

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

東建國際
OCI International Holdings

OCI International Holdings Limited

東建國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 329)

PROPOSED MAJOR TRANSACTION SUBSCRIPTION FOR CONVERTIBLE BONDS AND NOTES

The Board is pleased to announce that on 29 September 2017 (after trading hours), the Subscriber and the Issuer entered into the Subscription Agreement, pursuant to which the Issuer has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for (i) the Convertible Bonds which may be converted into the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds, and (ii) the Notes, each in the principal amount of US\$10 million (equivalent to approximately HK\$78,047,000).

IMPLICATIONS OF THE SUBSCRIPTION UNDER THE LISTING RULES

The Subscription constitutes a major transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios are more than 25% but are less than 100%. Accordingly, the Subscription is subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

An EGM will be held for the purposes of considering, and if thought fit, approving the resolutions in respect of the Subscription, which will be subject to the approval by Shareholders by way of poll at the EGM.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated under it and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 30 October 2017.

As completion of the Subscription Agreement is subject to the fulfilment and/or waiver of certain conditions, accordingly the Subscription may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).

INTRODUCTION

The Board is pleased to announce that on 29 September 2017 (after trading hours), the Subscriber and the Issuer entered into the Subscription Agreement, pursuant to which the Issuer has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for (i) the Convertible Bonds which may be converted into the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds, and (ii) the Notes, each in the principal amount of US\$10 million (equivalent to approximately HK\$78,047,000).

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date

29 September 2017 (after trading hours)

Parties

- (1) Subscriber as the subscriber; and
- (2) Issuer as the issuer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer and the Issuer's ultimate beneficial owners (if any) are third parties independent from the Company and its connected persons.¹

Subject matter

Pursuant to the Subscription Agreement, the Issuer has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for (i) the Convertible Bonds which may be converted into the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds, and (ii) the Notes, each in the principal amount of US\$10 million (equivalent to approximately HK\$78,047,000).

¹ As at the date hereof, Cheer Hope Holdings Limited, a substantial shareholder of the Company, is interested in US\$50 million convertible bonds issued by the Issuer (which are convertible into 108,963,585 Issuer's Shares representing 5.25% of the existing issued share capital of the Issuer).

The Issuer shall apply the proceeds from the Subscription solely as its working capital or for capital expenditure, except that such proceeds shall not be used for acquisitions of any shares or securities on the secondary market.

Consideration

The consideration payable for the Subscription is US\$20 million (equivalent to approximately HK\$156,094,000), being the aggregate principal amount of the Convertible Bonds and the Notes. The consideration will be satisfied by internal resources of the Group and/or banking facilities the Group has been or would be accredited.

Conditions precedent

Closing is subject to and conditional upon:

- (a) the Subscriber having performed and completed to its satisfaction due diligence review of business, affairs, operations and financial position of the Issuer Group;
- (b) the Company having obtained the approval from the Shareholders at the EGM for the transactions contemplated under the Subscription Agreement;
- (c) the Subscriber having performed and completed to its satisfaction 'know your customer', anti-money laundering or similar identification procedures in respect of the Issuer;
- (d) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the Conversion Shares on the Stock Exchange, and such approval and permission remaining in full force and effect;
- (e) the Subscriber having received all of the documents and evidence set out in the schedule to the Subscription Agreement in form and substance satisfactory to it on or prior to the Closing Date;
- (f) evidence that the Subscriber has obtained all necessary external, internal and corporate approvals and checks under all applicable laws and regulations, including but not limited to, investment committee approval;
- (g) evidence that the Issuer has obtained all necessary approval and consent in respect of the transactions contemplated under the Subscription Agreement and other ancillary transaction documents;

- (h) the representations and warranties of the Issuer contained in the Subscription Agreement and other ancillary transaction documents to which it is a party being true, accurate and correct and not misleading during the period beginning on the date of the Subscription Agreement and ending on the Closing Date;
- (i) on the Closing Date, no event of default is continuing or would result from the proposed issue by the Issuer of the Convertible Bonds and the Notes to the Subscriber; and
- (j) no notice, order, judgement, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Subscription Agreement or which is reasonably likely to materially and adversely affect the Subscriber to subscribe the Convertible Bonds and the Notes.

