Australia and Citibank N.A. which brings him with over 20 years' rich experience in internal audit, legal and regulatory compliance. He is currently a member of Hong Kong Securities Institute, a senior associate of Financial Services Institute of Australia, a Certified Internal Auditor of Institute of Internal Auditors Inc., United States of America. and a Certified Practicing Accountant of CPA Australia. Mr. Shiu holds a Master's Degree in Laws in Chinese Business Law and a Bachelor's Degree in Business Administration from The Chinese University of Hong Kong as well as a Master's Degree in Accountancy from The University of Wollongong, Australia.

Mr. Wong Wing Man, Head of Information Technology

Aged 41, is the Head of Information Technology responsible for the formulation of information technology strategy as well as administration and development of the information technology system of the Group. Mr. Wong holds a Bachelor's Degree in Engineering from The University of Hong Kong. He has over 10 years' experience in design and development of trading systems. Prior to joining the Group, Mr. Wong 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.

Ms. Li Wan Mei, Chief Financial Officer

Aged 28, is the Chief Financial Officer of the Company in charge of the overall financial and accounting management of the Group. Ms. Li has over six years' accounting experience, including three years' experience gained in PricewaterhouseCoopers. She holds a Bachelor's Degree (first class honours) in Business Administration (major in Accounting) from Lingnan University and is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Lam Mei Kam, Catharine, Company Secretary

Aged 42, is the Company Secretary of the Group. Ms. Lam has 15 years' extensive experience in company secretarial practices. Before joining the Group, she worked in the board/company secretarial department of BOC Hong Kong (Holdings) Limited, Nanyang Commercial Bank, Limited and PricewaterhouseCoopers. Ms. Lam is an associate member of the Institute of Chartered Secretaries and Administrators and Hong Kong Institute of Chartered Secretaries and holds a Bachelor's Degree with Honours in Business Administration from Hong Kong Baptist University.

7. EXPERT

The following is the name and the qualification of the expert who has given opinions or advice, 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 financial information of the Group dated 17 July 2012 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 2012 (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 deed of non-competition dated 6 August 2010, given by Mr. Yip and NCHL in favor of the Company;

- (b) the deed of indemnity dated 6 August 2010 executed by NCHL and Mr. Yip in favour of the Company for itself and as trustee for its subsidiaries;
- (c) the underwriting agreement dated 11 August 2010 relating to the public offer entered into between, amongst others, the Company, Mr. Yip, NCHL and the public offer underwriters;
- (d) the underwriting agreement relating to the placing entered into between, amongst others, the Company, Mr. Yip, NCHL and the placing underwriters on 17 August 2010; and
- (e) 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 Underwriter and the relevant professional fees incurred by the Company, are estimated to be approximately HK\$2.5 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 Tuesday, 31 July 2012:

- a. the memorandum and articles of association of the Company;
- b. the Company’s prospectus for initial public offer;
- c. the Company’s annual reports for the financial years ended 31 March 2011 and 2012;
- d. the accountants’ report on the unaudited pro forma financial information as set out in Appendix II to this prospectus;
- e. the material contracts referred to under the paragraph headed “Material contracts” in this appendix; and
- f. the written consent referred to under the paragraph headed “Expert” in this appendix.