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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 SUBSCRIPTION OF INTEREST IN A SUB-FUND

THE SUBSCRIPTION

The Board announces that on 23 May 2019, the Company entered into the Subscription Agreement with the SPC, pursuant to which the Company agreed to subscribe for the Class B Shares issued by the Sub-Fund in an amount of US\$20 million (equivalent to approximately HK\$157 million).

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect to the Subscription exceed 5% but not more than 25%, the Subscription 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.

THE SUBSCRIPTION

The Board announces that on 23 May 2019, the Company (as subscriber) entered into the Subscription Agreement with ICBC AMG China Fund I SPC (the “SPC”), in respect of its segregated portfolio, ICBC US Dollar Debt Fund SP (the “**Sub-Fund**”).

Subscription Agreement

Pursuant to the Subscription Agreement, the Company has agreed to subscribe for 20,000 participating shares in the Sub-Fund designated as “Class B” (the “**Class B**”).

Shares”) for US\$20 million (equivalent to approximately HK\$157 million). Completion of the Subscription is expected to take place on or before 3 June 2019 (the “**Closing Date**”) at which time full payment for the Subscription is to be made by the Company.

The Class B Shares are being subscribed for under the Subscription Agreement on terms set out in the Memorandum and Supplement. The Subscription will be funded by the Group’s internal resources.

Information on the Sub-Fund

Pursuant to the Memorandum and the Supplement, further details of the Sub-Fund are as follows:

Sub-Fund : ICBC US Dollar Debt Fund SP, being a segregated portfolio of the SPC.

Class of Shares of the Sub-Fund : The Sub-Fund has (and is offering) two classes of participating shares designated as “Class A” (“**Class A Shares**”) and “Class B” respectively. The ratio of the number of outstanding Class A Shares to Class B Shares is stated to be 2:1.

The subscription price of each Class A Share and Class B Share offered under the Supplement are both US\$1,000 per share.

Return

Provided that the Sub-Fund has sufficient distributable assets,

- each Class A Share is entitled in priority (over Class B Shares) only to a fixed return accruing on each anniversary of the Closing Date at 4% per annum on its subscription amount and no other payments;
- after payment of the fixed return for the Class A Shares and deduction of all fees, expenses and other liabilities of the Sub-Fund (including but not limited to management fees which are being charged at a rate per annum on the NAV, fees of the Administrator, custodian and registrar for their services and preliminary expenses for the establishment of the Sub-Fund), each Class B Share is entitled to a fixed return accruing on each anniversary of the Closing Date at 4% per annum on its subscription amount.

Redemption

Shareholders do not have the right to redeem their shares.

The directors of the Sub-Fund have the power to compulsorily redeem the Shares for any reason or for no reason. They have stated they currently envisage they may exercise such powers (i) for legal or regulatory purposes; (ii) to settle any amount due from the Class A Shares and Class B Shares; or (iii) if the NAV is at any time below US\$1 million.

On redemption, Class A Shares will not be entitled to any amount in excess of the subscription price and any accrued and unpaid fixed return. Class B Shares are entitled to the remaining portion of the NAV of the Sub-Fund (i.e. any amount remaining after payment of all fixed returns and settlement of all fees, expenses and liabilities of the Sub-Fund).

Transferability

Both Class A Shares and Class B Shares are transferrable.

Manager of the Sub-Fund : ICBC Asset Management (Global) Company Limited

Objective of the Sub-Fund : Generating income through investing in US dollar-denominated bonds (including, but not limited to, investment-grade bonds, high-yield bonds, and convertible bonds), notes and other fixed income products and money market instruments (each a “**Financial Instrument**”) issued by companies based in or with their headquarters in the PRC (each an “**Issuer**”). Target Issuers are stated to include qualified real estate bond issuers; financial institutions with high incomes and other corporate bonds and local government financing vehicles.

Any cash assets of the Sub-Fund after payment of the fixed return on the Class A Shares and the Class B Shares may be re-invested, utilised or placed in reserve at the discretion of the Manager.