In the event that any of the conditions precedent referred to above is not fulfilled or waived in full on or before the Long Stop Date (or such later date as may be agreed between the Issuer and the Subscriber in writing), the Subscription Agreement shall lapse immediately and thereafter, neither party shall have any claim against or liability or obligations to other party thereunder save for any rights or obligations which may accrue prior to the date of such termination.

Closing

Closing shall take place on the Closing Date, subject to the fulfilment or the waiver (if applicable) of the conditions precedent as set out in the Subscription Agreement.

The Issuer shall deliver, amongst other, to the Subscriber a share charge over 3,159,910 ordinary shares in EtonKids duly executed by the Issuer, as security over the performance of the Issuer's obligation, amongst others, under the Subscription Agreement, the Convertible Bonds and the Notes.

Arrangement Fee

The Issuer shall pay to the Subscriber an annual arrangement fee of US\$100,000, being 1% of the total subscription amount of the Notes under the Subscription Agreement.

Principal terms of the Convertible Bonds

A summary of the principal terms of the Convertible Bonds is set out as follows:

Issuer: The Issuer

Principal Amount:	US\$10 million (equivalent to approximately HK\$78,047,000)
Issue Price:	100% of the principal amount of the Convertible Bonds
Interest Rate:	The Convertible Bonds shall bear interest from and including the date of issue of the Convertible Bonds until the maturity date of the Convertible Bonds at the rate of five (5)% per annum, payable every six (6) months from the issue date of the Convertible Bonds in arrears.
Form and Denomination:	The Convertible Bonds will be issued in registered form and in denomination of US\$500,000 each.
Maturity Date:	The date falling on the first (1st) anniversary of the issue date of the Convertible Bonds, which can, subject to the agreement between the Issuer and the Subscriber, be extended twice (each for a term of one year), at maximum to the date falling on the third (3rd) anniversary of the issue date of the Convertible Bonds.
Conversion Price:	<p>HK\$3.57, being the initial conversion price per Conversion Share, or the Reset Conversion Price (each subject to adjustments events disclosed in the section headed “Adjustments to the Conversion Price” below), provided that the conversion price shall not in any event be lower than HK\$2.39 (subject to adjustments events disclosed in the section headed “Adjustments to the Conversion Price” below).</p> <p>The Conversion Price was arrived at after arm’s length negotiations between the Issuer and the Subscriber with reference to the prevailing market price of the Issuer’s Shares.</p>

**Adjustments to the
Conversion Price:**

The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under terms and conditions of the Convertible Bonds upon the occurrence of certain events, including but not limited to:

- (i) consolidation, subdivision or reclassification of the Issuer's Shares;
- (ii) capitalization of profits or reserves (other than in lieu of a cash dividend);
- (iii) issue of the Issuer's Shares by way of a scrip dividend where the current market price exceeds the amount of the relevant cash dividend;
- (iv) capital distribution to the shareholders of the Issuer;
- (v) rights issues of the Issuer's Shares or options over the Issuer's Shares (at less than the current market price);
- (vi) rights issues of other securities by the Issuer;
- (vii) issues of the Issuer's Shares or other issues of securities at less than the Conversion Price;
- (viii) modification of rights of conversion;
- (ix) other offers to the shareholders of the Issuer;
and
- (x) event triggering the Conversion Price Reset.

Conversion:

The conversion right attaching to the Convertible Bonds can be exercised, at the option of the holder thereof, to convert all or any part in the lots of US\$500,000 of the principal amount of the Convertible Bonds at any time from and including the issue date of the Convertible Bonds up to the close of business (at the principal place of business of the Issuer in Hong Kong) on the maturity date of the Convertible Bonds.

