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SKYOCEAN INTERNATIONAL HOLDINGS LIMITED

天洋國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 593)

(I) ISSUE OF GUARANTEED AND SECURED HKD DENOMINATED BONDS

(II) PROPOSED VARIATION OF TERMS OF THE 2015 TRANSACTION DOCUMENTS

AND

(III) DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

On 28 June 2016 (after trading hours), the Company, among other parties, entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe in cash for the Bonds in the aggregate principal amount of HK\$470,000,000 due 36 months from the First Closing Date.

The net proceeds from the issue of the Bonds (after deducting related expenses) are estimated to be of approximately HK\$468 million and the Company intends to use such net proceeds for (i) general working capital of the Company; and/or (ii) mergers and acquisitions by the Company, in each case with such proceeds being used outside of the PRC.

Pursuant to the Subscription Agreement, (i) the Parties and Beijing SkyOcean shall enter into the Supplemental Deed on or prior to the First Closing Date, pursuant to which, the parties thereto agree to, among other things, extend the maturity date of each of the 2015 Convertible Bonds and the 2015 Bonds to the Maturity Date subject to and upon the terms and conditions of the Supplemental Deed; and (ii) SkyOcean Investment and the Subscriber shall enter into the Supplemental Deed to the Share Charge on or prior to the First Closing Date, pursuant to which the parties thereto agree to, among other things, extend the security created under the SkyOcean Investment Share Charge to cover the Bonds subject to and upon the terms and conditions of the Supplemental Deed to the Share Charge.

Shareholders and potential investors should note that the Closings are subject to the fulfilment of the Conditions Precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 28 June 2016 (after trading hours), the Company, SkyOcean Investment, Knowledge SV, Sheng Bang, Zhou Shi, Mr. Zhou, Ms. Zhou and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for the Bonds in the aggregate principal amount of HK\$470,000,000. Details of the Subscription Agreement and the terms of the Bonds are summarized below.

THE SUBSCRIPTION AGREEMENT

Date: 28 June 2016 (after trading hours)

Issuer: The Company

Subscriber: The Subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

First Closing Conditions
Precedent:

The First Closing is conditional upon, among others, the following First Closing Conditions Precedent:

- (a) the representations and warranties under the Subscription Agreement being true, correct, accurate, complete and not misleading when made, and continuing to be true, correct, accurate, complete and not misleading up to the First Closing Date;
- (b) no event that would constitute an Event of Default (had the First Bonds already been issued) having occurred;
- (c) the Subscriber, in its sole opinion, being satisfied with the results of the due diligence in relation to the Warrantors and the Group including business and operation, deal structure, financial, tax, shareholders and related party transactions, know your customer and anti-money laundering, regulatory and legal aspects of each Warrantor and each member of the Group;
- (d) Mr. Zhou remains the chairman of the Company;
- (e) Mr. Zhou, through its direct and indirect shareholding in the Company, remaining to be the controlling shareholder of the Company, directly or indirectly holding no less than 51% of the entire shares issued by the Company on a Fully-Diluted Basis; and
- (f) the Supplemental Deed, the CCBI Supplemental Deed, the Personal Guarantees, the Corporate Guarantee, the Supplemental Deed to the Share Charge and the documents related thereto shall have been duly executed and delivered to the Subscriber.

First Closing:

Subject to the fulfillment of the above First Closing Conditions Precedent, the First Closing shall take place on a date no later than three (3) Business Days following the fulfillment or waiver of the First Closing Conditions Precedent (or such other date as the Company and the Subscriber may mutually agree).

If any of the First Closing Conditions Precedent is not fulfilled (or waived by the Subscriber) on or before the First Closing Long Stop Date, the Subscriber may, at its option, (i) defer the First Closing to a later date; (ii) proceed to the First Closing so far as practicable but subject to such conditions as the Subscriber may determine at its sole discretion; or (iii) terminate the Subscription Agreement upon which the Subscription Agreement shall forthwith become null and void and cease to have any effect whatsoever and no Party shall have any claims against the other for costs, damages, compensations or otherwise (save for liabilities for any antecedent breaches of the Subscription Agreement).

