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OCI International Holdings Limited

東建國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 329)

DISCLOSEABLE TRANSACTION REPURCHASE ARRANGEMENT RELATING TO US\$ 5.1 MILLION NOTIONAL AMOUNT OF BONDS ISSUED BY HUAXIN PHARMACEUTICAL (HONG KONG) CO., LIMITED

REPURCHASE TRANSACTIONS

On 29 April 2019, the Seller agreed to sell (and the Buyer agreed) to buy from the Seller US\$5.1 million (nominal amount) of Huaxin Bonds for US\$3,020,959 (the “**Current Transaction**”), subject to the Master Terms. Under the Master Terms, the parties will have simultaneously agreed (i) for the Buyer to sell to the Seller (and the Seller to buy) equivalent securities on demand against the payment of the Repurchase Price by the Seller to the Buyer, subject to and on the Master Terms, upon the demand of either party to terminate the transaction; (ii) to transfer to each other cash margin or Equivalent Securities to the other if they do not have the same net exposure to each other.

The Current Transaction when aggregated with the Earlier Transactions (settled on 18 April and 23 April 2019 respectively), including the sale of the Huaxin Bonds and the obligation to purchase the same upon termination of the transactions on the basis described below, will result in more than one of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but not more than 25%, the Current Transaction (as aggregated with the Earlier Transactions) constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

REPURCHASE TRANSACTIONS

On 29 April 2019, the Seller agreed to sell (and the Buyer agreed) to buy from the Seller US\$5.1 million (nominal amount) of Huaxin Bonds for US\$3,020,959 (the “**Current Transaction**”), with a simultaneous agreement under the Master Terms by the Buyer to sell to the Seller equivalent securities on demand against the payment of the Current Repurchase Price by the Seller to the Buyer, subject to and on the Master Terms.

The following table summarises the parties and key terms of the Current Transaction:

Contract Date	:	29 April 2019
Purchase/settlement Date	:	29 April 2019
Seller	:	OCI Capital Limited, a wholly-owned subsidiary of the Company
Buyer	:	Haitong International Financial Solutions Limited

To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, the Buyer and its ultimate beneficial owners are third parties independent from the Company and its connected persons (as defined in the Listing Rules).

Transaction	:	US\$5.1 million (nominal amount) of Huaxin Bonds being sold by the Seller to the Buyer for cash of US\$3,020,959 (the “ Purchase Price ”) subject to the Master Terms.
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Under the Master Terms, the Seller and the Buyer are:

1. under a simultaneous agreement to terminate the transaction, whereby the Buyer is to sell to the Seller (and the Seller is to buy) securities equivalent to those sold by the Seller under the Current Transaction or their redemption proceeds if redeemed (“**Equivalent Securities**”) on demand against the payment of the Repurchase Price (see below) by the Seller to the Buyer upon demand of either party or upon the occurrence of Events of Default and subject otherwise to the Master Terms;
2. the Seller or (as the case maybe) Buyer is required to provide additional cash or equivalent securities (to those being sold under the Current Transaction) to the other if they do not have the same net exposure to each other. In summary, “net exposure” of the Seller is (i) the difference between the repurchase price multiplied by the agreed margin ratio (being market value of the securities sold under the Current Transaction divided by the Purchase Price) and the market value of Equivalent Securities plus (ii) any amount of distributions (e.g. interest payments under bonds) of the securities sold by the Seller after transaction date but before the repurchase date which the Buyer is to pay over to the Seller, minus (iii) the total value of margin in cash and in securities provided by the Seller exceeds the same provided by the Buyer. This obligation can be calculated across the entire portfolio of securities from time to time that are subject to the Master Terms as between Seller and Buyer.

Purchase Price : US\$3,020,959, which is determined based on arm's length negotiation between the parties with reference to the bid price of the Huaxin Bonds quoted on Bloomberg on 29 April 2019 and the agreed margin ratio

Repurchase Price : The sum of the Purchase Price and the amount obtained by daily application of the rate of 4.75% per annum to the Purchase Price from (and including) the Purchase Date to and (excluding) the repurchase date against delivery of Equivalent Securities. Such rate is determined by the Seller by reference to other quotations obtained by the Group on the market for similar transactions.

Assuming that the Current Transaction is terminated on the scheduled maturity date of the Huaxin Bonds, the Repurchase Price would amount to US\$3,290,259.

