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(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

(Warrant Code: 1153)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



SKYWAY SECURITIES INVESTMENT LIMITED

THE PLACING

On 3 May 2016 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 2,550,000,000 Placing Shares at the Placing Price of HK\$0.18 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the Specific Mandate to be sought at the SGM.

* For identification purpose only

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 20.06% of the existing issued share capital of the Company of 12,712,256,566 Shares as at the date of this announcement; and (ii) approximately 16.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$25,500,000.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$459,000,000 and HK\$442,000,000 respectively. The Company intends to utilise the net proceeds from the Placing as to (i) approximately 40% for brokerage and related services; (ii) 35% for securities investment; (iii) 15% for money lending business; and (iv) the remaining balance for general working capital.

Since completion of the Placing is subject to the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Placing Agreement” in this announcement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

3 May 2016 (after trading hours)

Issuer

The Company

Placing Agent

Skyway Securities Investment Limited, the wholly-owned subsidiary of the Company

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 2,550,000,000 Placing Shares to independent Placees. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

The Placing Agent will charge the Company a placing commission of 3.5% of the aggregate Placing Price for the Placing Shares actually placed by the Placing Agent plus any other out-of-pocket expenses reasonably and properly incurred by the Placing Agent in relation to the Placing.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) are Independent Third Parties. The Placing Agent will use its best endeavour to ensure that none of the Placees will immediately upon Completion become a substantial Shareholder (as defined under the Listing Rules).

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 2,550,000,000 Placing Shares under the Placing represents (i) approximately 20.06% of the existing issued share capital of the Company of 12,712,256,566 Shares as at the date of this announcement; and (ii) approximately 16.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$25,500,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon allotment and issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.18 per Placing Share represents:

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

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$0.173 per Placing Share.

Specific Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the Specific Mandate to be sought and approved by the Shareholders at the SGM.

Application for listing of Placing Shares

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

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, all of the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; and
- (iii) the passing of necessary resolution(s) by the Shareholders at the SGM to approve the Placing Agreement and the transactions contemplated thereunder;

on or before 15 July 2016 (or such later date as the parties to the Placing Agreement may agree) (the "**Long Stop Date**").

If the above conditions are not satisfied on or before the Long Stop Date, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither the Placing nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, indemnity, reimbursements and undertakings by the Placing Agent).

Completion of the Placing

Completion shall take place on the third Business Day after the fulfillment of the conditions set out in the above paragraph headed “Conditions of the Placing Agreement” (or such other date and place as the parties to the Placing Agreement may agree in writing) (the “**Completion Date**”).

Force majeure

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing;
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed;
- (iv) any statement contained in (i) this announcement, (ii) the circular of the Company in relation to, among others, the Placing Agreement and the SGM or (iii) previous announcements and circulars issued by the Company since the publication of the latest annual report of the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (v) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or

- (vi) any event of force majeure (being an event beyond the control of the parties to the Placing Agreement and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties to the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, indemnity, reimbursements and undertakings by the Placing Agent.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Since completion of the Placing is subject to the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Placing Agreement” in this announcement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in supply and procurement of commodities, provision of finance and securities investment.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$459,000,000 and HK\$442,000,000 respectively. The Company intends to utilize the net proceeds from the Placing 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 Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities and obligations. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

Save as disclosed above, the Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
China Soft Power Technology Holdings Limited	2,749,935,829	21.63%	2,749,935,829	18.02%
Lam Hoi Sze	2,106,000,000	16.57%	2,106,000,000	13.80%
<i>Public Shareholders: -</i>				
- Placees (Note)	-	-	2,550,000,000	16.70%
- Other Shareholders	7,856,320,737	61.80%	7,856,320,737	51.48%
Total	12,712,256,566	100.00%	15,262,256,566	100.00%

Note:

Pursuant to the Placing Agreement, the Placing Agent will use its best endeavour to ensure that none of the Placees will immediately upon Completion become a substantial Shareholder (as defined under the Listing Rules).

POSSIBLE ADJUSTMENTS TO THE WARRANTS

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

GENERAL

The Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the SGM. Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

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

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Skyway Securities Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and any of their respective associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of up to 2,550,000,000 Placing Shares on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Skyway Securities Investment Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 3 May 2016 in relation to the Placing
“Placing Price”	HK\$0.18 per Placing Share
“Placing Share(s)”	up to 2,550,000,000 new Shares to be placed pursuant to the Placing Agreement
“SGM”	the special general meeting of the Company to be held and convened to approve the Placing and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Specific Mandate”	the specific mandate to allot and issue the Placing Shares to be sought at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 3 May 2016

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

Executive Directors:

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

Independent Non-executive Directors:

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