Second Closing Conditions
Precedent:

The Second Closing is conditional upon, among others, the following Second Closing Conditions Precedent:

- (a) the representations and warranties under the Subscription Agreement being true, correct, accurate, complete and not misleading when made, and continuing to be true, correct, accurate, complete and not misleading up to the Second Closing Date;
- (b) no event that would constitute an Event of Default (had the Second Bonds already been issued) having occurred;

- (c) the Subscriber, in its sole opinion, being satisfied with the results of the due diligence in relation to the Warrantors and the Group including business and operation, deal structure, financial, tax, shareholders and related party transactions, know your customer and anti-money laundering, regulatory and legal aspects of each Warrantor and each member of the Group;
- (d) Mr. Zhou remains the chairman of the Company;
- (e) Mr. Zhou, through its direct and indirect shareholding in the Company, remaining to be the controlling shareholder of the Company, directly or indirectly holding no less than 51% of the entire shares issued by the Company on a Fully-Diluted Basis;
- (f) the Charge over Existing CB shall have been duly executed and delivered to the Subscriber; and
- (g) the First Closing shall have occurred.

Second Closing:

Subject to the fulfillment of the above Second Closing Conditions Precedent, the Second Closing shall take place on a date no later than three (3) Business Days following the fulfillment or waiver of the Second Closing Conditions Precedent (or such other date as the Company and the Subscriber may mutually agree).

Company's undertakings:

The Company agrees to, among other things, ensure and procure that during the term of the Subscription Agreement and the Bonds:

- (a) the net asset value of the Company shall not be less than HK\$2,400,000,000 at all times;

- (b) the Company shall have a net profit: (i) for the financial year ended 31 December 2016; and (ii) for each Relevant Period commencing 1 January 2017, and in each case, without taking into account any charges attributable to the Existing CB;
- (c) the total liabilities of the Company (including the total principal amount of the 2015 Convertible Bonds, the 2015 Bonds and the Bonds) shall not be more than 75% of the total asset value of the Company;
- (d) the auditors of the Company shall not provide qualified opinion in the Company's published annual or interim financial statements;
- (e) the Company shall not repay any portion of the Existing Related Party Loan or enter into any agreement and/or any other instrument or make any commitment under which the Company is obliged to repay the Existing Related Party Loan;
- (f) the Company shall not borrow or raise any money or incur any indebtedness (in whatever form or evidenced by whatever instrument) on such terms more favorable to the lenders or the creditors than those granted to the Subscriber under the Transaction Documents without the Subscriber's prior written consent;
- (g) the Company shall not redeem all or any portion of the Existing Convertible Bonds; and
- (h) the Company shall not amend any terms or conditions of (1) the Existing CB Sale and Purchase Agreement; (2) the Existing CB Terms and Conditions; (3) the Uncharged Existing CB Terms and Conditions; or (4) the Charged Existing CB Terms and Conditions.

Controlling shareholder's undertakings: SkyOcean Investment agrees to, among other things, ensure and procure that during the term of the Subscription Agreement and the Bonds, (i) it shall remain the legal and beneficial owner of at least 51% of the entire issued share capital of the Company on a Fully-Diluted Basis; (ii) it shall not exercise any of its rights to convert all or any portion of the Charged Existing CB into Shares; and (iii) it shall not amend any terms or conditions of (1) the Existing CB Sale and Purchase Agreement; (2) the Existing CB Terms and Conditions; (3) the Uncharged Existing CB Terms and Conditions; or (4) the Charged Existing CB Terms and Conditions.

Mr. Zhou's undertakings: Mr. Zhou agrees to, among other things, ensure and procure that during the term of the Subscription Agreement and the Bonds, (i) he shall, through his direct and indirect shareholdings in the Company, remain the beneficial owner of at least 51% of the entire issued share capital of the Company on a Fully-Diluted Basis; and (ii) he shall remain as a Director and the Chairman of the Company.

