

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, 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 joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor is it a solicitation of any vote or approval in any jurisdiction.



CMBC International Holdings Limited
(Incorporated in Hong Kong with limited liability)



CMBC International Investment Limited
(Incorporated in the BVI with limited liability)

China Huarong Overseas Investment Holdings Company Limited
(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

- (1) **CONDITIONAL AGREEMENTS IN RELATION TO THE SALE AND PURCHASE OF SHARES OF SKYWAY SECURITIES GROUP LIMITED**
- (2) **CONDITIONAL AGREEMENT IN RELATION TO THE SUBSCRIPTION OF NEW SHARES OF SKYWAY SECURITIES GROUP LIMITED**
- (3) **DISTRIBUTION IN SPECIE RELATING TO THE INVESTMENT IN LISTED SECURITIES BY SKYWAY SECURITIES GROUP LIMITED**
- (4) **SHARE PREMIUM CANCELLATION AND SPECIAL CASH DIVIDEND**
- (5) **SPECIAL DEAL INVOLVING PROPOSED AMENDMENT OF TERMS WITH CSPT REGARDING THE CSPT DISPOSAL**
- (6) **SPECIFIC MANDATE IN RELATION TO THE PROPOSED SUBSCRIPTION OF NEW SHARES IN SKYWAY SECURITIES GROUP LIMITED BY CMBC INTERNATIONAL INVESTMENT LIMITED AND BRILLIANT DECENT LIMITED**
- (7) **POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY PLATINUM SECURITIES COMPANY LIMITED FOR AND ON BEHALF OF CMBC INTERNATIONAL INVESTMENT LIMITED TO ACQUIRE ALL THE ISSUED SHARES AND OUTSTANDING OPTIONS (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY CMBC INTERNATIONAL INVESTMENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**
- (8) **RESUMPTION OF TRADING**

Financial Adviser to Skyway Securities Group Limited



Financial Adviser to CMBC International Investment Limited



SALE AND PURCHASE AGREEMENTS

The Board has been informed by the Selling Shareholders that the Selling Shareholders and the Offeror and Brilliant Decent as purchasers entered into the Sale and Purchase Agreements on 7 March 2017, pursuant to which the Selling Shareholders conditionally agreed to sell the Sale Shares and the Offeror and Brilliant Decent conditionally agreed to acquire the Sale Shares for a consideration of approximately HK\$205.63 million (equivalent to HK\$0.06 per Sale Share), of which 2,527,200,000 Sale Shares shall be acquired by the Offeror from Mr. Lam and the remaining 900,000,000 Sale Shares shall be acquired by Brilliant Decent from Ms. Ai. The Sale Shares collectively represent approximately 19.23% of the existing issued share capital of the Company as at the date of this joint announcement. The Sale and Purchase Completion is conditional in all respects upon fulfillment (or, as appropriate, waiver by the Offeror as described below) of the Sale and Purchase Conditions as set out under the section headed “A. Sale and Purchase Agreements – Conditions precedent to the Sale and Purchase Agreements” of this joint announcement.

SUBSCRIPTION AGREEMENT

On 7 March 2017, the Company, the Offeror and Brilliant Decent entered into the Subscription Agreement pursuant to which the Company conditionally agreed to issue, and the Offeror and Brilliant Decent conditionally agreed to subscribe, in cash, for a total of 26,950,000,000 new Subscription Shares at the Subscription Price of HK\$0.032 per Share, representing a total consideration of HK\$862.4 million, of which 25,000,000,000 new Subscription Shares shall be subscribed by the Offeror and 1,950,000,000 new Subscription Shares shall be subscribed by Brilliant Decent.

The Subscription Agreement is inter-conditional upon the Sale and Purchase Agreements and the Subscription Completion and the Sale and Purchase Completion shall take place contemporaneously.

The Subscription Completion is subject to the fulfillment of the Subscription Conditions as set out under the section headed “B. Subscription Agreement – Conditions precedent to the Subscription Agreement” of this joint announcement, and shall take place on any business day after the Record Date and contemporaneously upon the Sale and Purchase Completion.

DISTRIBUTION IN SPECIE IN LISTED SECURITIES

The Company proposes the Distribution pursuant to which (1) all the CSPT Shares held by the Group and (2) all the FW Shares held by the Group will be distributed to the Shareholders whose names are registered on the register of members of the Company on the Record Date.

Based on 1,215,971,647 CSPT Shares held by the Group as at the date of this joint announcement and assuming that there will be no change to shareholdings of the Company from the date of this joint announcement up to the Record Date, Shareholders shall receive approximately 682 CSPT Shares for every 10,000 Shares held by the Shareholders.

Based on 315,692,000 FW Shares held by the Group as at the date of this joint announcement and assuming that there will be no change to shareholdings of the Company from the date of this joint announcement up to the Record Date, Shareholders shall receive approximately 177 FW Shares for every 10,000 Shares held by the Shareholders.

The Distribution is conditional in all respects upon fulfillment of the Distribution Conditions as set out under the section headed “C. Distribution in Specie – Conditions precedent to the Distribution” of this joint announcement.

Further announcement(s) will be made by the Company in respect of details of the Record Date, the Distribution date(s) and closure of register of members of the Company for determining the Shareholder’s entitlement to the proposed Distribution in accordance with Rule 13.66 of the Listing Rules. **Registered Shareholders as at the Record Date will be entitled to the Distribution, even though such Shareholders may subsequently accept or reject the Share Offer.**

SHARE PREMIUM CANCELLATION

The Company proposes to effect the Share Premium Cancellation by way of cancellation of the entire amount standing to the credit of the Share Premium Account of the Company. As at the date of 30 September 2016, based on the unaudited financial statements of the Company, the amount standing to the credit of the share premium account of the Company was approximately HK\$2,968 million and the amount of previous accumulated losses was approximately HK\$1,651.5 million.

The Share Premium Cancellation is conditional upon such conditions precedent as set out under the section headed “D. Share Premium Cancellation” of this joint announcement.

SPECIAL CASH DIVIDEND

Upon the completion of the CSPT Disposal, the Company proposes a special dividend of no less than HK\$0.021 per Share to be distributed and paid in cash to the Shareholders whose names are registered on the register of members of the Company on the Record Date, subject to the approval of the Independent Shareholders having been obtained and the completion of the CSPT Disposal having taken place.

Based on 17,823,159,729 Shares in issue as at the date of this joint announcement, the special dividend payable to the Shareholders on the Record Date shall amount to no less than approximately HK\$376 million, out of which, the Selling Shareholders, being the beneficial owners of approximately 20.69% of the issued share capital of the Company as at the date of this joint announcement and (assuming no change to their shareholding after the date of this joint announcement) the Record Date, are entitled to receive a special dividend in the total sum of no less than approximately HK\$77.43 million.

Further announcement(s) will be made by the Company in respect of details of the Record Date, the Special Dividend payment date and closure of register of members of the Company for determining the Shareholder's entitlement to the proposed Special Dividend in accordance with Rule 13.66 of the Listing Rules. **Registered Shareholders as at the Record Date will be entitled to the Special Dividend, even though such Shareholders may subsequently accept or reject the Share Offer.**

PROPOSED AMENDMENT OF CSPT DISPOSAL TERMS

On 7 March 2017, the CSPT Vendor, a wholly owned subsidiary of the Company, entered into the CSPT Supplemental Agreement with the CSPT Purchaser, pursuant to which instead of issuing the Convertible Bonds to the Company, the CSPT Purchaser shall settle the relevant part of consideration in respect of the CSPT Disposal in the sum of HK\$205,000,000 in cash upon completion of the CSPT Disposal. Other than the change of settlement method, all the major terms of the CSPT Disposal Agreement remain unchanged.

The CSPT Supplemental Agreement is conditional upon such conditions precedent as set out under the section headed "F. Proposed amendment of CSPT Disposal terms" of this joint announcement.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

The new Subscription Shares will be issued and allotted under the Specific Mandate to be sought at the SGM. As the Subscription Agreement is inter-conditional upon the Sale and Purchase Agreements, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have a material interest in the Subscription Agreement and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM.

The Distribution is subject to, among others, the approval of the Independent Shareholders at the SGM. As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the Distribution, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have an interest in the Distribution and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Distribution and the transactions contemplated thereunder at the SGM.

As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the payment of the Special Dividend, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have an interest in the Special Dividend and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Special Dividend and the transactions contemplated thereunder at the SGM. The Company has obtained a duly signed written consent by the Offeror for the Special Dividend.

As CSPT is a substantial shareholder of the Company, the CSPT Disposal constitutes a discloseable and connected transaction on the part of the Company as announced on 28 November 2016. As CSPT is a substantial shareholder of the Company, the proposed amendment of CSPT Disposal terms under the CSPT Supplemental Agreement will constitute a special deal under Rule 25 of the Takeovers Code and shall be subject to Shareholders' approval in general meeting. As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the CSPT Disposal, CSPT, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have an interest in the CSPT Disposal and the CSPT Supplemental Agreement and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the CSPT Disposal and the CSPT Supplemental Agreement and the transactions contemplated thereunder at the SGM. The Company has obtained a duly signed written consent by the Offeror for the CSPT Supplemental Agreement.

POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER FOR SHARES AND OPTIONS

As at the date of this joint announcement, the Offeror and parties acting in concert with it (including Brilliant Decent) do not hold any Shares in the share capital or voting rights of the Company. Assuming no other changes to the issued share capital of the Company from the date of this joint announcement, the Offeror and parties acting in concert with it (including Brilliant Decent) will be interested in a total of 30,377,200,000 Shares, representing approximately 66.36% of the issued share capital of the Company immediately after the Sale and Purchase Completion and the Subscription Completion and assuming all outstanding Options have been fully exercised.

As such, the Offeror will be required to make an unconditional mandatory cash general offer for all the issued Shares and Options (other than those already owned or agreed to be acquired and subscribed by the Offeror and parties acting in concert with it (including Brilliant Decent)) pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this joint announcement, the Company has 17,823,159,729 ordinary Shares of par value of HK\$0.01 each in issue and 1,005,598,000 outstanding Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Subject to and upon the Sale and Purchase Completion and the Subscription Completion, Platinum, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers to acquire all the Offer Shares and outstanding Options on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

For every Offer Share held HK\$0.06 in cash

The Option Offer

For every outstanding Option held and to be cancelled HK\$0.001 in cash

The Share Offer Price is the same as the purchase price per Sale Share under the Sale and Purchase Agreements which was arrived at after arm's length negotiations between the Offeror and the Selling Shareholders. The Option Offer Price are the see-through price based on the Share Offer Price.