Term of the Sub-Fund : Three years from the Closing Date, subject to the discretion of the directors of the Sub-Fund to extend the term by such period as they determine in good faith are necessary or appropriate to realise the Sub-Fund's investment objectives. At the end of the investment term, the business of the Sub-Fund will be terminated, its remaining assets liquidated, its liabilities discharged, and any remaining assets distributed to Shareholders as described above by way of compulsory redemption of the remaining outstanding Shares.

INFORMATION OF THE SPC, THE SUB-FUND AND THE MANAGER

SPC is an exempted company incorporated with limited liability and registered as a segregated portfolio company in the Cayman Islands under the laws of the Cayman Islands. As a segregated portfolio company, the SPC is permitted to create one or more segregated portfolios in order to segregate the assets and liabilities of the SPC held in respect of one segregated portfolio from the assets and liabilities of the SPC held in respect of any other segregated portfolio and/or the general assets and liabilities of the SPC. Under Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another segregated portfolio. Notwithstanding the segregation of assets and liabilities between segregated portfolios, the SPC is a single legal entity and no segregated portfolio constitutes a legal entity separate from the SPC itself. Accordingly, the Sub-Fund, as a segregated portfolio of the SPC, is not a separate legal entity.

Since the Sub-Fund was newly established in April 2019 and has not commenced business yet, neither financial information nor past performance of the Sub-Fund is presented in this announcement.

The Manager is a limited liability company incorporated in Hong Kong on 26 March 1991. It is licensed by the Securities and Futures Commission in Hong Kong for type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities with CE number AAY077. The Manager is a wholly-owned subsidiary of Industrial Bank and Commercial Bank of China (Asia) Limited.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sub-Fund, the SPC and the Manager and their ultimate beneficial owner(s) is an Independent Third Party.

INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company is an investment holding company and its subsidiaries, 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.

As part of its securities business, the Group has actively been building up and managing its fixed income portfolio. The Subscription presents a good opportunity for the Group to diversify its investment portfolio to a wider range of industries and to generate a potentially favourable return by leveraging the expertise of the Manager which has extensive investment track record. While there is no assurance that the Sub-Fund will be able to redeem (on its dissolution upon expiry of its term or otherwise) the Company's Class B Shares at the subscription price and the fixed return for those shares or at all, the Company noted that based on the terms of the Class B Shares, it is also possible for the Subscription to generate returns in excess of the specified fixed return. The Sub-Fund's ability to do so is dependent on the performance of the Financial Instruments in which it invests, since a default of one or more of such Financial Instruments will likely have a negative impact on the net assets of the Sub-Fund which can in turn affect the fair value of the Company's investment in the Class B Shares.

Having regard to the above, the Directors are of the view that the terms of the Subscription are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect to the Subscription exceed 5% but not more than 25%, the Subscription 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;
“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 (stock code: 329);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	a person or a company which is a third party, independent of the Company and its connected person(s)(as defined under the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the private placement memorandum issued by the SPC and the Manager in April 2019 which sets out general information relating to the SPC and its structure;
“NAV”	Net Asset Value of the Sub-Fund;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Share(s)”	a Class A Share or a Class B Share attributable to the Sub-Fund and being offered for subscription under the terms of the Memorandum and the Supplement;
“Shareholder(s)”	holder(s) of the Share(s);

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of interests of the Sub-Fund by the Company in the amount of US\$20 million (equivalent to approximately HK\$157 million) pursuant to the Subscription Agreement;
“subsidiaries”	has the meaning ascribed to it by the Listing Rules;
“Supplement”	the document issued by the Sub-Fund, the SPC and the Manager which relates to the offering of participating shares attributable to the Sub-Fund, as may be amended and supplemented by the SPC from time to time;
“US\$”	United States dollars, the lawful currency of the United States America;
“%”	per cent

Save for the above and for illustrative purposes only, conversion of US\$ into HK\$ is made at the following exchange rate: US\$1.00 = HK\$7.85. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

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

Hong Kong, 23 May 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*)

Independent non-executive Directors:

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

Non-executive Directors:

Mr. Du Peng
Ms. Zheng Xiaosu