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## **OCI International Holdings Limited**

**東建國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 329)**

### **SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

#### **SUBSCRIPTIONS OF NEW SHARES UNDER SPECIFIC MANDATE**

On 13 August 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for the Subscription Shares, being 440,000,000 new Shares. All the Subscription Shares will be issued at the Subscription Price of HK\$0.65 per Subscription Share.

The 440,000,000 Subscription Shares to be issued and allotted under the Subscription Agreement represent (i) approximately 41.52% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 29.34% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion) as enlarged by the Subscription Shares.

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Subscription Shares save in respect of any rights the record date therefor falls on or before the Completion.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

The issuance of the Subscription Shares is subject to, among other things, approval by the Shareholders at the EGM. Resolution(s) will be proposed to the Shareholders at the EGM to approve, among other things, the Specific Mandate to allot and issue the Subscription Shares under the Subscription Agreement.

## **GENERAL**

A circular containing, among other things, (i) details of the Subscription; and (ii) a notice of EGM, is expected to be despatched to the Shareholders on or before 3 September 2020 in compliance with the applicable requirements under the Listing Rules, that is, within 15 business days from date of this announcement.

Shareholders who are involved in or interested in the Subscription will be required to abstain from voting in respect of the resolution(s) to approve the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) approving the aforesaid matters.

**Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment and/or waiver of the conditions under the Subscription Agreement and the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. If in doubt, shareholders and potential investors are recommended to consult their professional adviser(s).**

## **THE SUBSCRIPTION AGREEMENT**

On 13 August 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, the principal terms of which are set out as follows:

**Date:** 13 August 2020 (after trading hours)

**Parties:** (i) the Company, as issuer  
(ii) the Subscriber, as subscriber

### **Subscription Shares**

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 440,000,000 Subscription Shares, representing:

- (i) approximately 41.52% of the existing issued share capital of the Company as at the date of the Subscription Agreement; and

- (ii) approximately 29.34% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company between the date of the Subscription Agreement and the Completion).

Based on the closing price of the Shares of HK\$0.61 per Share on 13 August 2020, being the date of the Subscription Agreement, the Subscription Shares have a market value of HK\$268.4 million. The aggregate nominal value of the Subscription Shares is HK\$4,400,000.

### **Subscription Price**

Under the Subscription Agreement, the Subscription Price is HK\$0.65 per Subscription Share, representing:

- (i) a premium of approximately 6.56% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 3.17% to the average closing price of HK\$0.63 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

The aggregate Subscription Price will be payable by the Subscriber in cash at the Completion.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion is subject to the fulfilment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

- (i) the listing of, and permission to deal in, the Subscription Shares being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to Completion);

- (ii) the passing by the Shareholders of all necessary resolutions at the EGM in compliance with applicable laws and the Listing Rules to approve the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement;
- (iii) trading in the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to Completion;
- (iv) requisite consents and/or waivers (on terms acceptable to the Company at its sole discretion) from the lenders of the Company under the relevant loan agreement having been obtained or no longer required in connection with the issue of the Subscription Shares;
- (v) the Company's warranties remaining true and accurate in all material respects; and
- (vi) the Subscriber's warranties remaining true and accurate in all material respects.

The conditions precedent (i) to (iv) above cannot be waived by the Subscriber or the Company. The condition (v) is capable of being waived by the Subscriber only and the condition (vi) is capable of being waived by the Company only.

If any of the conditions precedent is not fulfilled or waived (as the case may be) on or before the Long Stop Date, the Subscription Agreement will terminate and neither the Company nor the Subscriber is liable to the other party or has any claim against the other party for damages, compensation or otherwise save and except any liability for antecedent breaches of any party.

### **Completion**

Completion of the Subscription will take place on the third business day in Hong Kong (or such other date as the parties may agree in writing) after all the conditions precedent have been fulfilled (to the extent not waived).

### **Ranking of the Subscription Shares**

The Subscription Shares will, when issued, rank, upon issue, *pari passu* in all respects with all other Shares then in issue save in respect of any rights the record date therefor falls on or before the Completion.

### **SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

### **APPLICATION FOR LISTING**

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

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an exempted limited partnership established in the Cayman Islands. It is a fund managed by Silver Tree Hong Kong Limited (a Type 9 licensed person under the SFO) and governed by the board of its general partner, JZ International Ltd.. Mr. Wei Bin and Mr. Jiao Shumao are the directors of the general partner.

Mr. Wei Bin is the current managing director and senior partner of asset management business of CDH Investments Management (Hong Kong) Limited. Before that, Mr. Wei Bin worked in a Chinese major conglomerate which owns and operates a variety of business for nearly 20 years with operation and management knowledge over different industries, and led numerous complex restructuring, mergers and acquisitions and fund raising transactions for the various listed entities within the group.

