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## DEFINITIONS

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**In this prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings:**

“Active Trading Client Accounts”	client accounts of the Group which have recorded at least one trading activity in the past twelve months, and accordingly “Active Securities Trading Client Accounts” means client accounts with Bright Smart Securities which have recorded at least one securities trading activity in the past twelve months, “Active Futures and Options Trading Client Accounts” means client accounts with Bright Smart Futures which have recorded at least one transaction for open and/or close position of futures or options trading contracts in the past twelve months, and “Active Margin Client Accounts” means margin securities trading accounts with the Group which have recorded at least one transaction for purchase and/or sale of securities in the past twelve months
“Application Form(s)”	<b>white, yellow and green</b> application form(s) relating to the Public Offer, or where the context so requires, any one or all of them
“Articles of Association” or “Articles”	the articles of association of the Company approved and adopted on 4 August 2010, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this prospectus
“Associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“BOCOM International Asia”	BOCOM International (Asia) Limited, a licensed corporation registered under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“BOCOM International Holdings”	BOCOM International Holdings Company Limited, a wholly-owned subsidiary of Bank of Communications Co., Ltd.
“BOCOM International Securities”	BOCOM International Securities Limited, a licensed corporation registered under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities
“Bookrunner”	BOCOM International Securities
“Bright Smart Futures”	Bright Smart Futures & Commodities Company Limited, a company incorporated in Hong Kong with limited liability on 14 November 1995, an indirect wholly-owned subsidiary of the Company following completion of the Reorganisation

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“Bright Smart Investment”	Bright Smart Investment Holdings Limited, a company incorporated in the BVI with limited liabilities on 22 October 2009, a direct wholly-owned subsidiary of the Company following completion of the Reorganisation
“Bright Smart Securities”	Bright Smart Securities International (H.K.) Limited (formerly known as “Super International Company Limited”), a company incorporated in Hong Kong with limited liability on 10 August 1998, an indirect wholly-owned subsidiary of the Company following completion of the Reorganisation
“Business Day”	any day (excluding Saturday, Sunday or public holidays) on which banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“Call Option Agreement”	the call option agreement dated 25 November 2009 as supplemented and amended by four side letters dated 29 March 2010, 30 April 2010, 28 May 2010 and 30 June 2010 respectively together with a supplemental deed dated 2 July 2010 entered into between Mr. Yip and BOCOM International Holdings, the principal terms of which are summarised under the section headed “History, Reorganisation and Group Structure” of this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual, joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

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“China” or “the PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this prospectus, references in this prospectus to China or the PRC exclude Hong Kong, Macao and Taiwan
“China Finance”	China Finance (Worldwide) Limited (formerly known as “Bright Smart Finance International (China) Limited), a company incorporated in Hong Kong with limited liability on 22 September 2008, a company wholly-owned by Mr. Yip
“Chinese Government” or “the PRC Government”	the central government of the PRC, including all political and governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Code of Conduct”	the Code of Conduct for Persons Licensed by or Registered with the SFC
“Companies Law”	the Companies Law (2009 Revision), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Bright Smart Securities & Commodities Group Limited, incorporated as an exempted company with limited liability in the Cayman Islands on 4 August 2009 under the Companies Law
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and unless the context requires otherwise refers to New Charming and Mr. Yip
“Deed of Non-competition”	a deed of non-competition dated 6 August 2010, given by the Controlling Shareholders in favor of the Company
“Director(s)”	the director(s) of the Company as of the date of this prospectus
“Everhero”	Everhero International Limited, a company incorporated in the BVI with limited liabilities on 1 October 2004, a company wholly-owned by Mr. Yip
“Exercise Price”	the exercise price under the Call Option Agreement, being the amount in HK\$ equivalent to 7.5% of the equity attributable to equity holders of the Company as at 31 March 2010 as shown in the Hong Kong Accounts or HK\$20,000,000, whichever is the lower