On the basis the Offeror and parties acting in concert with it will own approximately 30,377,200,000 Shares immediately after the Sale and Purchase Completion and the Subscription Completion, the total consideration of the Offers would be approximately HK\$864,763,182, (1) as to approximately HK\$863,757,584 under the Share Offer based on the Share Offer Price and (2) as to approximately HK\$1,005,598 under the Option Offer based on the Option Offer Price, which will be the maximum amount payable by the Offeror under the Offers in the event that the Offers are accepted in full.

The Offeror intends to finance the consideration payable under the Offers and the consideration under the Sale and Purchase Agreement I and the Subscription Agreement from banking facilities up to HK\$2.2 billion granted by China Minsheng Banking Corp., Ltd., Hong Kong Branch. Brilliant Decent intends to finance the consideration under the Sale and Purchase Agreement II and the Subscription Agreement from its internal financial resources. Platinum, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offers and the consideration payable upon the Sale and Purchase Completion and the Subscription Completion. Platinum is satisfied that sufficient resources are available to Brilliant Decent, the party acting in concert with the Offeror, to satisfy the consideration payable upon the Sale and Purchase Completion and the Subscription Completion.

WARNING: THE OFFERS ARE A POSSIBILITY ONLY. AS THE OFFERS WILL ONLY BE MADE, AMONG OTHERS, AFTER THE SALE AND PURCHASE COMPLETION, THE SUBSCRIPTION COMPLETION AND THE REORGANISATION COMPLETION, WHICH ARE SUBJECT TO A NUMBER OF CONDITIONS, THE OFFERS MAY OR MAY NOT PROCEED. SHAREHOLDERS AND OPTION HOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

THE REORGANISATION (EXCEPT FOR THE CSPT DISPOSAL AND THE AFS DISPOSALS) IS CONDITIONAL UPON, AMONG OTHERS, ALL THE CONDITIONS PRECEDENT OF THE SALE AND PURCHASE AGREEMENTS AND THE SUBSCRIPTION AGREEMENT (OTHER THAN THE CONDITION THAT THE COMPLETION OF THE REORGANISATION IN COMPLIANCE WITH THE RELEVANT LAWS, RULES AND REGULATIONS AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SALE AND PURCHASE AGREEMENTS AND THE SUBSCRIPTION AGREEMENT) HAVING BECOME FULFILLED OR WAIVED. AS SUCH, THE REORGANISATION (EXCEPT FOR THE CSPT DISPOSAL AND THE AFS DISPOSALS) MAY OR MAY NOT PROCEED.

GENERAL

The SGM will be held for the purpose of considering and, if thought fit, approving the Resolutions by way of poll at the SGM. CSPT, the Selling Shareholders, the Offeror, Brilliant Decent and their respective associates and parties acting in concert with any of them will abstain from voting on the Resolutions at the SGM. CSPT, the Selling Shareholders, the Offeror, Brilliant Decent and their respective associates are required to abstain from voting in respect of the relevant resolution(s) to approve the CSPT Disposal and the CSPT Supplemental Agreement and the transactions contemplated thereunder at the SGM.

A circular, which will contain, among other things, details of the Sale and Purchase Agreements, the Subscription Agreement, the Distribution, the Share Premium Cancellation, the Special Dividend, the CSPT Disposal and the CSPT Supplemental Agreement, the financial information on the Group, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Distribution, the Subscription Agreement, the CSPT Disposal, the CSPT Supplemental Agreement and the respective transactions contemplated thereunder, the Special Dividend and a notice convening the SGM to be despatched to the Shareholders.

As additional time is required to prepare the information to be contained in the Circular, the Circular is expected to be despatched to the Shareholders on or no later than 30 April 2017.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to make a recommendation to (i) the Independent Shareholders in respect of the Subscription Agreement, the Distribution, the Special Dividend, the CSPT Disposal (as a special deal under Note 4 to Rule 25 of the Takeovers Code) and the CSPT Supplemental Agreement (as a special deal under Note 4 to Rule 25 of the Takeovers Code); and (ii) the Independent Shareholders in respect of whether the Offers are fair and reasonable for acceptance or not.

The Independent Financial Adviser, will be appointed by the Company and approved by the Independent Board Committee to advise (i) the Independent Board Committee, (ii) the Independent Shareholders in respect of the Subscription Agreement and transactions contemplated thereunder, the Distribution, the Special Dividend, the CSPT Disposal (as a special deal under Note 4 to Rule 25 of the Takeovers Code) and the CSPT Supplemental Agreement (as a special deal under Note 4 to Rule 25 of the Takeovers Code); and (ii) the Independent Shareholders in respect of the Offers. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee in respect of the Subscription Agreement and transactions contemplated thereunder, the Distribution and the Special Dividend and the CSPT Disposal and the CSPT Supplemental Agreement will be included in the Circular. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee in respect of the Offers, in particular, as to whether the Offers are, or are not, fair and reasonable and as to its acceptance, will be included in the Offer Document.

In accordance with Rule 8.2 of the Takeovers Code, the Offer Document is required to be posted by or on behalf of the Offeror within 21 days of the date of this joint announcement. However, as there are pre-conditions, i.e. the Sale and Purchase Completion, the Subscription Completion and completion of the Reorganisation to the making of the Offers, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document within seven (7) days of the fulfillment of such pre-conditions.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 8 March 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 March 2017.

Reference is made to the MOU Announcement issued by the Company dated 16 December 2016 in relation to the entering into of the MOU for the possible sale and purchase of 3,627,200,000 Shares held by the Selling Shareholders to CMBCI and China Huarong and the possible Subscription of 26,950,000,000 Subscription Shares by CMBCI and China Huarong.

A. SALE AND PURCHASE AGREEMENTS

SALE AND PURCHASE AGREEMENT I

Date: 7 March 2017 (after trading hours)

Parties:

Vendor: Mr. Lam

Purchaser: The Offeror, an indirect wholly-owned subsidiary of CMBCI

Number of Sale Shares: 2,527,200,000

Consideration: HK\$0.06 per Sale Share

SALE AND PURCHASE AGREEMENT II

Date: 7 March 2017 (after trading hours)

Parties:

Vendor: Ms. Ai

Purchaser: Brilliant Decent

Number of Sale Shares: 900,000,000

Consideration: HK\$0.06 per Sale Share

Subject of the Sale and Purchase Agreements

Pursuant to the Sale and Purchase Agreements, the Selling Shareholders conditionally agreed to sell the Sale Shares and the Offeror and Brilliant Decent conditionally agreed to acquire the Sale Shares.

Pursuant to the Sale and Purchase Agreement I, Mr. Lam conditionally agreed to sell 2,527,200,000 Sale Shares to the Offeror at the price of HK\$0.06 per Sale Share. Pursuant to the Sale and Purchase Agreement II, Ms. Ai conditionally agreed to sell 900,000,000 Sale Shares to Brilliant Decent at the price of HK\$0.06 per Sale Share.

Each of the Offeror and Brilliant Decent has confirmed that immediately before entering into of the Sale and Purchase Agreements, it and its respective beneficial owners are third parties independent of the Company and its connected persons. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Offeror and Brilliant Decent, their respective ultimate beneficial owners and parties acting in concert with it are Independent Third Parties.

Consideration for the Sale Shares under Sale and Purchase Agreements

The consideration for the Sale Shares collectively is approximately HK\$205,632,000, equivalent to HK\$0.06 per Sale Share (the "**Consideration per Sale Share**" or the "**Sale Price**"), which was determined after arm's length negotiations between the Offeror and Mr. Lam, and between Brilliant Decent and Ms. Ai respectively taking into account, among other things, the Adjusted NTAV per Share of approximately HK\$0.017 per Share after Reorganisation Completion, the prospects of the Group after the Reorganisation and also after taking into account the additional value to be received by the Shareholders (including the Selling Shareholders) under the Distribution and the Special Dividend.

The Sale Price of HK\$0.06 per Sale Share represents approximately 87.5% premium to the Subscription Price of HK\$0.032 per Subscription Share. Such premium is considered fair and reasonable by the Selling Shareholders and the Offeror after taking into account that a) the Selling Shareholders will not be able to enjoy the strategic benefits mentioned below under the paragraph headed "Offeror's intention on the Remaining Group" including the potential positive impact of the introduction of the Offeror as the new controlling shareholder of the Company; b) such premium may be a sweetener to the Independent Shareholders when considering their voting decisions for the Subscription and the Reorganisation at the SGM; and c) given the Share Offer will be made by the Offeror at the same price as the Sale Price of HK\$0.06 per Share, all Independent Shareholders will be able to enjoy such premium. The price differentiation between the Sale Price and the Subscription Price will not be prejudicial to the interests of the Independent Shareholders as the Sale Price, being the same as the Share Offer Price, will also be extended to all Shareholders in the Share Offer and those who accept the Share Offer will be able to do so at the Share Offer Price, being the higher of the two prices. Shareholders are in essence given the opportunity to consider and vote for or against the Subscription at the SGM, and subject to recommendation of the Independent Board Committee to be set out in the Offer Document, also to accept the Share Offer at the Share Offer Price.

The consideration for the Sale Shares will be payable by the Offeror to Mr. Lam and Brilliant Decent to Ms. Ai respectively in cash upon the Sale and Purchase Completion.

Conditions precedent to the Sale and Purchase Agreements

The Sale and Purchase Completion is conditional in all respects upon fulfillment (or, as appropriate, waived by the Offeror as described below) of the following conditions, among others:

1. the Subscription Conditions having been fulfilled or waived; and
2. the board of directors of the Offeror and the board of directors of Brilliant Decent approving the entering into of and the performance of the Sale and Purchase Agreements respectively and the purchase of the relevant Sale Shares.

The two Sale and Purchase Agreements are not inter-conditional upon each other.