Mr. Jiao Shumao is the managing partner at Hangzhou Bio Health Capital Co. Ltd., a venture capital platform for medical start up projects. He has extensive experience not only in investments in the medical diagnostic and equipment industry but is a founding partner of iApps Asia Pte Ltd. and has deep experience managing projects in the semiconductor industry.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscriber, its general partner, their respective ultimate beneficial owners and the individuals described above is a party independent of the Company and its connected persons (as defined in the Listing Rules).

## **INFORMATION ON THE GROUP 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 investment and financial advisory services and trading of wines.

Over the past few years, the Company has been developing its asset management business on the back of its track record on its securities investment business which provided a stable income to support the development of the Group, and its wine trading operations. The Subscription would increase the capital base of the Group, raise cash for the Group's continued expansion of its core business operations and enhance cash reserves to ensure the continued liquidity of the Group as the Directors have noted tightening of credit policies of financial institutions in current economic environment (see also "Use of Proceeds" below). In addition, the Company believes that with the introduction of the Subscriber as a strategic investor in the Company, the Group would be well positioned to tap into the substantial connections and deep experience of Mr. Wei Bin and Mr. Jiao Shumao to support faster growth of the Group's asset management business.

In view of the above, the Directors consider that the terms of the Subscription Agreement (including the Subscription Price) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$286 million and HK\$285 million, respectively. Accordingly, the net subscription price of each Subscription Share is approximately HK\$0.648.

The Company intends to deploy the net proceeds (i) as to approximately HK\$200,000,000 for the repayment of loans which may mature in the next six months; (ii) as to approximately HK\$30,000,000 for the development of the wine trading operations of the Group, including but not limited to, procuring premium wine inventory, enriching member services and user-focused content; (iii) as to approximately HK\$20,000,000 for seed investments in new funds that the Group launches; and (iv) as to approximately HK\$35,000,000 for working capital. Should the Group be able to roll over or refinance all or some of the loans referred to in (i) above, the remaining available funds will be used in and towards its asset management services, including but not limited to using the same as seed investments in new funds to be launched by the Group.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the 12 months immediately preceding the date of the Subscription Agreement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of the Subscription Agreement; and (ii) immediately after the Completion assuming that there is no change in the share capital of the Company other than the issue of the Subscription Shares:

	As at the date of this circular		Immediately after Completion	
	Number of Shares	Approximately %	Number of Shares	Approximately %
<b>The Subscriber</b>	—	—	440,000,000	29.34
<b>Substantial Shareholders</b>				
Golden Power Group Limited ( <i>note 1</i> )	314,000,000	29.63	314,000,000	20.94
Cheer Hope Holdings Limited ( <i>note 2</i> )	210,860,000	19.89	210,860,000	14.06
<b>Public Shareholders</b>	<u>534,889,920</u>	<u>50.48</u>	<u>534,889,920</u>	<u>35.66</u>
<b>Total</b>	<u>1,059,749,920</u>	<u>100.00</u>	<u>1,499,749,920</u>	<u>100.00</u>

*Notes:*

1. Golden Power Group Limited is wholly owned by East Milestone Company Limited, which is in turn wholly owned by Orient Ruiyi (Shanghai) Investment Management Co., Ltd., which is in turn wholly owned by Shanghai Orient Securities Capital Investment Co., Ltd., which is in turn wholly owned by 東方證券股份有限公司 (Orient Securities Co., Ltd.).
2. Cheer Hope Holdings Limited is wholly owned by CCBI Investments Limited, which is in turn wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited, which is in turn wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation, which is in turn owned as to 57.11% by Central Huijin Investment Ltd.

## LISTING RULES IMPLICATIONS

As the Subscription Shares will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Subscription is subject to the Shareholders' approval. The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, (i) the grant of the Specific Mandate; and (ii) the transactions contemplated under the Subscription Agreement. A circular containing, among other things, (i) details of the Subscription; and (ii) a notice of EGM, is expected to be despatched to the Shareholders on or before 3 September 2020 in compliance with the applicable requirements under the Listing Rules, that is, within 15 business days from date of this announcement.

Shareholders who are involved in or interested in the Subscription will be required to abstain from voting in respect of the resolution to approve the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the aforesaid matters.

## **GENERAL**

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

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	OCI International Holdings Limited (東建國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held in due course to consider and, if thought fit, approve the transactions contemplated under the Subscription Agreement and the grant of the Specific Mandate
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Long Stop Date”	31 December 2020, or such later date as the Company and the Subscriber may agree
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Specific Mandate”	a specific mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the EGM
“Subscriber”	JZ Investment Fund L.P., an exempted limited partnership established in the Cayman Islands
“Subscription”	the subscription by the Subscriber for the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 August 2020 entered into between the Company and the Subscriber
“Subscription Price”	HK\$0.65 per Subscription Share

“Subscription Shares”	440,000,000 new Shares to be issued and allotted by the Company to the Subscriber under the Subscription Agreement
“%”	per cent.

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

Hong Kong, 13 August 2020

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

*Executive Directors:*

Mr. Chen Bo (*Chairman*)  
Ms. Xiao Qing (*Chief Operating Officer*)  
Mr. Liu Zheng

*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