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## DEFINITIONS

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“Fortune Crown”	Fortune Crown Nominees Limited (formerly known as “Fortune Crown Enterprises Limited”), a company incorporated in Hong Kong with limited liability on 11 October 2004, a company owned as to 99.99% by Mr. Yip and 0.01% by Everhero
“FRR”	Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong)
“Futures Exchange”	Hong Kong Futures Exchange Limited
“Futures Exchange Participant(s)”	a licensed corporation to carry on Type 2 (dealing in futures contracts) regulated activity under the SFO who, in accordance with the rules of the Futures Exchange, may trade on or through the Futures Exchange and whose name is entered in a list, register or roll kept by the Futures Exchange as a person who may trade on or through the Futures Exchange, and “Futures Exchange Participants” shall be construed accordingly
“Futures Exchange Trading Right”	a right to be eligible to trade on or through the Futures Exchange and entered as such a right in a list, register or roll kept by the Futures Exchange
“GDP”	gross domestic product (all references to GDP growth rates are to real as opposed to nominal rates of GDP growth)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Glow Dragon”	Glow Dragon Limited, a company incorporated in Hong Kong with limited liability on 21 January 2010, an indirect wholly-owned subsidiary of the Company following completion of the Reorganisation
“Green application form”	the application form(s) to be completed by the White Form eIPO Service Provider designated by the Company
“Group”	the Company and its subsidiaries or, where the context so requires in respect of period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors
“HIBOR”	Hong Kong Interbank Offer Rate
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKCC”	HKFE Clearing Corporation Limited, a wholly-owned subsidiary of HKEx

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“HKEx”	Hong Kong Exchanges and Clearing Limited
“HKFRS”	Hong Kong Financial Reporting Standards promulgated by the Hong Kong Institute of Certified Public Accountants, which includes the Hong Kong Accounting Standards and their interpretations
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong Accounts”	the accounts referred to in the Call Option Agreement, being the Accountants’ Report as set out in Appendix I to this prospectus, or, if the same was not available by 30 April 2010 and if so agreed by Mr. Yip and BOCOM International Holdings, an advanced draft of such Accountants’ Report
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“HSI”	Hang Seng Index
“Huge Dynasty”	Huge Dynasty Limited, a company incorporated in Hong Kong with limited liability on 13 January 2010, an indirect wholly-owned subsidiary of the Company following completion of the Reorganisation
“IPO(s)”	initial public offering(s)
“Joint Sponsors”	BOCOM International Asia and Somerley
“Latest Practicable Date”	5 August 2010, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
“Laws”	all laws, rules, statutes, ordinances, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees or rulings of any governmental authority and “Law” includes any one of them
“Lead Manager”	BOCOM International Securities
“Licensed Representative(s)”	an individual who is granted a licence under section 120(1) or 121(1) of the SFO to carry on one or more than one regulated activity for a licensed corporation to which he/she is accredited
“Listing”	the listing of the Shares on the Main Board

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“Listing Date”	the date, expected to be on or about 25 August 2010, on which dealings in the Shares first commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Lock-up Period”	the period commencing from the Latest Practicable Date up to and including the date falling six months after the Listing Date
“Macao”	the Macao Special Administrative Region of the PRC
“Madam Hung”	Ms. Hung Seu Ying, mother of Mr. Yip and a director of Bright Smart Securities
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM
“Manet Good”	Manet Good Company Limited, a company incorporated in Hong Kong with limited liability on 3 January 1997, a company owned as to 99.99% by Mr. Yip and 0.01% by Fortune Crown
“Memorandum” or “Memorandum of Association”	the memorandum of association of the Company, conditionally approved and adopted on 4 August 2010, as supplemented, amended or otherwise modified from time to time
“Merit Act”	Merit Act Limited, a company incorporated in Hong Kong with limited liability on 3 November 2009, an indirect wholly-owned subsidiary of the Company following completion of the Reorganisation
“Mr. Yip”	Mr. Yip Mow Lum, the founder and chairman of the Company, an executive Director, the sole shareholder of New Charming, son of Madam Hung, and uncle of Chan Wing Shing, Wilson, an executive Director of the Company
“New Charming”	New Charming Holdings Limited, a company incorporated in the BVI with limited liability on 6 July 2009, the controlling shareholder of the Company and directly wholly-owned by Mr. Yip
“Non-trading Participants”	has the meaning ascribed thereto in the factbooks published by the Stock Exchange