In the event that the Sale and Purchase Conditions above are not fulfilled on or before the Sale and Purchase Long Stop Date (or such later date as may be agreed between the parties), the Sale and Purchase Agreement and all rights and obligations thereunder will cease and terminate.

Sale and Purchase Completion

The Sale and Purchase Completion shall take place on the Sale and Purchase Completion Date. Further announcement will be made as soon as practicable in relation to the Sale and Purchase Completion.

Other than the consideration payable under the Sale and Purchase Agreements, the Offeror, CMBCI, China Huarong, Brilliant Decent and their concert parties have not and will not pay any consideration to Mr. Lam and/or Ms. Ai and their concert parties in connection with the Sale and Purchase Agreements or otherwise.

B. SUBSCRIPTION AGREEMENT

Date: 7 March 2017 (after trading hours)

Parties:

Issuer: the Company

Subscribers: the Offeror and Brilliant Decent

Subject of the Subscription Agreement

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe, in cash, for a total of 26,950,000,000 new Shares at the Subscription Price of HK\$0.032 per Share for an aggregate consideration of HK\$862,400,000, of which 25,000,000,000 new Subscription Shares will be subscribed by the Offeror and 1,950,000,000 new Subscription Shares will be subscribed by Brilliant Decent.

The 26,950,000,000 new Subscription Shares to be subscribed for and issued pursuant to the Subscription Agreement shall rank *pari passu* in all respects with the Shares in issue at the date of allotment and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of allotment (excluding, for the avoidance of doubt, the entitlement to the Special Dividend and the entitlement under the Distribution).

Subscription Price

The new Subscription Shares will be subscribed for by the Subscribers at the Subscription Price of HK\$0.032 per Share. The Subscription Price of HK\$0.032 per Share represents:

- a discount of approximately 89.84% to the closing price of the Shares of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 89.68% to the average closing price of the Shares of approximately HK\$0.31 per Share for the last 5 consecutive Trading Days up to and including the Last Trading Day;
- a discount of approximately 60% to the audited net asset value attributable to equity holders as at 31 March 2016 of approximately HK\$0.080 per Share based on 17,823,159,729 Shares in issue as at the date of this joint announcement; and
- a premium of approximately 88.2% to the Adjusted NTAV per Share of approximately HK\$0.017 on the assumption of completion of the Reorganisation

The Subscription Price was negotiated and arrived at after arm's length negotiation basis and is considered fair and reasonable after taking into account, among others, (i) the financial positions and performance of the Company, including the substantial loss for the year ended 31 March 2016 of approximately HK\$1,875 million; and (ii) the Adjusted NTAV per Share of approximately HK\$0.017 after taking into consideration of the Reorganisation as well as future business prospects (without considering the possible positive impact to be brought about by the Offeror on the Group) as well as the effect of the Reorganisation; and (iii) the average price to net asset value of comparable listed issuers. The Adjusted NTAV was taken into account instead of the unaudited adjusted net asset value as the parties considered that certain goodwill and intangible assets recognized from the Company's acquisition of Skyway Securities Investment Limited and Skyway Futures Limited in November 2015 ("**Previous Acquisition**") should be excluded. Both of the goodwill and intangible assets are recognized as a result of the accounting treatment of business combination. The Company and the Offeror considered it more appropriate and meaningful to assess the fairness and reasonableness of the Subscription Price based on identifiable assets and liabilities of the Group and business so acquired and not on the accounting goodwill and intangible assets which arose merely due to the accounting treatment in the Previous Acquisition.

The Directors believe that the Subscription and the Offeror's takeover of the Company have a strategic meaning to the Group and will help grow the business of the Group significantly by leveraging on the extensive business networks and clientele of CMBCI and its parent group companies, in addition to enhancement of the working capital position of the Group. Therefore, the Subscription Price should not be the only factor in assessing whether Subscription is fair and reasonable and the strategic benefits to the Group should also be considered.

Conditions precedent to the Subscription Agreement

The Subscription Completion is conditional upon the following conditions, among others, being satisfied or waived (as the case may be):

1. the Offeror and Brilliant Decent being reasonably satisfied with the due diligence results on the assets, liabilities, operations and business of the Group;
2. the Shareholders (save as Shareholders who are required by the Listing Rules and/or the Takeovers Code to abstain from voting) passing all necessary resolutions to be proposed at the SGM which are necessary for the transactions contemplated under the Transaction Documents to be effective and to be in compliance with the Listing Rules and the Takeovers Code, including but not limited, to approve the Reorganisation;

3. the completion of the Reorganisation (including but not limited to the striking off or disposal of the Group companies other than the three licensed corporations comprising the Remaining Group) in compliance with the relevant laws, rules and regulations (including but not limited to the obtaining of consents from the Executive regarding those special deals under Rule 25 of the Takeovers Code) and in accordance with the terms and conditions of the Subscription Agreement and the relevant agreement(s) for disposal(s);
4. according to the Management Accounts, (i) the Remaining Group shall have net asset value (excluding intangible assets) of not less than HK\$310,000,000; (ii) the Remaining Group shall have non-cash asset (excluding intangible assets such as goodwill and relevant accounts receivables arising from the ordinary course of business of securities brokerage services dealing in securities transactions by margin clients of the Group) of not more than HK\$17,000,000; (iii) the Remaining Group shall have not less than HK\$210,000,000 cash assets (excluding those cash deposits held by the Remaining Group on behalf of its clients); and (iv) relevant account receivables arising from the ordinary course of business of securities brokerage services dealing in securities transactions by margin clients of the Remaining Group (which should be approved by the prior written approval of the Subscribers) shall be not more than HK\$200,000,000; and
5. the change of substantial shareholders of Skyway Securities Investment Limited, Skyway Asset Management Limited and Skyway Futures Limited, having been approved by the SFC.

The Subscription Completion shall take place contemporaneously with the Sale and Purchase Completion.

In the event that the Subscription Conditions above are not satisfied or waived, (if applicable) on or before the Subscription Long Stop Date (or such later date as may be agreed between the parties), the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

Specific mandate

The Subscription Shares will be allotted and issued under the Specific Mandate proposed to be sought from the Independent Shareholders by way of poll at the SGM.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

Equity fund raising activities by the Company in the past twelve months

Save as disclosed below, the Company did not carry out any equity fund raising activities in the 12 month period immediately before the date of this joint announcement.

| Date of announcement | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds |
|----------------------|--|-------------------------------|--|--|
| 3 May 2016 | Placing of up to 2,550,000,000 Shares at the placing price of HK\$0.18 per placing Share | Approximately HK\$442 million | as to (i) approximately 40% for the brokerage and related services; (ii) 35% for securities investment; (iii) 15% for money lending business; and (iv) the remaining balance for general working capital | The placing have been lapsed as announced on 1 August 2016 |

Subscription Completion

The Subscription Completion shall take place on the tenth business day after the fulfillment of the Subscription Conditions and contemporaneously upon the Sale and Purchase Completion.

The Company shall and will allot and issue the respective Subscription Shares to each Subscriber and promptly thereafter register each Subscriber as a member of the Company.

Reasons for the Subscription and use of the Subscription proceeds

The wholly-owned subsidiaries of the Company, namely Skyway Securities Investment Limited, Skyway Futures Limited and Skyway Asset Management Limited are licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities), Type 2 (dealing in futures contracts), and Type 9 (asset management) regulated activities under the SFO, respectively. The Company does not have any imminent funding need, but in light of the increasing competition in the investment banking sector, and the need for funding to support the increasing business volume, the Subscription, which will strengthen its capital base and improve its balance sheet, is considered essential for the Group's future business development with a view to remain competitive in brokerage, underwriting and financing businesses in Hong Kong. The strong financing capability is believed to be one of the key factors to gain clients' confidence and secure new clients and underwriting deals. The Subscription will not only enable it to raise a substantial amount of funds for its business development but also generate synergy to the Group in future by tapping into the extensive branch network and client base of China Minsheng. The Group's existing businesses would be enhanced in a number of ways such as the sharing of clients of China Minsheng for brokerage, wealth management, asset management businesses. The Group also aims to significantly expand its wealth management business providing high net worth customers with a wide range of investment products and fixed income business providing corporate clients additional means of fund raising other than equity.

Having considered the following principal factors and reasons: (i) the gross proceeds of the Subscription of approximately HK\$862.4 million, representing approximately 2.78 times the Group's adjusted NTAV which is expected to be approximately HK\$310 million immediately after the Reorganisation and before the Completion of Subscription. Thus, the Subscription will substantially increase the Group's capital base, which will be crucial for the future growth of its core businesses; (ii) the synergy to the Group by tapping into the extensive branch network and client base of China Minsheng following Completion; (iii) the basis for determination of the Subscription Price as set out in the sub-section headed "Subscription Price" above; (iv) the Subscription Price represents a premium of approximately 88.2% over the Adjusted NTAV of approximately HK\$0.017 per Share (based on the Adjusted NTAV and the number of issued Shares as at the date of this joint announcement); (v) the Sale and Purchase Completion and the Subscription Completion will lead to the unconditional Offers, which will be extended to all Shareholders, holders of the Options (other than the Offeror and parties acting in concert with it); and (vi) the dilution effect on the shareholding interests of the existing Shareholders is acceptable in view of the aforesaid reasons and factors, the Directors (excluding the Independent Board Committee which will provide its recommendations after considering the advice of the Independent Financial Adviser) consider that the terms of the Subscription Agreement (including the Subscription Price and the number of Subscription Shares) are on normal commercial terms, fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

Use of the Subscription proceeds

The gross proceeds of the Subscription is approximately HK\$862.4 million and the net proceeds of the Subscription is approximately HK\$850 million (or equivalent to the net Subscription Price of approximately HK\$0.0315 per Subscription Share). The net proceeds from the Subscription are planned to be used for the purposes set out as below:

- (i) as to about 40% of the net proceeds to support and develop the Group's securities business, including brokerage and margin financing business, given the expected increase in trading volume, investment and financing needs of the Group's clients in light of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Connect. The large customer base of China Minsheng may give a boost to the Group's overall trading volume and margin financing scale;
- (ii) as to about 10% of the net proceeds to development of proprietary trading business, such as including investments and trading in equity and fixed-income securities and assets as well as derivatives;
- (iii) as to about 10% of the net proceeds to develop and expand capital-based intermediary business, such as providing liquidity and risk management products and acting as counterparty against customers, including fixed income products, commodities and currencies, ETF market making and trading, structured financing;
- (iv) as to about 25% of the net proceeds to further develop the Group's asset management business by, among other things, expanding the variety of our asset management schemes and products offering, providing seed money of collective asset management schemes to be established by our Group and developing our own investment advisory team;
- (v) as to about 10% of the net proceeds for development of our institutional sales capabilities of equity capital markets and debt capital markets products, including hiring experienced personnel and developing information platforms; and
- (vi) as to the remaining of about 5% of the net proceeds as general working capital.

