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**SkyNet Group Limited**  
**航空互聯集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8176)**

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**THE SUBSCRIPTION**

The Board is pleased to announce that on 16 June 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 21,000,000 Subscription Shares, at a Subscription Price of HK\$6.25 per Subscription Share on the Completion Date.

The gross proceeds and net proceeds from the Subscription are HK\$131,250,000 and approximately HK\$130,000,000 respectively. As at the date of this announcement, the net proceeds of approximately HK\$130,000,000 are intended to be applied as follows:

- (i) as to approximately HK\$50,000,000 for construction of production plants; and
- (ii) as to approximately HK\$80,000,000 for general working capital of the Group (including but not limited to the purchase costs of inventory required for production, staff costs, general administrative expenses and sales and marketing expenses).

The 21,000,000 Subscription Shares represents approximately 4.61% of the issued share capital of the Company as at the date of this announcement and approximately 4.41% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be issued under the General Mandate.

**Since the Subscription is subject to the Conditions set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## INTRODUCTION

The Board is pleased to announce that on 16 June 2017 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 21,000,000 Subscription Shares, at a Subscription Price of HK\$6.25 per Subscription Share on the Completion Date.

The Company has been informed by the Subscriber that, on the same date of the Subscription Agreement, the Subscriber as purchaser has entered into five respective share sale and purchase agreements with five respective sellers (collectively, the “**Sale and Purchase Agreements**”) relating to the sale and purchase of, in aggregate, 79,846,009 Shares at a purchase price of HK\$6.25 per Share (collectively, the “**Sales and Purchases**”).

## THE SUBSCRIPTION AGREEMENT

### Date

16 June 2017

### Parties

Issuer: SkyNet Group Limited

Subscriber: HKBridge Absolute Return Fund, L.P., a Cayman Islands exempted limited partnership through HKBridge (Cayman) GP2 Limited as the general partner of HKBridge Absolute Return Fund L.P.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

### Subscription Shares

The 21,000,000 Subscription Shares represents approximately 4.61% of the total issued share capital of the Company as at the date of this announcement and approximately 4.41% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$2,100,000.

## Subscription Price

The Subscription Price of HK\$6.25 per Subscription Share represents:

- (a) a discount of approximately 16.67% to the closing price of HK\$7.50 per Share as quoted on the Stock Exchange on 16 June 2017, being the date of the Subscription Agreement; and
- (b) a discount of approximately 19.87% to the average closing price of HK\$7.80 per Share as quoted on the Stock Exchange for the last five trading days up to the date immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Subscriber and the Company with reference to, among others, the current market conditions, the recent trading performance of the Shares and business prospects of the Group. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## Conditions precedent

Completion shall be conditional on the following Conditions being satisfied or waived:

1. the current listing of the Shares not having been cancelled or withdrawn, the Shares continuing to be traded on the Stock Exchange at all times from the date of the Subscription Agreement to the Completion Date (save for any temporary suspension pending any announcement in connection with the Subscription Agreement) and neither the Stock Exchange nor the SFC having indicated that it will or may qualify, object to, suspend, cancel or withdraw such listing and/or dealings in the Shares and, without prejudice to the generality of the foregoing, no circumstances existing based on which the SFC could exercise its powers under Section 8 of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong);
2. the listing of and permission to deal in the Subscription Shares being granted by the Stock Exchange and remained valid and subsisting;
3. the Company having obtained all necessary approvals, licences, permits, consents, authorizations and notifications (collectively, "**Approvals**") from any third party (save for government, regulatory or shareholders' (where required) Approvals) for the Subscription and the transactions contemplated under the Subscription Agreement;
4. the Company having obtained all necessary government, regulatory and shareholders' (where required) Approvals for the Subscription and the transactions contemplated under the Subscription Agreement;