Redemption:**(1) Redemption at maturity**

Unless previously redeemed, converted, purchased or cancelled, the Issuer will redeem all of the Convertible Bonds on the maturity date of the Convertible Bonds at the sum of (i) a redemption amount equal to the aggregate of (x) the principal amount outstanding on the Convertible Bonds, (y) the outstanding interest up to the date of redemption and (z) any other outstanding amount due but unpaid under the Convertible Bonds and (ii) an amount that would make up an aggregate internal rate of return on the relevant amount of the Convertible Bonds at 8% per annum thereon.

(2) Redemption on disposal of interest in EtonKids

Upon the disposal of interest in EtonKids by the Issuer at any time during the period from the issue date of the Convertible Bonds up to a date falling within eight (8) months from the issue date, the Issuer shall apply 50% of the net proceeds from such disposal to redeem such Convertible Bonds held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 8% on the aggregate principal amount of such Convertible Bonds from the issue date of the Convertible Bonds until the date which is eight (8) months from such issue date.

Upon the disposal of interest in EtonKids by the Issuer at any time after eight (8) months from the issue date of the Convertible Bonds, the Issuer shall apply 50% of the net proceeds from such disposal to redeem such Convertible Bonds held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 8% on the aggregate principal amount of such Convertible Bonds from the issue date of the Convertible Bonds until the date of payment for the redemption.

(3) Default redemption

Upon the occurrence of an event of default, the holder of the Convertible Bonds shall have the right to require the Issuer to redeem such Convertible Bonds held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 18% on the aggregate principal amount of such Convertible Bonds calculated from the issue date of the Convertible Bonds until the date of payment for the redemption.

Default Interest:

Upon the occurrence of an event of default, interest shall accrue on the principal amount outstanding on the Convertible Bonds plus an additional interest accrued at the rate of 18% per annum from the date of occurrence of such event of default until the full payment is made by the Issuer. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

Transferability:

Subject to the terms and conditions of the Convertible Bonds, transfer of the Convertible Bonds can be made without prior consent of the Issuer.

Status:

The Convertible Bonds shall constitute direct, secured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.

Security:

The Convertible Bonds will be secured by the EtonKids Share Charge as security for the payment obligations of the Issuer in respect of the Convertible Bonds and otherwise under other ancillary transaction documents to the Subscription Agreement.

Principal terms of the Notes

A summary of the principal terms of the Notes is set out as follows:

Issuer:	The Issuer
Principal Amount:	US\$10 million (equivalent to approximately HK\$78,047,000)
Issue Price:	100% of the principal amount of the Notes
Interest Rate:	The Notes shall bear interest from and including the date of issue of the Notes until the maturity date of the Notes at the rate of seven (7)% per annum, payable every six (6) months from the issue date of the Notes in arrears.
Form and Denomination:	The Notes will be issued in registered form and in denomination of US\$500,000 each.
Maturity Date:	The date falling on the first (1st) anniversary of the issue date of the Notes, which can, subject to the agreement between the Issuer and the Subscriber, be extended twice (each for a term of one year), at maximum to the date falling on the third (3rd) anniversary of the issue date of the Notes.
Redemption:	(1) Redemption at maturity Unless previously redeemed, converted, purchased or cancelled, the Issuer will redeem all of the Notes on the maturity date of the Notes at the sum of a redemption amount equal to the aggregate of (x) the principal amount outstanding on the Notes, (y) the outstanding interest up to the date of redemption and (z) any other outstanding amount due but unpaid under the Notes.

(2) Redemption on disposal of interest in EtonKids

Upon the disposal of interest in EtonKids by the Issuer at any time during the period from the issue date of the Notes up to a date falling within eight (8) months from the issue date, the Issuer shall apply 50% of the net proceeds from such disposal to redeem such Notes held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 8% on the aggregate principal amount of such Notes from the issue date of the Notes until the date which is eight (8) months from such issue date.

Upon the disposal of interest in EtonKids by the Issuer at any time after eight (8) months from the issue date of the Notes, the Issuer shall apply 50% of the net proceeds from such disposal to redeem such Notes held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 8% on the aggregate principal amount of such Notes from the issue date of the Notes until the date of payment for the redemption.