PRINCIPAL TERMS OF THE BONDS

Principal Amount: HK\$470,000,000, to be issued in the following two tranches:

(a) First Bonds; and

(b) Second Bonds

Issue Price: 100% of the principal amount of the Bonds

Maturity Date: 36 months from the First Closing Date

Interest Rate: 8% per annum on the outstanding principal amount of the Bonds payable as follows:

(a) for the First Bonds, semi-annually from and including the issue date of the First Bonds to and including the date on which the First Bonds are redeemed; and

- (b) for the Second Bonds, with the first interest payment due and payable on the first interest payment date for the First Bonds (“**First Interest Payment Date**”) for interest accrued from and including the issue date of the Second Bonds to and including the First Interest Payment Date, and from thereafter, semi-annually from and including the First Interest Payment Date up to and including the date on which the Second Bonds are redeemed.

Status: The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Company and rank equally and without any preference amongst themselves. The payment obligations of the Company under the Bonds will rank at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company. No application will be made for a listing of the Bonds.

Transferability: The Bonds are freely transferrable in whole or in part of the outstanding principal amount of the Bonds. Such transfer shall be in compliance with the Bonds Terms and Conditions.

The permitted transfer of the Bonds may only be made to person(s) which are not connected persons of the Company.

Mandatory early redemption: If, on any Trading Day, the Total Security Value is less than 2 times of the aggregate outstanding principal amount of the 2015 Convertible Bonds, the 2015 Bonds and the Bonds and SkyOcean Investment elects not to deposit additional numbers of Shares into the Securities Account to restore the Total Security Value to not less than 2.5 times of such aggregate outstanding principal amount, the Company shall, within five Business Days from such Trading Day, redeem such portion of the outstanding principal amount of the Bonds, such that after the redemption, the Total Security Value shall not be lower than 2.5 times of the aggregate outstanding principal amount of the 2015 Convertible Bonds, 2015 Bonds and the Bonds immediately after such redemption. Unless all the outstanding principal amount of the Bonds has been redeemed in full, the Company agrees not to redeem or repay all or any part of the 2015 Convertible Bonds or the 2015 Bonds.

EVENTS OF DEFAULT FOR THE BONDS

Events of Default:

If, among other things, any of the following events occur, the Bondholders may give notice to the Company that the Bonds are immediately become due and payable at its principal amount and all other sums payable under the Bonds (including any accrued but unpaid interests):

- (a) any failure by the Company to pay the principal, and/or any interest due and payable on the Bonds or any other amount due and payable under the Bonds on its due date in the manner specified in the Bonds Terms and Conditions or any amount due and payable by the Company under any other Transaction Document in the manner specified thereunder;
- (b) any breach or default by any Warrantor in the performance or observance of or compliance with any obligations, covenants, undertakings or other terms under any of the Transaction Documents and such breach or default is incapable of remedy or, if capable of remedy, is not remedied in full within five (5) Business Days from the date on which such breach or default occurs;
- (c) any representation, warranty, certification or statement made by or on behalf of any Warrantor under any of the Transaction Documents shall have been incorrect, misleading or false;
- (d) SkyOcean Investment ceases to be the legal and beneficial owner of at least 51% of the entire issued share capital of the Company on a Fully-Diluted Basis free and clear of any encumbrances;
- (e) Mr. Zhou, through his direct and indirect shareholdings in the Company, ceases to be the beneficial owner of at least 51% of the entire issued share capital of the Company on a Fully-Diluted Basis free and clear of any encumbrances;

- (f) the net asset value of the Company is less than HK\$2,400,000,000;
- (g) the total liabilities of the Company (including the total outstanding principal amount of the 2015 Convertible Bonds, the 2015 Bonds and the Bonds) exceeds 75% of the total asset value of the Company;
- (h) the Company fails to make a net profit: (i) for the financial year ended 31 December 2016; and (ii) for each Relevant Period commencing 1 January 2017, and in each case, without taking into account any charges attributable to the Existing CB;
- (i) the Company repays any portion of the Existing Related Party Loan or has entered into any agreement and/or any other instrument or made any commitment under which the Company is obliged to repay the Existing Related Party Loan;
- (j) the Company borrows or raises any money or incurs any indebtedness (in whatever form or evidenced by whatever instrument) on terms more favorable to the lenders or the creditors than those granted to the Bondholders contemplated under the Transaction Documents without the prior written consent of the majority of such Bondholders;
- (k) the Company ceases to be listed on the Main Board of the Stock Exchange;
- (l) the Company fails to comply with any applicable rules, regulations and requirements of the Stock Exchange;
- (m) the Company uses all or any part of the proceeds of the issue of the Bonds to acquire any listed shares, listed securities or any interest therein;
- (n) the Company redeems all or any portion of the Existing Convertible Bonds;

- (o) SkyOcean Investment exercises any of its rights to convert all or any portion of the Charged Existing CB into Shares; and
- (p) an event of default occurs under either (i) the 2015 Bonds; (ii) the 2015 Convertible Bonds; or (iii) the Bonds.

