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**天順證券集團有限公司\***  
**SKYWAY SECURITIES GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1141)

(Warrant Code: 1153)

**MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF THE POSSIBLE SUBSCRIPTION INVOLVING  
POSSIBLE APPLICATION OF WHITEWASH WAIVER  
AND  
RESUMPTION OF TRADING**

**THE POSSIBLE SUBSCRIPTION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board announces that, on 29 July 2016, the Company and the Subscriber entered into the Memorandum of Understanding, pursuant to which the Company intends to issue, and the Subscriber intends to subscribe for, the Subscription Shares. The Subscription Shares would represent not less than 51% of the enlarged issued share capital of the Company as enlarged by allotment and issue of the Subscription Shares and any Shares that may be issued pursuant to the exercise of the share options and Warrants of the Company upon Completion on a fully diluted basis.

**The Board wishes to emphasize that no binding agreement in relation to the Possible Subscription has been entered into as at the date of this announcement. As such, the Possible Subscription may or may not proceed. Further announcement in respect of the Possible Subscription will be made by the Company in the event that the Formal Agreement has been signed. Shareholders and potential investors of the Company are advised to exercise caution when dealings in the Shares and/or any securities of the Company.**

\* For identification purposes only

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange has been halted with effect from 9:00 a.m. on 29 July 2016 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 and the Warrants on the Stock Exchange with effect from 9:00 a.m. on 1 August 2016.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

## **MEMORANDUM OF UNDERSTANDING**

The Board announces that, on 29 July 2016, the Company and the Subscriber entered into the Memorandum of Understanding, pursuant to which the Company intends to issue, and the Subscriber intends to subscribe for, the Subscription Shares.

Details of the Memorandum of Understanding are set out below.

## **THE MEMORANDUM OF UNDERSTANDING**

**Date:** 29 July 2016

**Parties:** (i) The Company as issuer

(ii) Soochow Securities (Hong Kong) Financial Holdings Limited, as the Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a wholly owned subsidiary of Soochow Securities Co., Ltd., a China-based securities company listed on the Shanghai Stock Exchange with stock code 601555. Soochow Securities Co., Ltd. is principally engaged in securities brokerage, securities investment advisory, securities dealing and investment consultancy, acting as underwriter and sponsor and securities asset management businesses. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is a third party independent of and not connected or acting in concert with the Company or any of its connected persons as at the date of this announcement.

## **Subject Matter**

Pursuant to the Memorandum of Understanding, the Company intends to issue, and the Subscriber intends to subscribe for, the Subscription Shares. The Subscription Shares would represent not less than 51% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and any Shares that may be issued pursuant to the exercise of the share options and Warrants of the Company upon Completion on a fully diluted basis. The Subscriber intends to apply for the Whitewash Waiver in respect of the Possible Subscription and it is the intention of the parties that the Possible Subscription will not proceed if the Whitewash Waiver is not available.

For the avoidance of doubt, the actual number of the Subscription Shares and the consideration for the Possible Subscription and the relevant provisions are to be agreed by the Company and the Subscriber upon the execution of the Formal Agreement.

## **Formal Agreement**

The Company and the Subscriber shall negotiate in good faith to procure that the Formal Agreement regarding the Possible Subscription can be entered into on or before the date falling 90 days after the date of the Memorandum of Understanding (or such later date as the parties thereto may agree in writing) (the “**Long Stop Date**”).

The Possible Subscription is subject to the execution and completion of the Formal Agreement. If the Formal Agreement materialises, the Company will comply with the relevant requirements under the Listing Rules and the Takeovers Code as and when appropriate.

The Memorandum of Understanding does not constitute a legally-binding commitment of the parties to the Memorandum of Understanding in respect of the consummation of the Possible Subscription. Save as aforesaid, other provisions of the Memorandum of Understanding (including those relating to undertakings by the Company, exclusivity, confidentiality, costs and expenses and governing law of the Memorandum of Understanding) are legally binding.

## **Due Diligence**

The Subscriber shall and shall procure its advisers and agents to conduct due diligence review (the “**Due Diligence**”) on the assets, indebtedness, legal, financial and other aspects of the Group on or before the Long Stop Date.

## **Undertakings by the Company**

The Company undertakes that from the date of the Memorandum of Understanding up to the Long Stop Date, it will not take any action which would affect its ordinary operation and any illegal actions and unless with the prior written consent of the Subscriber, it will not:

- (a) save as disclosed, affect the share capital structure of the Company or take any action which would cause changes in its share capital structure;
- (b) save as disclosed and otherwise in the course of ordinary business of the Group, make investment, set up companies, provide advances and loans to third parties and provide guarantee to third parties;
- (c) save as disclosed, carry out any transaction which would constitute a notifiable transaction under Chapter 14 of the Listing Rules; and
- (d) save as disclosed, carry out any non-exempted connected transaction, continuing connected transaction or financial assistance under Chapter 14A of the Listing Rules.

## **Exclusivity**

Pursuant to the Memorandum of Understanding, the Company will not prior to the Long Stop Date directly or indirectly negotiate with any party (other than the Subscriber) for the Possible Subscription or enter into discussions, negotiations or reach any agreement, declaration or arrangement with any party (other than the Subscriber) regarding investment in the Company.

## **WARNING**

**The Board wishes to emphasize that no binding agreement in relation to the Possible Subscription has been entered into as at the date of this announcement. As such, the Possible Subscription may or may not proceed. Further announcement in respect of the Possible Subscription will be made by the Company in the event that the Formal Agreement has been signed. Shareholders and potential investors of the Company are advised to exercise caution when dealings in the Shares and/or any securities of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange has been halted with effect from 9:00 a.m. on 29 July 2016 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 and the Warrants on the Stock Exchange with effect from 9:00 a.m. on 1 August 2016.

## DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Company”	Skyway Securities Group Limited, a company incorporated under the laws of Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141)
“Completion”	completion of the Possible Subscription
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal subscription agreement which may or may not be entered into in relation to the Possible Subscription
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the non-legally binding memorandum of understanding dated 29 July 2016 and entered into between the Company and the Subscriber setting out the preliminary understanding in relation to the Possible Subscription

“Possible Subscription”	the possible subscription of the Subscription Shares by the Subscriber as contemplated under the Memorandum of Understanding and subject to the execution of the Formal Agreement
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Soochow Securities (Hong Kong) Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Soochow Securities Co., Ltd., a company listed on the Shanghai Stock Exchange with stock code 601555
“Subscription Shares”	new Shares which may be allotted and issued to the Subscriber pursuant to the Formal Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrants”	the listed warrants of the Company conferring rights to the holders thereof to subscribe in cash for new Shares

"Whitewash Waiver"	a waiver from the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber and its concert parties to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the relevant Subscriber or parties acting in concert with it which would, if they proceed, otherwise arise upon the Completion
"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, 29 July 2016

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

*Executive Directors:*

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

*Independent Non-executive Directors:*

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

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*