C. DISTRIBUTION IN SPECIE

The Company proposes the Distribution pursuant to which (1) all the CSPT Shares held by the Group and (2) all the FW Shares held by the Group will be distribute to the Shareholders whose names are registered on the register of members of the Company on the Record Date.

Based on 1,215,971,647 CSPT Shares held by the Group as at the date of this announcement, with reference to 17,823,159,729 Shares in issue as at the date of this joint announcement and assuming that there will be no change in shareholdings of the Company since the date of this joint announcement and up to the Record Date, Shareholders shall receive approximately 682 CSPT Shares for every 10,000 Shares held by the Shareholders. Based on the closing price of HK\$0.179 per CSPT Share as quoted on the Stock Exchange on the Last Trading Day, the market value of 682 CSPT Shares held by the Group represents approximately HK\$122.08.

Based on 1,215,971,647 CSPT Shares held by the Group as at the date of this announcement, with reference to 17,823,159,729 Shares in issue as at the date of this joint announcement and assuming full exercise of 1,005,598,000 Options prior to the Record Date and that there will be no other change in shareholdings of the Company since the date of this joint announcement and up to the Record Date, Shareholders shall receive approximately 645 CSPT Shares for every 10,000 Shares held by the Shareholders. Based on the closing price of HK\$0.179 per CSPT Share as quoted on the Stock Exchange on the Last Trading Day, the market value of 645 CSPT Shares held by the Group represents approximately HK\$115.46.

Based on 315,692,000 FW Shares held by the Group as at the date of this announcement, with reference to 17,823,159,729 Shares in issue as at the date of this joint announcement and assuming that there will be no change in shareholdings of the Company since the date of this joint announcement and up to the Record Date, Shareholder shall receive approximately 177 FW Shares for every 10,000 Shares held by the Shareholders. Based on the closing price of HK\$0.52 per FW Share as quoted on the Stock Exchange on the Last Trading Day, the market value of 177 FW Shares held by the Group represents approximately HK\$92.04.

Based on 315,692,000 FW Shares held by the Group as at the date of this announcement, with reference to 17,823,159,729 Shares in issue as at the date of this joint announcement and assuming full exercise of 1,005,598,000 Options prior to the Record Date and that there will be no other change in shareholdings of the Company since the date of this joint announcement and up to the Record Date, Shareholder shall receive approximately 167 FW Shares for every 10,000 Shares held by the Shareholders. Based on the closing price of HK\$0.52 per FW Share as quoted on the Stock Exchange on the Last Trading Day, the market value of 167 FW Shares held by the Group represents approximately HK\$86.84.

The CSPT Shares and the FW Shares held by the Group are classified under investment at fair value through profit and loss in the books of the Group.

Conditions Precedent for the Distribution in Specie

The Distribution is conditional upon:

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at the SGM to approve the Distribution and the transactions contemplated thereunder;
- (b) all the conditions precedent of the Sale and Purchase Agreements and the Subscription Agreement (other than the condition that the completion of the Reorganisation in compliance with the relevant laws, rules and regulations and in accordance with the terms and conditions of the Sale and Purchase Agreements and the Subscription Agreement) having become fulfilled or waived; and
- (c) the Share Premium Cancellation having become effective.

Subject to fulfillment of the conditions set out above, (1) the expected Distribution date for the Distribution of the CSPT Shares held by the Group will be 15 May 2017 (or such other date as may be announced by the Company); and (2) the expected Distribution date for the Distribution of the FW Shares held by the Group will be 15 May 2017 (or such other date as may be announced by the Company).

Odd Lot Arrangement

In order to alleviate the difficulties arising from the existence of odd lots of the CSPT Shares and/or the FW Shares as a result of the Distribution, the Company will appoint a designated agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the CSPT Shares and/or the FW Shares to be distributed under the Distribution. Further details will be disclosed in the circular of the Company to be despatched.

Reasons for and benefits of the Distribution

Pursuant to the Sale and Purchase Agreement and the Subscription Agreement, the Distribution is part of the Reorganisation and it is expected that the Distribution shall take place prior to the Sale and Purchase Completion and the Subscription Completion.

As it is the intention of the Offeror that upon the Sale and Purchase Completion and the Subscription Completion that the Group will only comprise core assets relating to securities and brokerage business, the Distribution will facilitate the Sale and Purchase Completion and the Subscription Completion and accordingly, the Offers to the Shareholders. Further, in view of the fact that both CSPT Shares and FW Shares are listed on the Main Board of the Stock Exchange, the Distribution will allow the Shareholders to have an efficient mean to dispose of the CSPT Shares and the FW Shares to be received under the Distribution on the market.

Having considered that the above factors, the Directors (excluding the Independent Board Committee which will provide its recommendations after considering the advice of the Independent Financial Adviser) consider that the terms and conditions of the Distribution are fair and reasonable and in the interests of the Shareholders as a whole.

Further announcement(s) will be made by the Company in respect of details of the Record Date, the Distribution date(s), the odd lot arrangement and closure of register of members of the Company for determining the Shareholder's entitlement to the proposed Distribution in accordance with Rule 13.66 of the Listing Rules. **Registered Shareholders as at the Record Date will be entitled to the Distribution, even though such Shareholders may subsequently accept or reject the Share Offer.**

D. SHARE PREMIUM CANCELLATION

The Board announces that the Company proposes to effect the Share Premium Cancellation by way of cancellation of the entire amount standing to the credit of the Share Premium Account of the Company. As at the date of 30 September 2016, based on the unaudited interim financial statements of the Company, the amount standing to the credit of the share premium account of the Company was approximately HK\$2,968 million and the amount of previous accumulated losses was approximately HK\$1,651.5 million.

Pursuant to the Share Premium Cancellation, it is proposed that the entire amount standing to the Share Premium Account of the Company be cancelled, with part of the credit arising therefrom being applied towards the elimination of the previous accumulated losses and the remaining balance thereof be transferred to the contributed surplus account of the Company.

Upon the Share Premium Cancellation becoming effective, all the previous accumulated losses of the Company will be eliminated.

The Share Premium Cancellation does neither involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in nominal value of the Shares or trading arrangements in respect of the Shares. Other than the necessary expenses to be incurred in relation to the implementation of the Share Premium Cancellation, the Board considers that the implementation will not affect the underlying assets, business operations, management or financial position of the Company.

Conditions

The Share Premium Cancellation is conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders at the SGM to approve the Share Premium Cancellation and the transactions contemplated thereunder; and
- (b) compliance by the Company with the requirements of the Companies Act regarding the Share Premium Cancellation including the publication of a notice in relation to the Share Premium Cancellation in Bermuda in accordance with section 46(2) of the Companies Act.

Subject to fulfillment of the conditions set out above, the Share Premium Cancellation is expected to become effective on the date of passing the resolution(s) by the Shareholders at the SGM to approve the Share Premium Cancellation.

Reasons for the Share Premium Cancellation

The accumulated losses as shown in the latest unaudited interim financial statements of the Company for the six months ended 30 September 2016 amounted to approximately HK\$1,651.5 million. Upon the Share Premium Cancellation becoming effective, all the previous accumulated losses of the Company will be eliminated and the Company will have the further flexibility to declare dividends to the Shareholders, including but not limited to the Distribution and the Special Dividend. As such, the Directors consider that the Share Premium Cancellation is in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, no Shareholders have a material interest in the Share Premium Cancellation and no Shareholders shall have to abstain from voting at the SGM in respect of the resolution(s) approving the Share Premium Cancellation.

E. SPECIAL CASH DIVIDEND

The Company proposes a special dividend of no less than HK\$0.021 per Share to be distributed and paid in cash to the Shareholders whose names are registered on the register of members of the Company on the Record Date, subject to the approval of the Independent Shareholders having been obtained and completion of the CSPT Disposal having taken place.

Based on 17,823,159,729 Shares in issue as at the date of this joint announcement, the special dividend payable to the Shareholders on the Record Date shall amount to no less than approximately HK\$376 million, out of which, the Selling Shareholders, being the beneficial owners of approximately 20.69% of the issued share capital of the Company as at the date of this joint announcement and (assuming no change to their shareholding after the date of this joint announcement) the Record Date, are entitled to receive a special dividend in the total sum of no less than approximately HK\$77.43 million.

Conditions Precedent for the Special Dividend

The Special Dividend is conditional upon:

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at the SGM to approve the Distribution and the transactions contemplated thereunder;
- (b) all the conditions precedent of the Sale and Purchase Agreement and the Subscription Agreement (other than the condition that the completion of the Reorganisation in compliance with the relevant laws, rules and regulations and in accordance with the terms and conditions of the Sale and Purchase Agreements and the Subscription Agreement) having become fulfilled or waived);
- (c) completion of the CSPT Disposal; and
- (d) the Share Premium Cancellation having become effective.

Subject to fulfillment of the conditions set out above, the expected payment date for the Special Dividend is expected on 15 May 2017 (or such other date as may be announced by the Company).

Reasons for the Special Dividend

The Special Dividend of no less than HK\$0.021 per Share will provide a substantial and immediate cash realisation to the Shareholders.

In determining the amount of the Special Dividend, the Board, having considered the financial resources available to the Group and the future working capital needs of the Group, considers that the amount of the Special Dividend is appropriate.