SECURITY

The Bonds are guaranteed under the Personal Guarantees and the Corporate Guarantee, and secured by (i) the SkyOcean Investment Share Charge as amended and/or supplemented by the Supplemental Deed to the Share Charge; and (ii) the Charge over Existing CB.

REASONS FOR THE ISSUE OF THE BONDS AND USE OF PROCEEDS

The Group is principally engaged in the COMB⁺ global innovation and entrepreneurship incubation platform, industrial property development and operation, and the elderly care services in Hong Kong.

The net proceeds from the issue of the Bonds, after deducting legal fees and other expenses payable by the Company, are estimated to be approximately HK\$468 million. The net proceeds from such issue will be used for (i) general working capital of the Company; and/or (ii) mergers and acquisitions by the Company, in each case with such proceeds being used outside of the PRC.

The Directors are of the view that the issue the Bonds represents a good opportunity for the Company to raise funds to strengthen its financial position as well as to provide further funding to the Group for its development and investment with an objective to provide attractive returns for the Shareholders since the issue of the Bonds will provide the Company with immediate funding and the Bonds bears a relatively low interest rate in comparison with the prevailing market interest rate for external borrowings in light of the financial situation of the Company.

Based on the above, the Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a limited liability company incorporated in the British Virgin Islands. It is indirectly and wholly-owned by CCBI. CCBI is an investment services flagship which is indirectly and wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939).

GENERAL

No application will be made by the Company to the Listing Committee for listing of the Bonds.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Pursuant to the Bonds Terms and Conditions and at all times throughout the terms of the Bonds, (a) the controlling shareholders, namely SkyOcean Investment and Mr. Zhou, shall maintain an aggregate beneficial ownership (directly or indirectly) of not less than 51% in the issued share capital of the Company on a Fully-Diluted Basis; and (b) SkyOcean Investment shall not (i) exercise any of its rights to convert all or any portion of the Charged Existing CB into Shares; and (ii) amend any terms or conditions of the Existing CB Sale and Purchase Agreement, the Existing CB Terms and Conditions, the Uncharged Existing CB Terms and Conditions and the Charged Existing CB Terms and Conditions. A breach of such covenants constitutes an Event of Default. As at the date of this announcement, SkyOcean Investment beneficially owns approximately 69.75% of the issued share capital of the Company.

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Company will make disclosures in its subsequent interim and annual reports for so long as circumstances giving rise to the aforesaid specific performance obligation of the controlling shareholders continue to exist.

PROPOSED VARIATION OF TERMS OF 2015 TRANSACTION DOCUMENTS

Pursuant to the Subscription Agreement, (i) the Parties and Beijing SkyOcean shall enter into the Supplemental Deed on or prior to the First Closing Date, pursuant to which, the parties thereto agree to, among other things, extend the maturity date of each of the 2015 Convertible Bonds and the 2015 Bonds to the Maturity Date subject to and upon the terms and conditions of the Supplemental Deed; and (ii) SkyOcean Investment and the Subscriber shall enter into the Supplemental Deed to the Share Charge on or prior to the First Closing Date, pursuant to which the parties thereto agree to, among other things, extend the security created under the SkyOcean Investment Share Charge to cover the Bonds subject to and upon the terms and conditions of the Supplemental Deed to the Share Charge.