5. the Company's warranties set out in the Subscription Agreement continuing to be true, accurate and complete in all respects as at Completion;
6. the Company having performed all of its obligations hereunder expressed to be performed on or before such date;
7. no Material Adverse Effect on the members of the Group having occurred since the date of the Subscription Agreement;
8. no injunction, interim or otherwise, having been granted in respect of the Company which would prohibit the Company to enter into and perform its obligations under the Subscription Agreement;
9. the Company having (i) sufficient and valid mandate approved at a general meeting of the Company and (ii) sufficient authorized share capital for the allotment and issue of the Subscription Shares;
10. the Sales and Purchases having become unconditional (save for the condition requiring the Subscription Agreement to be unconditional) in accordance with the terms of the Sale and Purchase Agreements respectively;
11. all necessary approvals required to complete the Subscription by the Subscriber (other than governmental, regulatory or shareholder approvals required for China HKBridge (where applicable)) under applicable laws having been obtained and remained valid and subsisting;
12. all necessary governmental, regulatory and shareholder approvals required for China HKBridge (where applicable) to complete the Subscription by the Subscriber having been obtained and remained valid and subsisting; and
13. the SFC not having raised any objection or concern that the Subscription and the Sales and Purchases will trigger any general offer obligation on or for and on behalf of the Subscriber under Rule 26 of the Takeovers Code to acquire all the issued shares or securities in the Company not already owned or agreed to be acquired by the Subscriber or parties acting in concert (as such term is defined in the Takeovers Code) with it.

The Subscriber may in its sole and absolute discretion waive either in whole or in part the Conditions set out in paragraphs 3, 5, 6, 7, 8, 10 and 11 above at any time by notice in writing to the Company. The Conditions set out in paragraphs 1, 2, 4, 9, 12 and 13 above are not waiveable by the Subscriber.

In the event that any of the Conditions shall not have been fulfilled (or waived pursuant to the Subscription Agreement) prior to 31 July 2017 (or such other date as the parties may agree), then the Subscriber shall not be bound to proceed with the transactions contemplated under the Subscription Agreement and (without prejudice to the rights and/or obligations of any party in respect of any antecedent breach) the parties shall be released and discharged from their respective obligations under the Subscription Agreement.

## **Completion**

Subject to the satisfaction or waiver of the Conditions, Completion shall take place on the Completion Date which shall be (a) the date on which Completion is scheduled to occur, which shall be (i) 15 July 2017 or (ii) any Business Day within five Business Days after the date on which all the Conditions have been satisfied (or waived in accordance with the Subscription Agreement) as the Company and the Subscriber may mutually agree, or failing agreement, on the fifth Business Day, whichever is later, or on such other date as the parties may agree; and (b) if Completion having occurred in accordance with the Subscription Agreement, the date on which Completion occurs.

Completion under the Subscription Agreement shall be inter-conditional upon and simultaneous with the completion of the Sales and Purchases between the Subscriber and the five respective sellers in accordance with the terms of the Sale and Purchase Agreements.

Immediately upon completion of the Subscription and the Sales and Purchases, the Subscriber will become a substantial shareholder of the Company.

## **Ranking of the Subscription Shares**

The Subscription Shares shall rank *pari passu* in all respects with the Shares in issue as at the Completion Date, and shall be allotted and issued by the Company free from all encumbrances and together with all rights attaching thereto upon allotment and issue and at any time thereafter, including all rights to any dividend or other distribution declared, made or payable by reference to a record date falling on or after the Completion Date.

## **The General Mandate**

The Subscription Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Directors are authorized to allot and issue up to 91,043,933 Shares, being 20% of the total number of Shares in issue of the Company as at the date of the annual general meeting held on 8 May 2017, which was 455,219,666 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares. As such, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval at a general meeting of the Company.