Further announcement(s) will be made by the Company in respect of details of the exact amount of the Special Dividend, the Record Date, the Special Dividend payment date and closure of register of members of the Company for determining the Shareholder's entitlement to the proposed Special Dividend in accordance with Rule 13.66 of the Listing Rules. **Registered Shareholders as at the Record Date will be entitled to the Special Dividend, even though such Shareholders may subsequently accept or reject the Share Offer.**

F. PROPOSED AMENDMENT OF CSPT DISPOSAL TERMS

Background of CSPT Disposal

Reference is made to the announcement of the Company dated 28 November 2016, the CSPT Vendor, a wholly owned subsidiary of the Company, entered into the CSPT Disposal Agreement with the CSPT Purchaser in relation to the CSPT Disposal of the entire equity interests of Sky Eagle Global Limited to the CSPT Purchaser for an aggregate consideration of HK\$227,000,000, which shall be settled by the Purchaser by way of cash deposit and the issue of the Convertible Bonds in the principal amount of HK\$205,000,000 by CSPT.

The CSPT Disposal constitutes a discloseable and connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 28 November 2016 for further details of the CSPT Disposal.

CSPT Supplemental Agreement

Date: 7 March 2017 (after trading hours)

Parties:

Vendor: CSPT Vendor

Purchaser: CSPT Purchaser

As CSPT is a substantial shareholder of the Company (as defined under the Listing Rules) and CSPT and the CSPT Purchaser are connected persons of the Company under Chapter 14A of the Listing Rules.

Proposed Amendment of CSPT Disposal terms

Pursuant to the original CSPT Disposal Terms, the total consideration for the CSPT Disposal is HK\$227,000,000, which shall be satisfied by the Purchaser by way of cash deposit of HK\$22,000,000 and as to the remaining balance of HK\$205,000,000 by procuring CSPT to issue the Convertible Bonds in the principal amount of HK\$205,000,000 to the CSPT Vendor (or as it may direct) upon completion of the CSPT Disposal.

Pursuant to the CSPT Supplemental Agreement, the parties to the CSPT Disposal Agreement agree that instead of issuing the Convertible Bonds, the remaining balance of consideration of HK\$205,000,000 shall be settled by the CSPT Purchaser in cash upon completion of the CSPT Disposal.

Other than the change of settlement way, all the major terms of the CSPT Disposal Agreement remain unchanged.

Conditions precedent to the CSPT Supplemental Agreement

The CSPT Supplemental Agreement is conditional upon the fulfillment of the following conditions:

- (a) the passing by the Independent Shareholders at the SGM to approve the CSPT Supplemental Agreement and transactions contemplated hereunder; and
- (b) all necessary consents and approvals required to be obtained (including the consent from the Offeror, the Independent Shareholders' approval, the CSPT independent shareholders' approval and the consent from the Executive for the special deal contemplated under the CSPT Supplemental Agreement) on the part of the Company and CSPT in respect of the CSPT Supplemental Agreement and the transactions contemplated thereby having been obtained and remaining in full force and effect.

To the best of the Directors' knowledge, information and belief, no other consents and approvals other than those listed above are required to be obtained on the part of the Company and CSPT in respect of the CSPT Supplemental Agreement and the transactions contemplated thereby.

None of the conditions above is capable of being waived by any party thereto. If the conditions precedent set out in above have not been satisfied on or before 30 April 2017, or such other date as the CSPT Purchaser and the CSPT Vendor may agree, the CSPT Supplemental Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

G. IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

The Subscription Shares will be issued and allotted under the Specific Mandate to be sought at the SGM. As the Subscription Agreement is inter-conditional upon the Sale and Purchase Agreements, the Selling Shareholders, the Offeror, Brilliant Decent and their respective associates are deemed to have a material interest in the Subscription Agreement and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM.

The Distribution is subject to, among others, the approval of the Independent Shareholders at the SGM. As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the Distribution, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have an interest in the Distribution and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Distribution and the transactions contemplated thereunder at the SGM.

The declaration and payment of the Special Dividend shall be subject to the Shareholders' approval in general meeting. As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the payment of the Special Dividend, the Selling Shareholders, the Offeror and Brilliant Decent and their respective associates are deemed to have an interest in the Special Dividend and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the Special Dividend and the transactions contemplated thereunder at the SGM. The Company has obtained a duly signed written consent by the Offeror for the declaration and payment of the Special Dividend.

As CSPT is a substantial shareholder of the Company, the CSPT Disposal constitutes a discloseable and connected transaction on the part of the Company as announced on 28 November 2016. As CSPT is a substantial shareholder of the Company, the CSPT Disposal and the proposed amendment of CSPT Disposal terms under the CSPT Supplemental Agreement will constitute a special deal under Rule 25 of the Takeovers Code and shall be subject to Shareholders' approval in general meeting. As the Sale and Purchase Completion and the Subscription Completion is conditional upon, among others, completion of the CSPT Disposal, CSPT, the Selling Shareholders, the Offeror, Brilliant Decent and their respective associates are deemed to have an interest in the CSPT Disposal and the CSPT Supplemental Agreement and the transactions contemplated thereunder and are required to abstain from voting in respect of the relevant resolution(s) to approve the CSPT Disposal and the CSPT Supplemental Agreement and the transactions contemplated thereunder at the SGM. The Company has obtained a duly signed written consent by the Offeror for the CSPT Supplemental Agreement.

Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (assuming no other changes to the issued share capital of the Company from the date of this joint announcement) (i) as at the date of this joint announcement; and (iii) immediately upon the Sale and Purchase Completion and the Subscription Completion:

| | (i) As at the date of this joint announcement | | (ii) Immediately upon Sale and Purchase Completion and Subscription Completion | |
|---|---|----------------------|--|----------------------|
| | <i>Approximately</i> | | <i>Approximately</i> | |
| | Number of Shares held | % of Shares in issue | Number of Shares held | % of Shares in issue |
| Mr. Lam | 2,527,200,000 | 14.18% | – | – |
| Ms. Ai Qing | 1,160,000,000 | 6.51% | 260,000,000 | 0.58% |
| CSPT | 2,749,935,829 | 15.43% | 2,749,935,829 | 6.14% |
| Offeror | – | – | 27,527,200,000 | 61.48% |
| Brilliant Decent | – | – | 2,850,000,000 | 6.37% |
| Subtotal of the Offeror and parties acting in concert with it | – | – | 30,377,200,000 | 67.85% |
| Other Shareholders | 11,386,023,900 | 63.88% | 11,386,023,900 | 25.43% |
| Total | <u>17,823,159,729</u> | <u>100.00</u> | <u>44,773,159,729</u> | <u>100.00</u> |

The following table sets out the shareholding structure of the Company (assuming full exercise of the Options and no other changes to the issued share capital of the Company from the date of this joint announcement) (i) as at the date of this joint announcement; and (iii) immediately upon the Sale and Purchase Completion and the Subscription Completion:

| | (i) As at the date of this joint announcement and assuming full exercise of the Options <i>Approximately</i> | | (ii) Immediately upon Sale and Purchase Completion and Subscription Completion <i>Approximately</i> | |
|---|---|----------------------|--|----------------------|
| | Number of Shares held | % of Shares in issue | Number of Shares held | % of Shares in issue |
| Mr. Lam | 2,527,200,000 | 13.42% | - | - |
| Ms. Ai Qing | 1,160,000,000 | 6.16% | 260,000,000 | 0.57% |
| CSPT | 2,749,935,829 | 14.61% | 2,749,935,829 | 6.00% |
| Offeror | - | - | 27,527,200,000 | 60.13% |
| Brilliant Decent | - | - | 2,850,000,000 | 6.23% |
| Subtotal of the Offeror and parties acting in concert with it | - | - | 30,377,200,000 | 66.36% |
| Other Shareholders | <u>12,391,621,900</u> | <u>65.81%</u> | <u>12,391,621,900</u> | <u>27.07%</u> |
| Total | <u><u>18,828,757,729</u></u> | <u><u>100.00</u></u> | <u><u>45,778,757,729</u></u> | <u><u>100.00</u></u> |

H. POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER FOR SHARES

As at the date of this joint announcement, the Offeror and parties acting in concert with it (including Brilliant Decent) do not hold any Shares in the share capital or voting rights of the Company. Assuming no other changes to the issued share capital of the Company from the date of this joint announcement, the Offeror and parties acting in concert with it (including Brilliant Decent) will be interested in a total of 30,377,200,000 Shares immediately after the Sale and Purchase Completion and the Subscription Completion, representing approximately 66.36% of the enlarged issued share capital of the Company by the allotment and issue of the Subscription Shares.

As such, the Offeror will be required to make an unconditional mandatory cash general offer for all the issued Shares, the outstanding Options (other than those already owned or agreed to be acquired and subscribed by the Offeror and parties acting in concert with it (including Brilliant Decent)) pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this joint announcement, the Company has 17,823,159,729 ordinary Shares of par value of HK\$0.01 each in issue and 1,005,598,000 outstanding Options. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Principal terms of the Offers

Subject to and upon the Sale and Purchase Completion and the Subscription Completion, Platinum, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers to acquire all the Offer Shares and outstanding Options on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

For every Offer Share held..... HK\$0.06 in cash

The Option Offer

For cancellation of each Option with an exercise price of:

| Date of grant | Exercise price per Option (HK\$) | Number of new Shares to be issued upon exercise of Options by Optionholders | Offer price per Option (HK\$) |
|--|----------------------------------|---|-------------------------------|
| 18 September 2015 and 12 October 2015 respectively | 0.234 and 0.231 respectively | 1,005,598,000 | 0.001 |

As at the date of this joint announcement, the Company has 1,005,598,000 outstanding Options as disclosed above. The Option Offer to cancel each Option will be calculated on a see-through basis pursuant to Rule 13.5 and Practice Note 6 of the Takeovers Code, so that each Optionholder will be entitled to receive a price for his/her Options being the amount by which the consideration for the Share Offer exceeds the exercise price of his/her Options with details as set out above.

Save for the outstanding Options, the Company does not have any outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company which are convertible or exchangeable into Shares as at the date of this joint announcement.

The Offers will only be made if the Sale and Purchase Completion and the Subscription Completion take place and the Sale and Purchase Completion is conditional upon the fulfillment or waiver (where applicable) of certain conditions under the Sale and Purchase Agreement and the Subscription Completion is conditional upon the fulfillment or waiver (where applicable) of certain conditions under the Subscription Agreement. Accordingly, the Offers may or may not proceed. The Shareholders and potential investors are therefore urged to exercise caution when dealing in the securities of the Company.

The Share Offer Price is the same as the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Selling Shareholders.