Shareholders and potential investors should note that the Closings are subject to the fulfilment of the Conditions Precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“2015 Bonds”	the HKD denominated bonds issued by the Company to the Subscriber pursuant to the 2015 Subscription Agreement
“2015 Bonds Certificate”	the certificate issued in respect of the 2015 Bonds, together with the 2015 Bonds Terms and Conditions
“2015 Bonds Terms and Conditions”	the terms and conditions to the 2015 Bonds attached to the 2015 Bonds Certificate as amended and/or supplemented by the Supplemental Deed
“2015 CB Certificates”	the certificates issued in respect of the 2015 Convertible Bonds, together with the 2015 CB Terms and Conditions
“2015 CB Terms and Conditions”	the terms and conditions to the 2015 Convertible Bonds attached to the 2015 CB Certificates, as amended and/or supplemented by the Supplemental Deed
“2015 CCBI Supplemental Deed”	the supplemental deed to cash securities trading account terms and conditions dated 12 November 2015 entered into between CCB International Securities Limited, SkyOcean Investment and the Subscriber
“2015 Convertible Bonds”	the RMB denominated convertible bonds in the principal amount of RMB29,520,000 (equivalent to approximately HK\$36,000,000 by then) issued by the Company to the Subscriber pursuant to the 2015 Subscription Agreement
“2015 Corporate Guarantee”	the corporate guarantee dated 12 November 2015 provided by Beijing SkyOcean to the Subscriber and the documents related thereto

“2015 Personal Guarantees”	the personal guarantees dated 12 November 2015 provided by Mr. Zhou and Ms. Zhou respectively to the Company and the documents related thereto
“2015 Subscription Agreement”	the subscription agreement dated 5 November 2015 and entered into among the Company, SkyOcean Investment, Knowledge SV, Sheng Bang, Zhou Shi, Mr. Zhou, Ms. Zhou and the Subscriber in relation to the subscription for the 2015 Convertible Bonds and the 2015 Bonds by the Subscriber as amended and/or supplemented by the Supplemental Deed
“2015 Transaction Documents”	collectively, (i) the 2015 Subscription Agreement; (ii) the 2015 Convertible Bonds and the 2015 CB Certificates (together with the 2015 CB Terms and Conditions); (iii) the 2015 Bonds and the 2015 Bonds Certificate (together with the 2015 Bonds Terms and Conditions); (iv) the 2015 Personal Guarantees; (v) the 2015 Corporate Guarantee; (vi) the SkyOcean Investment Share Charge; (vii) the CCBI Account Documentation; (viii) the 2015 CCBI Supplemental Deed; and (ix) any other documents designated as such by the Investor and any Warrantor
“Beijing SkyOcean”	Beijing SkyOcean International Holdings Limited * (北京天洋國際控股有限公司), a company established in the PRC with limited liability, which is beneficially owned as to 80% by Mr. Zhou
“Bondholder(s)”	the holder of the Bonds
“Bonds”	the First Bonds and the Second Bonds
“Bonds Certificate(s)”	the certificate(s) to be issued in respect of the Bonds
“Bonds Terms and Conditions”	the terms and conditions to the Bonds to be attached to the Bonds Certificate(s)

“Business Day(s)”	a day on which commercial banks in Hong Kong are generally open for business other than Saturday and Sunday or a public holiday, or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force in Hong Kong
“CCBI”	CCB International (Holdings) Limited, a company incorporated in Hong Kong with limited liability
“CCBI Account Documentation”	the cash securities trading account terms and conditions of CCB International Securities Limited dated 12 November 2015 entered into by SkyOcean Investment with CCB International Securities Limited
“CCBI Supplemental Deed”	the supplemental deed to the CCBI Account Documentation to be entered into between CCB International Securities Limited, SkyOcean Investment and the Subscriber on or prior to the First Closing Date, which shall, upon signing, supersede the 2015 CCBI Supplemental Deed
“Charge over Existing CB”	the charge over the Charged Existing CB to be created by the Company in favour of the Subscriber on or prior to the Second Closing Date
“Charged Existing CB”	the Existing CB in the aggregate principal amount of RMB450,000,000, which are charged by SkyOcean Investment in favour of the Subscriber pursuant to the Charge over Existing CB
“Charged Existing CB Terms and Conditions”	the terms and conditions to the Charged Existing CB attached to the certificate issued in respect of the Charged Existing CB
“Closing(s)”	the First Closing and/or the Second Closing (as the context may require)
“Company”	SkyOcean International Holdings Limited (天洋國際控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 593)