## **Application for listing**

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

## **INFORMATION ABOUT THE SUBSCRIBER**

The Subscriber is a Cayman Islands exempted limited partnership the general partner of which is HKBridge (Cayman) GP2 Limited, a Cayman Islands limited liability company. The entire issued share capital of the general partner of the Subscriber is indirectly owned by China HKBridge. The Subscriber is a collective investment scheme principally engaged in private equity and private equity-styled financial investments for the benefit of its limited partners. Such investments are undertaken by the Subscriber acting exclusively through its general partner, acting in accordance with the constitutional or governing documents of the Subscriber, and on the advice of the manager appointed from time to time by the general partner.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Directors are of the view that the Subscription will provide a good opportunity to raise additional funds to strengthen the financial position and broaden the shareholder and capital base of the Group so as to facilitate the future development of the Group. Accordingly, the Board considers that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds and net proceeds from the Subscription are HK\$131,250,000 and approximately HK\$130,000,000 respectively. As at the date of this announcement, the net proceeds of approximately HK\$130,000,000 are intended to be applied as follows:

- (i) as to approximately HK\$50,000,000 for construction of production plants; and
- (ii) as to approximately HK\$80,000,000 for general working capital of the Group (including but not limited to purchase costs of inventory required for production, staff costs, general administrative expenses and sales and marketing expenses).

The net price of each Subscription Share will be approximately HK\$6.19.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not carried out any issue of equity securities for the purpose of fund raising during the 12 months immediately preceding the date of this announcement:

| <b>Date of initial announcement</b> | <b>Fund raising activity</b>  | <b>Net proceeds raised (approximately)</b> | <b>Proposed use of the net proceeds</b>   | <b>Actual use of net proceeds</b>  |
|-------------------------------------|---|--|---|--|
| 23 November 2016                    | Placing of 35,416,666 new Shares at the placing price of HK\$4.80 per Share under general mandate | HK\$167.7 million                          | (i) as to approximately HK\$46.30 million to settle the shareholders' loan due by Engineering Services Inc.; and<br><br>(ii) as to approximately HK\$121.40 million as general working capital of the Group | (i) approximately HK\$46.30 million has been utilised to settle the shareholders' loan due by Engineering Services Inc.;<br><br>(ii) approximately HK\$96.26 million has been utilised as general working capital of the Group; and<br><br>(iii) the rest remains in bank and shall be used as intended. |

## EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion and the completion of the Sales and Purchases (assuming there will not be any change in issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the Subscription Shares):

| Shareholders   | As at the date of this announcement |               | Immediately after Completion and the completion of the Sales and Purchases (assuming there will not be any change in issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the Subscription Shares) |               |
|--|-------------------------------------|---------------|---|---------------|
|  | No. of Shares                       | Approximate % | No. of Shares   | Approximate % |
| Xing Hang Limited ( <i>Note 1</i> )                    | 179,925,549                         | 39.53         | 179,925,549   | 37.78         |
| Hong Kong Bridge Investments Limited ( <i>Note 2</i> ) | 41,666,666                          | 9.15          | 41,666,666  | 8.75          |
| Subscriber ( <i>Note 3</i> )                           | —                                   | —             | 100,846,009   | 21.18         |
| Other public Shareholders                              | 233,627,451                         | 51.32         | 153,781,442   | 32.29         |
| <b>Total</b>   | <b>455,219,666</b>                  | <b>100.00</b> | <b>476,219,666</b>  | <b>100.00</b> |

*Notes:*

1. Xing Hang Limited is ultimately owned as to 65% by Mr. Cai Zhaoyang, an executive Director.
2. Hong Kong Bridge Investments Limited is an indirectly wholly-owned subsidiary of China HKBridge.
3. The Subscriber is a Cayman Islands exempted limited partnership the general partner of which is HKBridge (Cayman) GP2 Limited, a Cayman Islands limited liability company. The entire issued share capital of the general partner of the Subscriber is indirectly owned by China HKBridge.