Total value of the Offers

As at the date of this joint announcement, there are 17,823,159,729 Shares in issue. Assuming that there is no change in the issued share capital of the Company and none of the outstanding Options is exercised prior to the making of the Offers and on the basis of the Offer Price at HK\$0.06 per Share, the entire issued share capital of the Company is valued at HK\$1,069,389,584.

Assuming that all the 1,005,598,000 outstanding Options are fully exercised prior to the making of the Offers, there will be 18,828,757,729 Shares in issue and, on the basis of the Offer Price at HK\$0.06 per Share, the entire issued share capital of the Company is valued at HK\$1,129,725,464.

On the basis the Offeror and parties acting in concert with it (including Brilliant Decent) will own approximately 30,377,200,000 Shares immediately after the Sale and Purchase Completion and the Subscription Completion, the total consideration of the Offers would be approximately HK\$864,763,182, (1) as to approximately HK\$863,757,584 under the Share Offer based on the Share Offer Price and (2) as to approximately HK\$1,005,598 under the Option Offer based on the Option Offer Price, which will be the maximum amount payable by the Offeror under the Offers in the event that the Offers are accepted in full.

The Share Offer will extend to all Shares in issue other than those Shares held by the Offeror and persons acting in concert with it on the date on which the Share Offer is made, being the date of despatch of the Offer Document.

Comparison of value

The Share Offer Price of HK\$0.06 represents:

- a discount of approximately 80.95% to the closing price of the Shares of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 80.65% to the average closing price of the Shares of approximately HK\$0.31 per Share for the last 5 consecutive Trading Days up to and including the Last Trading Day;
- a discount of approximately 25% to the audited net asset value attributable to equity holders as at 31 March 2016 of approximately HK\$0.080 per Share based on 17,823,159,729 Shares in issue as at the date of this joint announcement; and
- a premium of approximately two times to the Adjusted NTAV per Share on the assumption of completion of the Reorganisation

Highest and lowest Share price

During the six-month period preceding the date of the MOU Announcement and the period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.38 on 6 March 2017; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.152 on 9 November 2016.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable under the Offers and the consideration under the Sale and Purchase Agreement I and the Subscription Agreement from banking facilities up to HK\$2.2 billion granted by China Minsheng Banking Corp., Ltd., Hong Kong Branch. Brilliant Decent intends to finance the consideration under the Sale and Purchase Agreement II and the Subscription Agreement from its internal financial resources. Platinum, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offers and the consideration payable upon the Sale and Purchase Completion and the Subscription Completion. Platinum is satisfied that sufficient resources are available to Brilliant Decent, the party acting in concert with the Offeror, to satisfy the consideration payable upon the Sale and Purchase Completion and the Subscription Completion.

Effect of accepting the Offers

By validly accepting the Share Offer, Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid (but excluding the Special Dividend and the Distribution) by reference to a record date on or after the date on which the Share Offer is made, that is, the date of posting of the offer document by or on behalf of the Offeror in respect of the Offers.

By validly accepting the Option Offer, Optionholders will agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, that is, the date of posting of the offer document by or on behalf of the Offeror in respect of the Offers.

Optionholders should note that under the rules of the share option scheme adopted by the Company, all Options that remain unexercised will lapse automatically and not be exercisable (to the extent not already exercised) upon the close of the Offers.

Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Payment

Payment in cash in respect of acceptance of the Offers will be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offers and the relevant documents of title in respect of such acceptance are received by or for the Offeror.

Dealing and interests in the Company's securities

The Offeror and parties acting in concert with it (including Brilliant Decent) have not dealt in the Shares (if applicable, convertible securities, options, warrants or derivatives of the Company) during the six-month period preceding the date of the MOU Announcement and the period up to and including the date of this joint announcement save for the MOU, the Sale and Purchase Agreements and the Subscription Agreement to which the Offeror or a party acting in concert with it is a party.

Overseas Shareholders

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Other arrangements

The Offeror confirms that, save as disclosed in this joint announcement, as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offers;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Sale and Purchase Agreements, the Distribution, the Special Dividend, the Subscription Agreement and the Share Offer and the Option Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Sale and Purchase Agreements, the Subscription Agreement, the Distribution, the Special Dividend and the Share Offer and the Option Offer; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

Shareholders and Optionholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offers that will be included in the Offer Document before deciding whether or not to accept the Offers.

Offeror's intention on the Remaining Group

Upon completion of the Reorganisation, the Remaining Group comprises the Company, Skyway Securities Investment Limited, Skyway Futures Limited and Skyway Asset Management Limited, which are licensed to engage in Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities (as applicable) under the SFO.

As informed by the Offeror, the Offeror intends to continue the principal business of the Remaining Group, being those operated under Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), and Type 9 (asset management) licences issued under the SFO. The Offeror aims to enhance the Company's profitability by offering a one-stop investment banking solution encompassing cross-border and innovative financial products and services. In addition, the Offeror intends to optimise the value of the Remaining Group, which may include but not limited to exploring new business opportunities in the field of brokerage, investment banking, margin financing and asset management, relying on the strong reputation, expertise and capability of China Minsheng and CMBCI. To highlight, the initial business plans contemplated by CMBCI on the Remaining Group are as follows:

1. To expand the business scale of the Company through enhancing the capital base, broaden product offerings, and expanding the business teams by leveraging China Minsheng's expertise and resources.

2. To expand its international network of branches. The Company will be an important platform for the international business development of CMBCI. It is CMBCI's plan for the Company to steadily develop internationally in Southeast Asia, North America and the EU, with the Company as the core and Hong Kong as the base, to better serve the internationalised business development of its own, and that of China Minsheng's customers. The Company will be playing an important role in the China Minsheng's sustainable development and receive comprehensive support from China Minsheng.
3. To enhance the fundraising ability of the Company, and to improve the current low registered capital of the Company, to provide support strong financial support for its overall business development. The Offeror intends the Company to utilise its listing status to raise funds in the future. Furthermore, with the new parentage of CMBCI and China Minsheng, the Company would be able to obtain more credit facilities to support its businesses.
4. To build an effective business collaboration and referral mechanism for business opportunities in mainland China and Hong Kong. The Offeror intends to make and implement achievable plans to open up the collaboration of mainland China and Hong Kong business opportunities arising from customers of China Minsheng Bank Group for the Company.
5. To improve and upgrade the existing securities service system and support the provision of new securities services and products for the Company. The Offeror expects the Group to serve a larger and more complex customer base intends for the Company to improve its existing securities service system. China Minsheng will utilise its strong information technology and data service system to support the transformation and upgrading of related systems of the Company.
6. To promote the integration of the Company into the comprehensive and global financial service system of China Minsheng and CMBCI. China Minsheng has established a diversified financial service system in mainland China, including businesses in leasing, asset management and fund management etc. CMBCI will actively participate in the diversified development of China Minsheng Bank Group through the Company, in particular, CMBCI will actively support the Company in providing services and/or participate in the merger and acquisition of overseas financial businesses.

7. To further improve the risk management capabilities of the Company by leveraging on China Minsheng's risk management expertise and experience. CMBCI, adhering to China Minsheng's stringent, efficient and pragmatic risk management philosophy, will provide guidance to the Company to operate all types of investment banking business in accordance with the principals of legal and compliance perseverance, prudent management, controllability risk and commercial sustainability. China Minsheng will share its database and research resources with the Company to enrich the market risk management concept, expand management tools and enhance the management quality.
8. To enhance the Company's brand and reputation. China Minsheng has a very high brand recognition in the world. China Minsheng is one of the Top 500 Banking Brands 2016 released by The Banker magazine, China Minsheng was ranked at No. 22 with a brand value of US\$8.4 billion. Upon completion of the Offers, China Minsheng will spare no effort in building the brand and reputation of the Company. Leveraging China Minsheng's global reputation and brand, CMBCI will vigorously promote the Company's reputation, and strengthen its domestic and overseas publicity, to attract more business opportunities.

Proposed change of Board composition

The Offeror intends to join the board of directors of Company and such appointment will not take effect earlier than posting of the Composite Offer Document or such other date as permitted under the Takeovers Code. It is also intended that all existing Directors will resign from the Board with effect from the earliest date as permitted under the Takeovers Code or other applicable laws (whichever is later).

Maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offers.

In the event that after the close of the Offers, the public float of the Company falls below 25%, the new Directors who will be nominated by the Offeror and to be appointed as Directors and the then director(s) of the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offers to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

I. INFORMATION ON THE GROUP

The Company is a company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the investment holdings, provision of brokerage, securities margin financing and related services, securities investment and real estate.

The following table is a summary of certain financial information of the Group for the two financial years ended 31 March 2015 and 31 March 2016.

| | Year ended 31 March | |
|--------------------------|---------------------|---------------------|
| | 2015 | 2016 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> |
| | <i>(audited)</i> | <i>(audited)</i> |
| Revenue | 301 | 57 |
| Gross profit | 32 | 47 |
| Profit/(Loss) before tax | 551 | (1,931) |

J. INFORMATION ON THE OFFEROR AND BRILLIANT DECENT

Information on the Offeror and its holding companies

The Offeror is a BVI Business Company incorporated in the British Virgin Islands, which is a direct wholly-owned subsidiary of CMBC International Investment (HK) Limited, which is in turn a direct wholly-owned subsidiary of CMBCI. Both the Offeror and CMBC International Investment (HK) Limited are established for the purpose of engaging in principal investments of CMBCI.

CMBCI is a direct wholly-owned subsidiary of China Minsheng and was established on 11 February 2015 in Hong Kong with the approval of China Banking Regulatory Commission. It has a registered capital of HK\$2 billion and is principally engaged in investment banking. As a holding company, CMBCI intends to apply for and obtain relevant business licenses from the regulatory authorities in Hong Kong through the subsidiaries established by it.

China Minsheng and its subsidiaries mainly provide corporate and personal banking, treasury business, finance leasing, asset management and other financial services in the PRC. China Minsheng is China's first national joint-stock commercial bank initiated and funded mainly by non-state-owned enterprises. As of the end of September 2016, it has grown into a large-scale commercial bank with more than RMB5.6 trillion of total assets and close to 60,000 employees. In the Top 1000 World Banks ranking released by The Banker magazine in July 2016, China Minsheng Bank was ranked No. 33. China Minsheng Bank was ranked No. 221 in the Global 500 list published by Fortune magazine in July 2016. Meanwhile, the investment banking business of China Minsheng Bank Group has been widely recognized in China and the brand influence continues to improve. In the past year, it won two awards "China Top 10 Investment Banks 2016" and "China Best Cross-border Financing Bank 2016".