(3) Default redemption

Upon the occurrence of an event of default, the holder of the Notes shall have the right to require the Issuer to redeem such Notes held by the holder thereof at an amount equal to the amount that would yield an internal rate of return of 18% on the aggregate principal amount of such Notes calculated from the issue date of the Notes until the date of payment for the redemption.

- Default Interest:** Upon the occurrence of an event of default, interest shall accrue on the principal amount outstanding on the Notes plus an additional interest accrued at the rate of 18% per annum from the date of occurrence of such event of default until the full payment is made by the Issuer. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.
- Transferability:** Subject to the terms and conditions of the Notes, transfer of the Notes can be made without prior consent of the Issuer.
- Status:** The Notes shall constitute direct, secured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.
- Security:** The Notes will be secured by the EtonKids Share Charge as security for the payment obligations of the Issuer in respect of the Notes and otherwise under other ancillary transaction documents to the Subscription Agreement.

INFORMATION ON THE COMPANY AND THE ISSUER

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of wines in Hong Kong, securities trading and investments, and the production and sales of a series of healthcare products and pharmaceutical products.

The Issuer is an investment holding company and its subsidiaries are principally engaged in the design, manufacture and sale of branded women's footwear in the PRC and retail of toys across the globe through Hamleys. The Issuer Group is the leading retailer of mid-to-premium women's formal and casual footwear in the PRC. It distributes self-developed brands and licensed brands products through department stores and independent retail stores in different cities in the PRC, and is also proactive in developing online business as to further expand its customer base as well as sales and distribution network. The Issuer Group is popular for its brand values of elegance, charm and fashionable in the market. The Issuer Group operates self-developed brands including C.banner, EBLAN, sundance, MIO, Badgley Mischka and sells Steve Madden shoes in the PRC through a joint venture. In 2015, the Issuer expanded its business by the acquisition of Hamleys, the leading world renowned toys retailer brand, with a view to enter the market for children's products.

REASONS AND BENEFITS OF THE SUBSCRIPTION

Following the disposal of money lending business by the Group in 2016, the Group has been actively looking for other business opportunities which will enhance the income stream of the Group, including expanding securities trading and investment segment and wine trading segment. As the new Directors of the Group have a breadth of experience gained from reputable financial institutions and extensive knowledge in various kinds of financial products, that can support the securities trading and investment operations of the Group, the Group aims at including in its investment portfolio certain fixed income products, quality cross-border direct investments, and asset management. The Board believes that the fixed interest income generated from the Subscription will bring a stable source of cash inflow to the Group. In addition, it is expected that the Subscription may help the Group build up business connections with the Issuer, one of the leading branded consumer product companies in the PRC with an increasing focus on children's products and services.

Having considered the reasons for and the benefits from the Subscription set out above, the Board is of the opinion that the consideration, the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Subscription constitutes a major transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios are more than 25% but are less than 100%. Accordingly, the Subscription is subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL AND EGM

An EGM will be held for the purposes of considering, and if thought fit, approving the resolutions in respect of the Subscription, which will be subject to the approval by Shareholders by way of poll at the EGM.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated under it and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 30 October 2017.

As completion of the Subscription Agreement is subject to the fulfilment and/or waiver of certain conditions, the Subscription may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).

DEFINITIONS

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

“Board”	the board of Directors;
“Bond Instrument”	the instrument to be entered into by the Issuer constituting the Convertible Bonds;
“Closing”	closing of the issue and subscription of the Convertible Bonds and the Notes pursuant to the Subscription Agreement;
“Closing Date”	the date of the Closing, which is a date within three business days from the date on which the conditions precedent are fulfilled (or waived) or such other date as agreed by the Subscriber and the Issuer;
“Company”	OCI International Holdings Limited (Stock Code: 329), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules;
“Conversion Price”	the initial conversion price of the Convertible Bonds, being HK\$3.57 per Conversion Share or the Reset Conversion Price (each subject to adjustments events disclosed in the section headed “Adjustments to the Conversion Price” above), provided that the conversion price shall not in any event be lower than HK\$2.39 (subject to adjustments events disclosed in the section headed “Adjustments to the Conversion Price” above);