In the settlement of Repurchase Price, the Master Terms allow for set off between the parties on amounts due including any amount of distributions of the securities sold by the Seller after transaction date but before the repurchase date which the Buyer is to pay over to the Seller, sales proceeds or the market value of the Equivalent Securities deliverable upon termination.

On 18 April and 23 April 2019, the Seller sold to the Buyer aggregate US\$3.6 million (nominal amount) Huaxin Bonds for a total consideration of US\$2,032,542 (the “**Earlier Transactions**”) subject to the Master Terms. Apart from the nominal amount, the purchase price and the purchase and settlement dates, all other terms of the Earlier Transactions are the same as those that apply to the Current Transaction.

INFORMATION ON THE PARTIES AND REASONS FOR AND BENEFITS OF THE REPURCHASE TRANSACTIONS

The Buyer is principally provides corporate finance, brokerage and margin financing, leveraged and acquisition financing, investment management, fixed income, currency, commodities, and equity derivative products and services to institutional clients and individual investors. The company is a subsidiary of Haitong International Securities Group Limited.

The Company is an investment holding company and its subsidiaries, including the Seller, are engaged in securities trading and investments, provision of asset management services including portfolio management and investment advice to qualified corporate and individual professional investors, provision of financial advisory services in the PRC and trading of wines in Hong Kong and the PRC.

The Transactions (including the Current Transaction) enables the Seller to leverage on the Huaxin Bonds owned by it and obtain funding from the Buyer prior to the scheduled maturity date of the Huaxin Bonds, and therefore generate additional capital that can be deployed including through appropriate re-investments in the securities business of the Group. The Current Transaction (and the Earlier Transactions) were each entered into after arm's length negotiation between the Seller and the Buyer on normal commercial terms having regard to prevailing market conditions and also market standard terms of transactions of a similar nature. Having considered the terms of the Transactions (including the Master Terms), the Directors are of the view that they are fair and reasonable and the Transactions are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Current Transaction when aggregated with the Earlier Transactions (settled on 18 April and 23 April 2019 respectively), including the sale of the Huaxin Bonds and the obligation to purchase the same on the basis of a termination at or before the scheduled maturity of the Huaxin Bonds, will result in more than one of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceeding 5% but not more than 25%, the Current Transaction (as aggregate with the Earlier Transactions) constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Buyer”	Haitong International Financial Solutions Limited
“Company”	OCI International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Events of Default”	the events set out in the Master Terms, including non-compliance with the Master Terms (e.g. failure to make payment or to deliver the relevant securities), insolvency events and suspension of securities dealing business or membership to professional body, in relation to the Buyer or the Seller
“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
“Huaxin Bonds”	6.8% US\$206,000,000 bonds due 2021 issued by Huaxin Pharmaceutical and listed on the Stock Exchange and admitted for settlement in Euroclear Bank SA/NV and Clearstream Banking S.A.
“Huaxin Pharmaceutical”	Huaxin Pharmaceutical (Hong Kong) Co., Limited engaged in issuing the bonds and the on-lending of the proceeds thereof to Taizhou Huaxin Pharmaceutical Investment Co., Ltd. or its subsidiaries. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, this company and its ultimate beneficial owner(s) are Independent Third Party
“Master Terms”	The terms and conditions set out in a Global Master Repurchase Agreement dated 27 March 2019 between the Buyer and the Seller that governs repurchase transactions between them from time to time referring to that agreement, such agreement being based on the 2000 revised version of the standard Global Market Repurchase Agreement published developed by International Capital Market Association (ICMA)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Seller”	OCI Capital Limited, being a wholly-owned subsidiary of the Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	U.S. dollars, the lawful currency of the United States of America; and
“%”	per cent

By order of the Board
OCI International Holdings Limited
Chen Bo
Executive Director (Chairman)

Hong Kong, 29 April 2019

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

Executive Directors:

Mr. Chen Bo (*Chairman*)
Mr. Li Yi (*Chief Executive Officer*)
Ms. Xiao Qing (*Chief Operating Officer*)

Non-executive Directors:

Mr. Du Peng
Ms. Zheng Xiaosu

Independent non-executive Directors:

Mr. Chang Tat Joel
Mr. Wong Stacey Martin
Mr. Tso Siu Lun Alan
Mr. Fei John Xiang