China Minsheng has a extensive branch network in China. As of the end of June 2016, China Minsheng Bank had in total 42 branches in 41 cities, 1,083 sub-branches and outlets and 2,886 institutions nationwide (including head office, provincial branches and provincial branch business departments (excluding Hong Kong), secondary branches, cross district sub-branches, county sub-branches, same city sub-branches, small micro-franchise sub-branches, community outlets etc.).

China Minsheng also has a strong high quality customer base. As of the end of Jun 2016, China Minsheng had 761,100 local corporate deposit customers, 27.9853 million individual customers with positive bank balances and 15,517 private banking customers, a large number of which have diversified needs for global asset allocation and investment banking services.

Information on China Huarong, Brilliant Decent and its group

Brilliant Decent is a BVI Business Company incorporated in the British Virgin Islands, which is a direct wholly-owned subsidiary of China Huarong. Brilliant Decent is an investment holding company. China Huarong Asset Management Co., Limited, a company whose shares are listed on the Stock Exchange (stock code: 2799), indirectly owns 51% of the shares of China Huarong.

The principal business segments of China Huarong Asset Management Co., Limited and its subsidiaries are (i) distressed asset management, (ii) financial services, and (iii) asset management and investment. China Huarong Asset Management Co., Limited is a PRC state-owned non-banking financial institution, and the Ministry of Finance of the PRC is the controlling shareholder (as defined in the Listing Rules) of China Huarong Asset Management Co., Limited. The Ministry of Finance of the PRC was established in October 1949 as a department under the State Council responsible for the administration of revenue and expenditure and taxation policies of the PRC.

K. GENERAL

SGM

The SGM will be held for the purpose of considering and, if thought fit, approving the Resolutions by way of poll at the SGM. The Selling Shareholders, the Offeror, China Huarong, their respective associates and parties acting in concert with them will abstain from voting on the Resolutions at the SGM.

As at the date of this joint announcement, the Selling Shareholders hold an aggregate of 3,687,200,000 Shares, representing approximately 20.69% of the existing issued Shares of the Company.

Save for the interests in the Sale and Purchase Agreements and the Subscription Agreement, none of the Offeror, Brilliant Decent and parties acting in concert with them held any Shares as at the date of this joint announcement.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee comprising all the independent non-executive Directors has been formed to make a recommendation to (i) the Independent Shareholders in respect of the Subscription Agreement, the Distribution, the Special Dividend, the CSPT Disposal and the CSPT Supplemental Agreement; and (ii) the Independent Shareholders in respect of whether the Offers are fair and reasonable for acceptance or not.

The Independent Financial Adviser will be appointed by the Company and approved by the Independent Board Committee to advise (i) the Independent Board Committee, (ii) the Independent Shareholders in respect of the Subscription Agreement and transactions contemplated thereunder, the Distribution, the Special Dividend, the CSPT Disposal (as a special deal under Note 4 to Rule 25 of the Takeovers Code) and the CSPT Supplemental Agreement (as a special deal under Note 4 to Rule 25 of the Takeovers Code); and (ii) the Independent Shareholders in respect of the Offers. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee in respect of the Subscription Agreement and transactions contemplated thereunder, the Distribution, the Special Dividend, the CSPT Disposal and the CSPT Supplemental Agreement will be included in the Circular. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee in respect of the Offers, in particular, as to whether the Offers are, or are not, fair and reasonable and as to its acceptance, will be included in the Offer Document.

The Circular

A circular, which will contain, among other things, details of the Sale and Purchase Agreements, the Subscription Agreement, the Distribution, the Share Premium Cancellation, the Special Dividend, the CSPT Disposal, the CSPT Supplemental Agreement, the financial information on the Group, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Distribution, the Subscription Agreement, the Special Dividend, the CSPT Disposal(as a special deal under Note 4 to Rule 25 of the Takeovers Code) and the CSPT Supplemental Agreement(as a special deal under Note 4 to Rule 25 of the Takeovers Code), the respective transactions contemplated thereunder and a notice convening the SGM to be despatched to the Shareholders.

As additional time is required to prepare the information to be contained in the Circular, the Circular is expected to be despatched to the Shareholders on or no later than 30 April 2017.

Waiver of Rule 8.2 of the Takeovers Code

In accordance with Rule 8.2 of the Takeovers Code, the Offer Document is required to be posted by or on behalf of the Offeror within 21 days of the date of this joint announcement. However, as there are pre-conditions, i.e. the Sale and Purchase Completion, the Subscription Completion and completion of the Reorganisation to the making of the Offers, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document within seven (7) days of the fulfillment of such pre-conditions.

Dealing disclosure

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: THE OFFERS ARE A POSSIBILITY ONLY. AS THE OFFERS WILL ONLY BE MADE, AMONG OTHERS, AFTER THE SALE AND PURCHASE COMPLETION, THE SUBSCRIPTION COMPLETION AND THE REORGANISATION COMPLETION, WHICH ARE SUBJECT TO A NUMBER OF CONDITIONS, THE OFFERS MAY OR MAY NOT PROCEED. SHAREHOLDERS AND OPTION HOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

THE REORGANISATION (EXCEPT FOR THE CSPT DISPOSAL AND THE AFS DISPOSALS) IS CONDITIONAL UPON, AMONG OTHERS, ALL THE CONDITIONS PRECEDENT OF THE SALE AND PURCHASE AGREEMENTS AND THE SUBSCRIPTION AGREEMENT (OTHER THAN THE CONDITION THAT THE COMPLETION OF THE REORGANISATION IN COMPLIANCE WITH THE RELEVANT LAWS, RULES AND REGULATIONS AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SALE AND PURCHASE AGREEMENTS AND THE SUBSCRIPTION AGREEMENT) HAVING BECOME FULFILLED OR WAIVED. AS SUCH, THE REORGANISATION (EXCEPT FOR THE CSPT DISPOSAL AND THE AFS DISPOSALS) MAY OR MAY NOT PROCEED.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 8 March 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 March 2017.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the meanings set out below:

| | |
|---------------------|--|
| “acting in concert” | has the same meaning ascribed to it under the Takeovers Code |
| “Adjusted NTAV” | the adjusted unaudited net tangible asset value of the Group after completion of the Reorganisation and before the completion of Subscription, based on net tangible assets value of the Group and adjusted for the disposal of the AFS (as mentioned in the announcement of the Company dated 6 March 2017 relation to the AFS Disposals), the Special Dividend, the Distribution and the CSPT Disposal |
| “AFS Disposals” | the disposals of the available-for-sale investments by the Group as disclosed in the announcement of the Company dated 6 March 2017 |
| “associate” | has the same meaning ascribed to it under the Listing Rules |
| “Brilliant Decent” | Brilliant Decent Limited, which is a direct wholly-owned subsidiary of China Huarong |
| “Board” | the board of Directors |
| “Business Day(s)” | a day on which the banks are open for business in Hong Kong, other than Saturdays, Sundays and public holidays and/or a day on which the Stock Exchange is open for the transaction of business |
| “BVI” | the British Virgin Islands |

| | |
|---------------------------|--|
| “Companies Act” | the Companies Act 1981 of Bermuda (as revised from time to time) |
| “Circular” | a circular of the Company, which will contain, among other things, details of the Sale and Purchase Agreement, the Subscription Agreement, the Distribution, the Special Dividend, the Share Premium Cancellation, and financial information on the Group, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Subscription Agreement, the Distribution and the Special Dividend and the respective transactions contemplated thereunder and a notice convening the SGM to be despatched to the Shareholders |
| “China Huarong” | China Huarong Overseas Investment Holdings Company Limited, which is an indirect 51% owned subsidiary of China Huarong Asset Management Co., Limited (stock code: 2799) |
| “China Minsheng” | China Minsheng Banking Corporation Limited, a joint stock limited company incorporated in the PRC and whose shares are listed on the main board of the Stock Exchange (stock code: 01988) and the Shanghai Stock Exchange |
| “CMBCI” | CMBC International Holdings Limited, a limited liability company incorporated in Hong Kong, which is a direct wholly-owned subsidiary of China Minsheng |
| “Company” | Skyway Securities Group Limited, a company incorporated in Bermuda with limited liability, the Shares are listed on the Main Board of the Stock Exchange with the stock code 1141 |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “controlling shareholder” | has the meaning ascribed to it in the Listing Rules |

| | |
|-------------------------------|--|
| “Convertible Bonds” | the convertible bonds in the principal amount of HK\$205,000,000 to be issued by CSPT to the Group upon completion of the CSPT Disposal as announced on 28 November 2016 |
| “CSPT” | China Soft Power Technology Holdings Limited, a company incorporated Bermuda with limited liability and the issued CSPT Shares of which are listed on the Main Board of the Stock Exchange (stock code: 139) |
| “CSPT Disposal” | the disposal of the entire equity interests of Sky Eagle Global Limited by the CSPT Vendor to CSPT Purchaser as announced on 28 November 2016 (as amended by the CSPT Supplemental Agreement as disclosed herein) |
| “CSPT Disposal Agreement” | the conditional sale and purchase agreement dated 28 November 2016 and entered into between the CSPT Purchaser and the CSPT Vendor in relation to the CSPT Disposal |
| “CSPT Purchaser” | Celestial Lodge Limited, the wholly owned subsidiary of CSPT as purchaser under the CSPT Disposal |
| “CSPT Vendor” | Gold Mission Limited, vendor to the CSPT Disposal Agreement, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company |
| “CSPT Supplemental Agreement” | the conditional supplemental agreement dated 7 March 2017 and entered into between the CSPT Purchaser and the CSPT Vendor to amend certain terms of the CSPT Disposal |
| “CSPT Shares” | shares of HK\$0.01 each in the share capital of CSPT |
| “Directors” | the director(s) of the Company, from time to time |
| “Distribution” | the proposed distribution in specie of all the CSPT Shares held by the Group and all the FW Shares held by the Group to the Shareholders whose names are registered on the register of members of the Company on the Record Date |