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## DEFINITIONS

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“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%) of not more than HK\$1.62 and not less than HK\$1.35, such price to be agreed upon by the Company and the Lead Manager (on behalf of the Underwriters) on or before the Price Determination Date
“Offer Share(s)”	the Public Offer Share(s) and the Placing Share(s), together where relevant, with any additional Share(s) issued pursuant to the exercise of the Over-allotment Option
“Option”	the right granted by Mr. Yip to BOCOM International Holdings pursuant to the Call Option Agreement, to require Mr. Yip to sell all (but not part only) of the Option Shares to BOCOM International Holdings at the Exercise Price at any time during the Option Period
“Option Period”	the option period under the Call Option Agreement, being the period commencing from (and inclusive of) the date when the Hong Kong Accounts for computation of the Exercise Price is available until (a) the earlier of (i) the day (inclusive of that day) immediately before 4 clear Business Days before the expected hearing date on the application for the Share Offer with the Stock Exchange; or (ii) BOCOM International Asia (and any of its associated corporations whose appointment shall be subject to the prior written consent of Mr. Yip) ceases to act as a sponsor to the application for the Share Offer; or (iii) the date falling on the expiration of 18 months after the date of the Call Option Agreement; or (iv) completion of the sale and purchase of the Option Shares in accordance with the Call Option Agreement; or (b) such later date as may be agreed in writing by both Mr. Yip and BOCOM International Holdings
“Option Shares”	such number of Shares representing 10% of the total issued share capital of the Company upon completion of the sale and purchase of the Option Shares in accordance with the Call Option Agreement, and representing approximately 7.5% of the total issued share capital of the Company immediately after the Share Offer (assuming the Over-allotment Option is not exercised)
“Over-allotment Option”	the option granted by the Company to the Placing Underwriters exercisable by the Lead Manager on behalf of the Placing Underwriters pursuant to which the Company may be required to allot and issue up to an aggregate of 25,020,000 additional new Shares (in aggregate representing 15% of the Shares initially being offered under the Share Offer) to cover among other things, over-allocation of the Placing, details of which are described in the section headed “Structure of the Share Offer” in this prospectus

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## DEFINITIONS

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“Perfection Corporation”	Perfection Corporation Limited (formerly known as “Bright Smart Finance International (H.K.) Limited”), a company incorporated in Hong Kong with limited liability on 3 January 1997, a company indirectly wholly-owned by Mr. Yip
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters on behalf of the Company at the Offer Price with institutional and professional investors, as further described in the section headed “Structure of the Share Offer” in this prospectus
“Placing Shares”	150,120,000 Shares being initially offered by the Company for subscription at the Offer Price pursuant to the Placing together, where relevant, with any additional Shares issued or sold pursuant to the exercise of the Over-allotment Option, the number of which is further subject to reallocation as described in the section headed “Structure of the Share Offer” in this prospectus
“Placing Underwriters”	the group of underwriters in respect of the Placing led by the Lead Manager
“Placing Underwriting Agreement”	the underwriting agreement relating to the Placing expected to be entered into between, amongst others, the Company, the Controlling Shareholders and the Placing Underwriters on or around 17 August 2010
“Price Determination Date”	the date expected to be on or around 17 August 2010 or such later date as may be agreed between the Company and the Lead Manager (on behalf of the Underwriters), but in any event will be no later than 20 August 2010, on which the Offer Price is fixed by agreement between the Company and the Lead Manager (on behalf of the Underwriters) for the purpose of the Share Offer
“Public Offer”	the offer for subscription or for sale of the Public Offer Shares to the public in Hong Kong (subject to adjustment as described in the section headed “Structure of the Share Offer”) at the Offer Price (plus brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%) and subject to the terms and conditions described in this prospectus and the Application Forms, as further described in the section headed “Structure of the Share Offer” in this prospectus
“Public Offer Shares”	16,680,000 Shares being initially offered by the Company for subscription at the Offer Price pursuant to the Public Offer (subject to reallocation as described in the section headed “Structure of the Share Offer” in this prospectus)



