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*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1141)

(Warrant Code: 1153)

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 3 May 2016, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,450,000,000 new Shares at the Subscription Price of HK\$0.18 per Subscription Share. The Subscription Price will be settled by the Subscriber by way of set off against the outstanding principal amount of the Promissory Notes, which amounts HK\$261,000,000 as at the date of this announcement.

The Subscription Price represents (i) a discount of approximately 13.46% to the closing price of HK\$0.208 per Share as quoted on the Stock Exchange on 3 May 2016, being the date of the Subscription Agreement; and (ii) a discount of approximately 14.69% to the average of the closing prices of HK\$0.211 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, among others, the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

\* For identification purpose only

The Subscription Shares represent approximately 11.41% of the existing issued share capital of the Company and approximately 10.24% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. There will be no net proceeds from the Subscription as the Subscription Price will be set off against the outstanding principal amount of the Promissory Notes of HK\$261,000,000.

## **SUBSCRIPTION AGREEMENT**

On 3 May 2016, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,450,000,000 new Shares at the subscription price of HK\$0.18 per Subscription Share.

**Date:** 3 May 2016 (after trading hours)

### **Parties:**

- (i) The Company as issuer
- (ii) The Subscriber as subscriber

### **The Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings.

The Subscriber is the holder of the Promissory Notes with the total outstanding principal amounts of HK\$285,000,000.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are independent third parties and not connected persons (as defined under the Listing Rules) of the Company.

### **Number of Subscription Shares**

The 1,450,000,000 Subscription Shares represent approximately 11.41% of the existing issued share capital of the Company and approximately 10.24% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

## **Subscription Price**

The subscription price of HK\$0.18 per Subscription Share represents:

- (i) a discount of approximately 13.46% to the closing price of HK\$0.208 per Share as quoted on the Stock Exchange on 3 May 2016, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 14.69% to the average of the closing prices of HK\$0.211 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.18 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account, among others, the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price for all 1,450,000,000 Subscription Shares shall be settled by the Subscriber upon completion by way of set off against the principal amounts of the Promissory Notes of HK\$261,000,000 owed by the Company to the Subscriber under the Promissory Notes. The Company will settle the outstanding interest accrued on the Promissory Notes upon completion of the Subscription.

## **Rights of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

## **Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilized prior to the entering into of the Subscription Agreement. The issue and allotment of the Subscription Shares will utilise approximately 76.58% of the General Mandate.

## **Conditions of the Subscription**

The Subscription is conditional upon:

- i) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares; and
- ii) all the necessary consents and approvals required to be obtained by the Subscriber in respect of the Subscription having been obtained.

In the event that the condition of the Subscription is not fulfilled on or before 31 May 2016 or such other date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

## **Completion of the Subscription**

Completion of the Subscription will take place on the second business days after the conditions of the Subscription are fulfilled (or such other date as may be agreed between the parties).

## **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE SUBSCRIPTION AGREEMENT**

The Company and its subsidiaries have been principally engaged in the businesses of supply and procurement of commodities, provision of brokerage service and securities margin financing, provision of futures and options contracts dealing services, provision of finance, securities investments and real estate.

By entering into of the Subscription Agreement, the Group can improve its financial position by settling the Promissory Notes at a reduced value and reducing future financing cost of the Group. Notwithstanding that the total outstanding principal amounts of the Promissory Notes of HK\$285,000,000 are due on 4 November 2018, the Subscriber being the holder of the Promissory Notes agreed to give a discount of HK\$24,000,000 for the early redemption and cancellation of the Promissory Notes. Thereby, the aggregate Subscription Price at a value of HK\$261,000,000 will be set off against the Promissory Notes.

There will be no gross proceeds or net proceeds from the Subscription as the Subscription Price will be settled by way of set off the outstanding principal amount of the Promissory Notes.

As at the date of this announcement, the total outstanding principal amount owed by the Company to the Subscriber under the Promissory Notes amounts to HK\$285,000,000. Upon completion, there will be no outstanding Promissory Notes.

The Directors consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. The Directors also consider that the Subscription will strengthen the financial position (in particular, reduction of the gearing ratio) of the Group.

## CHANGES OF SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Subscription (assuming no other changes in the issued share capital and shareholding in the Company from the date of this announcement up to immediately before the issue of all Subscription Shares) are set out as below:

Shareholders	At the date of this announcement and immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
China Soft Power Technology Holdings Limited	2,749,935,829	21.63%	2,749,935,829	19.42%
Lam Hoi Sze	2,106,000,000	16.57%	2,106,000,000	14.87%
the Subscriber	–	–	1,450,000,000	10.24%
Other Shareholders	7,856,320,737	61.8%	7,856,320,737	55.47%
Total	<u>12,712,256,566</u>	<u>100.00%</u>	<u>14,162,256,566</u>	<u>100.00%</u>

## POSSIBLE ADJUSTMENTS TO THE WARRANTS

As a result of the Subscription, adjustments may need to be made to the exercise price of and/or the number of Shares to be allotted and issued upon exercise of the outstanding listed warrants in accordance with the terms of the warrant instrument. The Company may engage the Company's auditors/financial adviser to review and determine the relevant adjustments and will make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Date of announcement	Event	Net proceeds and intended use	Actual use of proceeds
17 March 2015 and 17 June 2015	Issue of 1,500,000,000 Shares to Mason Financial Holdings Limited (formerly known as Willie International Holdings Limited) under the subscription agreement dated 17 March 2015 at the subscription price of HK\$0.10 per Share	The net proceeds of approximately HK\$148.75 million will be applied towards the general working capital of the Group – approximately 30% for money lending business and approximately 70% for listed securities investment	Used as intended – approximately HK\$43 million for provision of loan facility and approximately HK\$105.75 million for trading of securities

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

<b>“AGM”</b>	the annual general meeting of the Company convened and held on 8 September 2015 to approve, among other things, the grant of the General Mandate
<b>“Board”</b>	the board of Directors

<b>“Company”</b>	Skyway Securities Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
<b>“connected person(s)”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Directors”</b>	directors of the Company
<b>“General Mandate”</b>	the general mandate granted to the Directors at the AGM to allot, issue and deal with Shares
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“PRC”</b>	the People’s Republic of China
<b>“Promissory Notes”</b>	the 2.5% per annum promissory notes due on 4 November 2018 with total outstanding principal amount of HK\$285,000,000
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscriber”</b>	Capital Union Inc., a company incorporated in the British Virgin Islands and the subscriber to the Subscription Agreement and the holder of the Promissory Notes
<b>“Subscription”</b>	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
<b>“Subscription Agreement”</b>	the conditional agreement dated 3 May 2016 and entered into between the Company and the Subscriber in respect of the Subscription

<b>“Subscription Price”</b>	the subscription price of HK\$0.18 per Subscription Share
<b>“Subscription Shares”</b>	an aggregate of 1,450,000,000 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency for the time being of Hong Kong
<b>“%”</b>	per cent.

By Order of the Board  
**Skyway Securities Group Limited**  
**Lin Yuehe**  
*Chairlady*

Hong Kong, 3 May 2016

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Ms. Lin Yuehe (*Chairlady*)  
Mr. Ng Kwok Leung (*Chief Executive Officer*)  
Mr. Tam Tak Wah

*Independent Non-executive Directors:*

Mr. Siu Siu Ling Robert  
Mr. Chan Kwan Pak  
Mr. Siu Gee Tai