| | |
|-------------------------------|---|
| “Distribution Conditions” | the condition(s) precedent to the Distribution, further details of which are set out in the section headed “C. Distribution – Conditions precedent to the Distribution” of this joint announcement |
| “Encumbrances” | any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind |
| “Executive” | Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director |
| “Future World” | Future World Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued FW Shares are listed on the Main Board of the Stock Exchange (stock code: 572) |
| “FW Shares” | the shares of HK\$0.001 each in the share capital of Future World |
| “Governmental Authority” | any governments, courts, governmental, regulatory or official authorities, departments, agencies or bodies, stock exchange whether in Hong Kong, the PRC or elsewhere including but not limited to the Stock Exchange and the SFC and “Governmental Authority” means any one of them |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent committee of the Board comprising all the independent non-executive Directors which has been established by the Company to make recommendations to the Independent Shareholders in respect of the Subscription Agreement, the Distribution and the Special Dividend and the transactions contemplated thereunder to be voted by the Independent Shareholders at the SGM, and whether the Offers are fair and reasonable for acceptance or not |

| | |
|---------------------------------|---|
| “Independent Financial Adviser” | the independent financial adviser to be appointed by the Company and approved by the Independent Board Committee to advise (i) the Independent Board Committee, (ii) the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder, the Distribution, the Special Dividend, the CSPT Disposal and the CSPT Supplemental Agreement to be voted by the Independent Shareholders at the SGM, and whether the Offers are fair and reasonable and as to acceptance or not |
| “Independent Shareholders” | Shareholders other than CSPT, the Selling Shareholders, the Offeror and parties acting in concert with it, Brilliant Decent and their respective associates and parties acting in concert with them; and those who are involved in or interested in the Sale and Purchase Agreements, the Subscription Agreement, the CSPT Disposal and the CSPT Supplemental Agreement |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules |
| “Last Trading Day” | 7 March 2017, being the last trading day for the Shares immediately prior to the publication of this joint announcement |
| “Listing Committee” | the Listing Committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Management Accounts” | unaudited pro forma consolidated management accounts of the Group (after taking into consideration of necessary adjustments as a result of the Reorganisation) as at the date on which the Subscription Conditions have been fulfilled, other than Subscription Conditions in relation to the provision of Management Accounts (or such other date as the parties to the Subscription Agreement may agree) |

| | |
|--------------------|---|
| “MOU” | the memorandum of understanding dated 16 December 2016 entered into among the Selling Shareholders, the Offeror, China Huarong and the Company as disclosed in the MOU Announcement |
| “MOU Announcement” | the announcement dated 16 December 2016 issued by the Company in relation to the entering into of the MOU |
| “Mr. Lam” | Mr. Lam Hoi Sze, one of the Selling Shareholders and the vendor to the Sale and Purchase Agreement I |
| “Ms. Ai” | Ms. Ai Qing, one of the Selling Shareholders and the vendor to the Sale and Purchase Agreement II |
| “Offer Document” | the offer and response document (in either composite or separate form) together with the form of acceptance and transfer to be despatched to the Shareholders and the Optionholders pursuant to the Offers |
| “Offeror” | CMBC International Investment Limited (民銀國際投資有限公司), a BVI Business Company incorporated in the BVI, which is an indirect wholly-owned subsidiary of CMBCI |
| “Offer Period” | has the meaning given to it in the Takeovers Code, which have commenced since 16 December 2016, being the date of the announcement of the Company in respect of the MOU and will end on the date of close of the Offer, which is expected to be the 21 days after the posting of the Offer Document |
| “Offer Share(s)” | all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it (including Brilliant Decent) |
| “Offers” | together the Share Offer and the Option Offer |
| “Option” | outstanding share options granted by the Company under its share option scheme |
| “Optionholder(s)” | holder(s) of the Option(s) |

| | |
|---------------------------------------|--|
| “Option Offer” | the possible unconditional mandatory cash general offer to be made by Platinum on behalf of the Offeror for all the outstanding Options pursuant to Rule 26.1 of the Takeovers Code |
| “Option Offer Price” | the price at which the Option Offer will be made, being HK\$0.001 per Option |
| disposal “Overseas Shareholder(s)” | Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong |
| “Platinum” | Platinum Securities Company Limited |
| “PRC” | the People’s Republic of China |
| “Record Date” | the date for determining the entitlements of the Shareholders to the proposed Distribution and Special Dividend which to be fixed at a date prior to the Sale and Purchase Completion and the Subscription Completion |
| “Reorganisation” | together the CSPT Disposal, the AFS Disposals, the disposal or striking off of subsidiaries other than the three licensed corporations comprising the Remaining Group, the Distribution and the Special Dividend, immediately after which the Group will consist of only the Remaining Group |
| “Remaining Group” | the Company and its subsidiaries immediately after the completion of the Reorganisation, namely Skyway Securities Investment Limited, Skyway Futures Limited and Skyway Asset Management Limited |
| “Resolutions” | all resolutions required under the relevant laws and regulations to effect the Subscription Agreement, the Distribution, the Special Dividend and transactions contemplated thereunder to be voted by the Independent Shareholders at the SGM |
| “Sale and Purchase Agreements” | the Sale and Purchase Agreement I and the Sale and Purchase Agreement II collectively |

| | |
|-------------------------------------|--|
| “Sale and Purchase Agreement I” | the conditional sale and purchase agreement dated 7 March 2017 entered into between Mr. Lam as vendor and the Offeror as purchaser in respect of the sale and purchase of 2,527,200,000 Sale Shares by Mr. Lam to the Offeror |
| “Sale and Purchase Agreement II” | the conditional sale and purchase agreement dated 7 March 2017 entered into between Ms. Ai as vendor and Brilliant Decent as purchaser in respect of the sale and purchase of 900,000,000 Sale Shares by Ms. Ai to Brilliant Decent |
| “Sale and Purchase Completion” | the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreements |
| “Sale and Purchase Completion Date” | the date on which the Sale and Purchase Completion shall take place |
| “Sale and Purchase Long Stop Date” | 30 June 2017 (or such later date as may be agreed between the parties to the Sale and Purchase Agreements) |
| “Sale and Purchase Condition(s)” | the condition(s) precedent to the Sale and Purchase Completion, further details of which are set out in the section headed “A. Sale and Purchase Agreements – Conditions precedent to the Sale and Purchase Agreements” of this joint announcement |
| “Sale Shares” | an aggregate of 3,427,200,000 Shares, legally and beneficially owned and by the Selling Shareholders |
| “Selling Shareholders” | Mr. Lam and Ms. Ai |
| “SFC” | the Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time |

| | |
|------------------------------|--|
| “SGM” | a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement, the Distribution, the Special Dividend, the Share Premium Cancellation, the CSPT Disposal, the CSPT Supplemental Agreement and the transactions contemplated thereunder |
| “Shares” | the ordinary shares of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Shares |
| “Share Offer” | the possible unconditional mandatory cash general offer to be made by Platinum on behalf of the Offeror for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code |
| “Share Offer Completion” | the completion of the Share Offer |
| “Share Offer Price” | the price at which the Share Offer will be made, being HK\$0.06 per Share |
| “Share Premium Account” | the share premium account of the Company |
| “Share Premium Cancellation” | the proposed cancellation of the entire amount standing to the credit of the Share Premium Account of the Company |
| “Special Dividend” | the proposed dividend in the amount of no less than HK\$0.021 per Share to be declared and distributed to the Shareholders whose names are registered on the register of members of the Company on the Record Date before the Sale and Purchase Completion and the Subscription Completion |
| “Specific Mandate” | the mandate to be granted by the Shareholders authorizing the Board to allot and issue the Subscription Shares to the Subscriber(s) at the Subscription Price |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber(s)” | the Offeror and Brilliant Decent |

| | |
|--------------------------------|--|
| “Subscription” | the subscription for the Subscription Shares by the Subscriber(s) pursuant to the Subscription Agreement |
| “Subscription Agreement” | the conditional subscription agreement dated 7 March 2017 and entered into between the Company as issuer and the Subscribers as subscribers in relation to the Subscription |
| “Subscription Completion” | completion of the Subscription pursuant to the Subscription Agreement |
| “Subscription Completion Date” | the date on which the Subscription Completion shall take place, which shall be the same date as the Sale and Purchase Completion Date |
| “Subscription Conditions” | the condition(s) precedent to Subscription Completion, further details of which are set out in the section headed “B. Subscription Agreement – Conditions precedent to the Subscription Agreement of this joint announcement |
| “Subscription Long Stop Date” | 30 June 2017 (or such later date as may be agreed between the parties to the Subscription Agreement) |
| “Subscription Price” | the subscription price of HK\$0.032 per Subscription Share |
| “Subscription Shares” | a total of 26,950,000,000 new Shares to be subscribed by the Subscribers and issued by the Company at the Subscription Price |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Trading Day” | a day when the Stock Exchange is open for trading in Hong Kong |
| “Transaction Documents” | the Sale and Purchase Agreements and the Subscription Agreement |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

“US\$” United States dollars, the lawful currency of United States

“%” per cent.

By Order of the Board
CMBC International Investment Limited
Shek Yeung, Eric
Director

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

By Order of the Board
CMBC International Holdings Limited
Li Jinze
Director

By Order of the Board
China Huarong Overseas Investment Holdings Company Limited
Yang Hongwei
Director

Hong Kong, 8 March 2017

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

Executive Directors:

Ms. Lin Yuehe (*Chairlady*)

Mr. Wang Haixong (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Chan Kwan Pak

Mr. Siu Gee Tai

Mr. Siu Siu Ling Robert

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, China Huarong, their respective associates and parties acting in concert with them) and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

Mr. Lam accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, China Huarong, their respective associates and parties acting in concert with them) and confirms having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Shek Yeung, Eric and Li Jianyang.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Selling Shareholders, China Huarong, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the directors of CMBCI are Hong Qi, Wang Hang, Wong Stacey Martin, Li Jinze and Shi Jie.

The directors of CMBCI jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Selling Shareholders, China Huarong, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the directors of China Huarong are Yang Hongwei, Wang Jinglan, Sun Siu Kit, Fu Qunming and Fan Haibo.

The directors of China Huarong jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Selling Shareholders, the Offeror, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.