**Since the Subscription is subject to the Conditions set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

|                    |   |
|--------------------|---|
| “Board”            | the board of Directors of the Company   |
| “Business Day”     | a day (other than a Saturday or Sunday or public holiday and any other day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in the city in which the specified office of the registrar is located and in Hong Kong and the PRC, and “Business Days” shall be construed accordingly  |
| “China HKBridge”   | China HKBridge Holdings Limited (stock code: 2323), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange   |
| “Company”          | SkyNet Group Limited (stock code:8176), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM  |
| “Completion”       | the completion of the Subscription in accordance with the Subscription Agreement  |
| “Completion Date”  | (a) the date on which Completion is scheduled to occur, which shall be (i) 15 July 2017 or (ii) any Business Day within five Business Days after the date on which all the Conditions have been satisfied (or waived in accordance with the Subscription Agreement) as the Company and the Subscriber may mutually agree, or failing agreement, on the fifth Business Day, whichever is later, or on such other date as the parties may agree; and (b) if Completion having occurred in accordance with the Subscription Agreement, the date on which Completion occurs |
| “Condition(s)”     | the condition(s) precedent to the Completion as set out in the sub-section headed “Conditions precedent” above  |
| “connected person” | has the meaning ascribed to it under the GEM Listing Rules  |
| “Director(s)”      | the director(s) of the Company  |
| “GEM”              | the Growth Enterprise Market of the Stock Exchange  |

|                                |  |
|--------------------------------|--|
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM   |
| “General Mandate”              | the general mandate granted to the Directors pursuant to the resolution passed by the Shareholders at the annual general meeting of the Company held on 8 May 2017 to allot, issue or otherwise deal with up to 20% of the total number of Shares in issue as at 8 May 2017  |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)” | third party(ies) who is/are independent of and not connected with the Company and connected persons of the Company   |
| “Material Adverse Effect”      | <p>any event, circumstance or effect or any combination of them which is, or which could reasonably be expected to be, materially adverse to (i) the business, operations, business results, financial condition or prospects of the Group taken as a whole; or to (ii) the ability of the Company to perform its obligations under the Subscription Agreement or to complete the Sales and Purchases, excluding in any such case, any event, circumstance or effect resulting from the following or any combination of the following:</p> <ul style="list-style-type: none"> <li>(a) performance of obligations under, or compliance with, the terms and conditions of the Subscription Agreement and any transaction or agreements contemplated to be performed by the Company; or</li> <li>(b) pandemics, earthquakes, hurricanes, tornadoes or other natural disasters, or fire, war, riot, terrorism or similar force majeure events, provided that any such events do not disproportionately and substantially affect the Group in any material respect</li> </ul> |
| “PRC”                          | the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)   |
| “SFC”                          | the Securities and Futures Commission of Hong Kong   |
| “Sales and Purchases”          | has the meaning ascribed to it in the section headed “Introduction” above  |

|                                |   |
|--------------------------------|---|
| “Sale and Purchase Agreements” | has the meaning ascribed to it in the section headed “Introduction” above   |
| “Share(s)”                     | the ordinary share(s) with a par value of HK\$0.10 each in the capital of the Company   |
| “Shareholder(s)”               | the shareholder(s) of the Company   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “Subscriber”                   | HKBridge Absolute Return Fund, L.P., a Cayman Islands exempted limited partnership the general partner of which is HKBridge (Cayman) GP2 Limited, a Cayman Islands limited liability company. |
| “Subscription”                 | the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement   |
| “Subscription Agreement”       | the subscription agreement dated 16 June 2017 entered into between the Company and the Subscriber in relation to the Subscription   |
| “Subscription Price”           | HK\$6.25 per Subscription Share   |
| “Subscription Shares”          | an aggregate of 21,000,000 new Shares to be subscribed by the Subscriber, and allotted and issued by the Company, pursuant to the Subscription Agreement                                      |
| “Takeovers Code”               | The Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time  |
| %                              | per cent  |

By Order of the Board  
**SkyNet Group Limited**  
**Cai Zhaoyang**

*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 18 June 2017

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Cai Zhaoyang, Mr. Lee Chan Wah, Mr. Zhang Chong, Mr. Zhang Chongdi and Dr. Andrew Goldenberg; and three independent non-executive Directors, namely Mr. Tam B Ray, Billy, Mr. Chu Kin Wang, Peleus and Mr. Tse Joseph.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.skynetgroup.com.hk>.*