

**BRIGHT SMART SECURITIES AND COMMODITIES GROUP LTD:
NOT VERY BRIGHT AND, CERTAINLY, NOT VERY SMART**

**Why Did The Chairman Have To Lend
\$HK198 Million To His Company ?**

It just can't be correct!

It's just not possible!

But, since the statistics have been vetted by KPMG, Certified Public Accountants (), as well as the Hongkong Authorities that be, then, one has to accept them as being bona fide.

TARGET () is referring to Bright Smart Securities and Commodities Group Ltd () (Code: 1428, Main Board, The Stock Exchange of Hongkong Ltd).

This Company issued its Share Offer Prospectus on August 12, 2010, Offering 166.80 million, 30-cent Shares at an Offer Price of not less than \$HK1.35 per Share and not more than \$HK1.62 per Share.

Since a Prospectus with regard to an **Initial Public Offering (IPO)** is supposed to be an absolutely truthful, hand-on-the-heart declaration, all that is stated in such a document must be accurate.

As such, one need not consider a challenge of any part of a Prospectus, at all, but just blindly accept all that is printed as being the words of the honourable people who signed it in verity.

Bright Smart Securities and Commodities Group Ltd is an unabashed securities brokerage house, specialising in low brokerage commission rates, one is told.

The Company describes its activities at Page 160 of the Share Offer Prospectus as follows:

'The Group is one of the well-established securities brokerage houses with low brokerage commission rates and primarily focuses on providing online brokerage services in Hong Kong. The Group has now extended its service coverage from securities, futures and options brokerage in Hong Kong to a wide range of financial products traded in the US and Singapore exchanges. The Group also offers credit facilities to its clients who would like to purchase securities on a margin basis.

'Leveraging on its efficient and secure online trading system and low brokerage commission rates, the Group has successfully built up its client base rapidly and recorded significant growth in the number of new securities and futures trading clients during the Track Record Period. As at 31 March 2010, the Group has 7,736 Active Securities Trading Client Accounts and 1,177 Active Futures and Options Trading Client Accounts. According to the information from the HKEx (Hong Kong Exchanges and Clearing Ltd), since the first half of 2006, Bright Smart Securities has been qualified as a Constituency B Exchange Participant which represented the group of Exchange Participants ranked fifteenth to sixty-fifth in terms of market share, with the market share of Bright Smart Securities increasing in general since

then.

'During the Track Record Period, turnover of the Group represented brokerage commissions from securities, commodities and futures broking and interest income from margin and IPO financings. For 2008, 2009 and 2010, turnover derived by the Group were approximately HK\$176.4 million, HK\$78.7 million and HK\$140.2 million respectively, and the net profit and comprehensive income attributable to equity holders of the Company for the same years were approximately HK\$60.1 million, HK\$21.1 million and HK\$60.3 million respectively. Net profit margin of the Group for 2008, 2009 and 2010 were approximately 34.1%, 26.8% and 43.0% respectively.'

All of ... [CLICK TO ORDER FULL ARTICLE](#)

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