“Conditions Precedent”	the First Closing Conditions Precedent and the Second Closing Conditions Precedent
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Corporate Guarantee”	the corporate guarantee to be provided by Beijing SkyOcean on or prior to the First Closing Date, which shall, upon signing, supersede the 2015 Corporate Guarantee
“Director(s)”	the director(s) of the Company
“Event(s) of Default”	the events of default of the Bonds as stipulated in the Bonds Terms and Conditions
“Existing CB Sale and Purchase Agreement”	the sale and purchase agreement dated 31 March 2015 between the Company and SkyOcean Investment (as the same may be amended, supplemented or otherwise modified from time to time) pursuant to which the Company issued the Existing CB to SkyOcean Investment pursuant to the terms therein
“Existing CB Terms and Conditions”	the terms and conditions on which the Existing CB were issued by the Company
“Existing CB”	the 5-year zero-coupon convertible bonds in the aggregate principal amount of RMB1,500,000,000 issued by the Company to SkyOcean Investment on 24 December 2015 pursuant to the Existing CB Sale and Purchase Agreement
“Existing Related Party Loan”	the loan in the aggregate outstanding principal amount of HK\$2,660,000,000 owed by the Company to its related party SkyOcean Qian’an
“First Bonds”	the bonds in the principal amount of HK\$70,000,000 to be issued by the Company to the Subscriber at the First Closing
“First Closing”	closing of the subscription of the First Bonds in accordance with the terms of the Subscription Agreement

“First Closing Conditions Precedent”	the conditions precedent to the First Closing as set out in the Subscription Agreement
“First Closing Date”	the date on which the First Closing occurs, which shall be a day no later than three (3) Business Days after the First Closing Long Stop Date (or such other date as the Company and the Subscriber may mutually agree) after the First Closing Conditions Precedent are fulfilled or otherwise waived
“First Closing Long Stop Date”	31 July 2016 or such other date as the Company and the Subscriber may mutually agree
“Fully-Diluted Basis”	means the calculation of shareholding ratio on the basis of the assumption that all the outstanding options, warrants and other stock equity securities convertible into, exercisable or exchangeable for ordinary shares of the relevant company (whether or not they are at present convertible, exercisable or exchangeable according to the relevant provisions) have been converted, exercised or exchanged accordingly
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Knowledge SV”	Knowledge Silicon Valley Limited (知識硅谷有限公司), a company incorporated in the British Virgin Islands with limited liabilities and is owned as to 80% by Sheng Bang and as to 20% by Zhou Shi
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Dates”	the First Closing Long Stop Date and/or the Second Closing Long Stop Date as the context may require

“Maturity Date”	36 months from the First Closing Date
“Mr. Zhou”	Mr. Zhou Zheng (周政), being a Director and substantial shareholder of the Company
“Ms. Zhou”	Ms. Zhou Jin (周金), being the sister of Mr. Zhou and the spouse of Mr. Liu Li, being a Director in the last 12 months
“Parties”	collectively all the parties to the Subscription Agreement, and “Party” means each party to the Subscription Agreement”
“Personal Guarantees”	personal guarantees to be provided by Mr. Zhou and Ms. Zhou respectively on or prior to the First Closing Date, which shall, upon signing, supersede the 2015 Personal Guarantees
“PRC”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Relevant Period”	each period of six months ending on 30 June and 31 December
“RMB”	Renminbi, the lawful currency of the PRC
“Second Bonds”	the bonds in the principal amount of HK\$400,000,000 to be issued by the Company to the Subscriber at the Second Closing
“Second Closing”	closing of the subscription of the Second Bonds in accordance with the terms of the Subscription Agreement
“Second Closing Conditions Precedent”	the conditions precedent to the Second Closing as set out in the Subscription Agreement
“Second Closing Date”	the date on which the Second Closing occurs, which shall be a day no later than three (3) Business Days after the Second Closing Long Stop Date (or such other date as the Company and the Subscriber may mutually agree) after the Second Closing Conditions Precedent are fulfilled or otherwise waived