“Conversion Price Reset”	at any time after 3 months from the Closing Date, if the average closing price of the Issuer’s Shares as stated in the Stock Exchange’s daily quotations sheets for any 20 consecutive business days is lower than 90% of the prevailing conversion price (such period being the price reset period), the prevailing conversion price will be adjusted to a price that is equal to the lower of (i) 120% of the average closing price of the Issuer’s Shares as stated in the Stock Exchange’s daily quotations sheets for the last five business days of such price reset period; or (ii) the prevailing conversion price;
“Conversion Shares”	the Issuer’s Shares fall to be allotted and issued by the Issuer upon the exercise of the conversion rights attaching to the Convertible Bonds;
“Conversion Bonds”	the one year (extendable twice (each for a term of one year) for a maximum of 24 months subject to the agreement between the Issuer and the Subscriber) 5% coupon rate convertible bonds in the aggregate principal amount of US\$10 million to be constituted by the Bond Instrument and to be issued by the Issuer to the Subscriber pursuant to the Subscription Agreement;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Shareholders to be convened for the purposes of, amongst other things, approving the Subscription Agreement and the Subscription;
“EtonKids”	EtonKids Educational Group Limited, a company incorporated under the laws of the Cayman Islands;
“EtonKids Share Charge”	a share charge to be executed by the Issuer in favor of the Subscriber, pursuant to which, amongst other things, 3,159,910 ordinary shares of EtonKids held by the Issuer will be charged in favor of the Subscriber;
“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;
“Issuer”	C.banner International Holdings Limited (千百度國際控股有限公司) (Company Number 32062), a company with limited liability incorporated under the laws of Bermuda, with registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and the Issuer’s Shares of which are listed and traded on the main board of the Stock Exchange under stock code 1028;
“Issuer Group”	the Issuer and its subsidiaries;
“Issuer’s Shares”	the ordinary share(s) of nominal value of US\$0.015 each in the share capital of the Issuer;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	30 January 2018;
“Notes”	the one year (extendable for a maximum of 24 months subject to the agreement between the Issuer and the Subscriber) 7% coupon rate notes in the aggregate principal amount of US\$10 million to be constituted by the Note Instrument and to be issued by the Issuer to the Subscriber pursuant to the Subscription Agreement;
“Note Instrument”	the instrument to be entered into by the Issuer constituting the Notes, substantially in the form of the draft set out in the schedule to the Subscription Agreement;
“PRC”	the People’s Republic of China, for the purpose of this announcement, not including Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“Reset Conversion Price”	means the adjusted conversion price upon the occurrence of the Conversion Price Reset, being an amount equal to the lower of (i) 120% of the average closing price of the Issuer’s Shares as stated in the Stock Exchange’s daily quotations sheets for the last five business days of such price reset period; or (ii) the prevailing conversion price;
“Share(s)”	the share(s) having a par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Subscriber”	OCI Capital Limited, a wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong;
“Subscription”	the proposed subscription for the Convertible Bonds and the Notes by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the agreement dated 29 September 2017 and entered into between the Issuer and the Subscriber in relation to the subscription and issue of the Convertible Bonds and the Notes;
“subsidiaries”	has the meaning ascribed to it by the Listing Rules;
“United States” or “the U.S.”	the United States of the America;
“US\$”	U.S. dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the Board
OCI International Holdings Limited
Feng Hai
Chairman

Hong Kong, 29 September 2017

For the purpose of this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.8047 for illustration purpose only.

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

Executive Directors:

Mr. Feng Hai (*Chairman*)
Mr. Li Yi (*Chief Executive Officer*)
Ms. Xiao Qing (*Chief Operating Officer*)
Ms. Chan Mee Sze

Independent non-executive Directors:

Mr. Lam Man Sum, Albert
Mr. Chang Tat Joel
Mr. Wong Stacey Martin
Mr. Tso Siu Lun, Alan

Non-executive Directors

Mr. Du Peng
Ms. Zheng Xiaosu