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“Public Offer Underwriters”	the underwriters of the Public Offer whose names are set out in the paragraph headed “Public Offer Underwriters” under the section headed “Underwriting” in this prospectus
“Public Offer Underwriting Agreement”	the underwriting agreement relating to the Public Offer dated 11 August 2010 entered into between, amongst others, the Company, the Controlling Shareholders and the Public Offer Underwriters
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganisation”	the reorganisation arrangements which the Group has undergone in preparation for the listing of the Shares on the Stock Exchange which are more particularly described in the section headed “History, reorganisation and Group structure” and the paragraph headed “Group Reorganisation” under the section headed “Further information about the Group” in Appendix V to this prospectus
“Responsible Officer(s)”	a Licensed Representative who is also approved as a responsible officer under section 126 of the SFO to supervise one or more than one regulated activity of the licensed corporation to which he/she is accredited
“retail client(s)”	client(s) of the Group who are not (i) licensed by or registered with the SFC under the SFO; or (ii) corporation(s)
“Reviewing Firm”	an independent consultant firm, Union Alpha C.P.A. Limited, Certified Public Accountants (Practising) of 19/F., No. 3 Lockhart Road, Wanchai, Hong Kong, to perform review of certain internal control procedures of Bright Smart Securities
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Ordinance”	the repealed Securities Ordinance (Chapter 333 of the laws of Hong Kong)
“SEOCH”	The SEHK Option Clearing House Limited, a wholly-owned subsidiary of HKEx
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“Share(s)”	ordinary share(s), with nominal value of HK\$0.30 each, in the share capital of the Company
“Share Offer”	the Public Offer and the Placing
“Share Option Scheme”	the share option scheme conditionally adopted by the Company pursuant to a resolution passed by all the Shareholders on 4 August 2010 as described in the paragraph headed “Share Option Scheme” in Appendix V to this prospectus
“Somerley”	Somerley Limited, a licensed corporation registered under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
“Stabilisation Manager”	BOCOM International Securities
“Stock Borrowing Agreement”	the stock borrowing agreement to be entered into between the Stabilisation Manager (or its affiliate acting on its behalf) and New Charming, pursuant to which New Charming will agree to lend up to 25,020,000 Shares to the Stabilisation Manager on the terms set forth therein
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Exchange Participant(s)”	a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO who, in accordance with the rules of the Stock Exchange, may trade on or through the Stock Exchange and whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange, and “Stock Exchange Participantship” shall be construed accordingly
“Stock Exchange Trading Right”	a right to be eligible to trade on or through the Stock Exchange and entered as such a right in a list, register or roll kept by the Stock Exchange
“T + 2”	two trading days from the transaction day
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“Track Record Period”	the period comprising the three financial years ended 31 March 2010
“Trading Participants”	has the meaning ascribed thereto in the fact books published by the Stock Exchange
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters

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“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “US”	the United States of America
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“White Form eIPO”	the application process for Public Offer Shares with applications issued in the applicant’s own name and submitted online through the designated website of <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“White Form eIPO Service Provider”	The Bank of East Asia Limited
“%”	per cent.

*For the purpose of this prospectus, unless otherwise specified, conversion of US\$ into Hong Kong dollars are based on the approximated exchange rates of US\$1.00 to HK\$7.76 for illustrative purpose only. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the above rate or any other rates or at all.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as total in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*Unless otherwise specified, all relevant information in this prospectus assumes no exercise of the Over-allotment Option.*