“Second Closing Long Stop Date”	31 August 2016 or such other date as the Company and the Subscriber may mutually agree
“Securities Account”	a sub-account opened with CCB International Securities Limited in the name of the Company
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Sheng Bang”	Sheng Bang Holdings Limited (勝邦控股有限公司), a company incorporated in the British Virgin Islands with limited liabilities and is a wholly-owned company of Mr. Zhou
“SkyOcean Investment”	SkyOcean Investment Holdings Limited (天洋投資控股有限公司), a company incorporated in the British Virgin Islands with limited liabilities and a wholly-owned subsidiary of Knowledge SV and a substantial shareholder of the Company
“SkyOcean Investment Share Charge”	the share charge over 182,903,181 Shares dated 12 November 2015 created by SkyOcean Investment in favour of the Subscriber as amended and/or supplemented by the Supplemental Deed
“SkyOcean Qian’an”	SkyOcean Real Estate (Qian’an) Co., Ltd.* (天洋地產(遷安)有限公司), a company established in the PRC with limited liability, which is beneficially owned as to 80% by Mr. Zhou and as to 20% by Ms. Zhou
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Chance Talent Management Limited, a company incorporated in the British Virgin Islands with limited liabilities and an indirect wholly-owned subsidiary of CCBI
“Subscription”	the subscription for the Bonds by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 28 June 2016 and entered into among the Company, SkyOcean Investment, Knowledge SV, Sheng Bang, Zhou Shi, Mr. Zhou, Ms. Zhou and the Subscriber in relation to the Subscription
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Deed”	a supplemental deed to be entered into between the parties to the Subscription Agreement and Beijing SkyOcean on or prior to the First Closing Date for amending certain terms of the 2015 Subscription Agreement, 2015 CB Terms and Conditions and 2015 Bonds Terms and Conditions
“Supplemental Deed to the Share Charge”	the supplemental deed to be entered into between SkyOcean Investment and the Subscriber on or prior to the First Closing Date for amending certain terms of the Share Charge
“Total Security Value”	the aggregate of the Total Shares Value and the outstanding principal amount of the Existing CB charged by SkyOcean Investment to the Subscriber from time to time under the Charge over Existing CB
“Total Shares Value”	with respect to any Trading Day, the amount equal to the closing price per Share on the Stock Exchange multiplied by the total number of the Shares held in the Securities Account on such Trading Day
“Trading Day”	a day on which trading is conducted on the Main Board of the Stock Exchange in accordance with the Trading Rules of the Stock Exchange other than a day on which both the morning and the afternoon trading sessions or either of them is cancelled owing to a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal being in force in Hong Kong

“Transaction Documents”	collectively, (i) the Subscription Agreement; (ii) the Bonds and the Bonds Certificate(s) (together with the Bonds Terms and Conditions); (iii) the Personal Guarantees and the documents related thereto; (iv) the Corporate Guarantee and the documents related thereto; (v) the Supplemental Deed; (vi) the Supplemental Deed to the Share Charge; (vii) the CCBI Supplemental Deed; (viii) the Charge over Existing CB ; (ix) the 2015 Transaction Documents; and (x) any other documents designated as such by the Investor and any Warrantor
“Uncharged Existing CB”	all the Existing CB other than the Charged Existing CB
“Uncharged Existing Terms and CB Conditions”	the terms and conditions to the Uncharged Existing CB attached to the certificate issued in respect of the Uncharged Existing CB
“Warrantors”	collectively the Company, SkyOcean Investment, Knowledge SV, Sheng Bang, Zhou Shi, Mr. Zhou and Ms. Zhou, and each a “Warrantor”
“Zhou Shi”	ZhouShi Holdings Limited (周氏控股有限公司), a company incorporated in the British Virgin Islands with limited liabilities and is a wholly-owned company of Ms. Zhou

By Order of the Board
SKYOCEAN INTERNATIONAL HOLDINGS LIMITED
Zhou Zheng
Chairman

Hong Kong, 28 June 2016

As at the date of this announcement, the Board comprises Mr. Zhou Zheng (Chairman and Chief Executive Officer), Mr. Yang Hongguang, Mr. Chan Tak Kwong and Mr. Zhu Ling being the executive Directors, and Mr. Li Chak Hung, Dr. Meng Xiaosu, Mr. Yang Buting and Mr. Zhao Daxin being the independent non-executive Directors.

* *For identification purpose only*