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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)

DISCLOSEABLE TRANSACTION TERMINATION OF THE REPURCHASE ARRANGEMENT

TERMINATION OF THE REPO ARRANGEMENT

The Board announces that on 9 May 2019, OCI Capital Limited, being a wholly-owned subsidiary of the Company, has agreed with CEBI Financial Products Limited to terminate the Repo Arrangement (the scheduled termination date for which was 23 January 2021) pursuant to the Termination Letter. The consideration payable with respect to the Termination will be paid in cash by internal resources of the Group.

LISTING RULES IMPLICATIONS

As the largest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect to the Termination exceeds 5% but not more than 25%, the Termination 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.

INTRODUCTION

Reference is made to the announcement of the Company dated 18 September 2018 with respect to the Repo Arrangement (the “**Repo Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in such announcement.

TERMINATION OF THE REPO ARRANGEMENT

The Board announces that on 9 May 2019, OCI Capital Limited, being a wholly-owned subsidiary of the Company, has agreed with CEBI Financial Products Limited (“**CEBI**”) to terminate the Repo Arrangement (the scheduled termination date for which was 23 January 2021) (“**Termination**”) pursuant to the Termination Letter.

Pursuant to the Termination Letter, the Termination entails repurchase of the Purchased Securities by OCI Capital from CEBI at the Purchase Price of US\$5,000,000 plus the Price Differential calculated from the Purchase Date up to the date of the Termination. In other words, the consideration was determined in accordance with the terms of the Repo Arrangement as disclosed in the Repo Announcement except that the date of the Termination is that agreed under the Termination Letter instead of the originally agreed Repurchase Date. The consideration payable with respect to the Termination will be paid in cash by internal resources of the Group.

The Termination is expected to take effect on 10 May 2019.

INFORMATION OF THE COMPANY

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

INFORMATION OF CEBI

CEBI is a wholly-owned subsidiary of CEB International and is principally engaged in trading of bonds and derivatives, CEB International is a Hong Kong-based financial service platform wholly-owned by China Everbright Bank Company Limited (listed on the Hong Kong Stock Exchange (6818.HK) and the Shanghai Stock Exchange (601818.SH). Through its subsidiaries, CEB International provides wide range of financial services to clients around the globe, including sponsoring and underwriting, financial advisory, corporate mergers and acquisitions and restructuring, as well as secondary equity offering, share placement and refinancing for listed companies.

Each of CEBI, CEB International and its controlling shareholder is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE TERMINATION

The Repo Arrangement was entered into in 2018 when the Company had anticipated that the interest rates would continue to rise. However, the Company, having noted the lowering trend of the London Inter-bank Offered Rate (LIBOR) since the beginning of 2019, considered it in the interests of the Company to lower (and better manage) the financing costs of its securities business by proceeding with the Termination. On the same basis, OCI Capital also contracted with CEBI on 9 May 2019 to terminate the TRS Transaction, the effect of which is the disposal of the financial asset created by the TRS Transaction. The Company expects to redeploy the proceeds from termination of the TRS Transaction as working capital for its securities business segment, including through appropriate re-investments.

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

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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;
“ISDA”	International Swaps and Derivatives Association, Inc;

“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, 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;
“OCI Capital”	OCI Capital Limited, a wholly-owned subsidiary of the Company, which is engaged in the securities trading and investments segment;
“Purchased Securities”	<p>US\$10,000,000 principal amount of 5.75% per annum bonds due on 23 January 2021 issued by Guangxi Financial Investment Group Co., Ltd. (廣西金融投資集團有限公司), which is wholly owned by the State-owned Assets Supervision and Administrative Commission of the Guangxi Zhuang Autonomous Region Government and is, through its subsidiaries, principally engaged in the following business segments: (a) provision of micro and small loans, (b) credit guarantees, (c) property insurance, (d) financial leasing and (e) others, which include segments such as asset management, internet finance, fund management, venture investment and urban construction.</p> <p>Each of Guangxi Financial Investment Group Co., Ltd. (廣西金融投資集團有限公司) and its ultimate beneficial owner is an Independent Third Party;</p>
“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;
“Termination Letter”	the letter dated 9 May 2019 between OCI Capital and CEBI with respect to the termination of the Repo Arrangement;

“TRS Agreement”	a total return swap agreement in the form of the 2002 ISDA master agreement entered into between OCI Capital and CEBI on 26 June 2018 which is the subject of the Company’s announcement dated 26 June 2018;
“TRS Transaction”	the total return swap transaction in relation to the Reference Bonds under the TRS Agreement;
“Reference Assets”	Reference Bonds in the principal amount of US\$10,000,000;
“Reference Bonds”	The US\$200,000,000 7.875% per annum senior unsecured bond due on 25 June 2019 issued by Greenland Hong Kong Holdings Limited, which is a company listed in Hong Kong (Stock Code 337) and principally engaged in development for sale and rental of residential properties in the PRC and the operation of hotels;
“Repo Arrangement”	repurchase arrangement entered into between OCI Capital and CEBI on 18 September 2018 and subject to the 2011 TBMA/ISMA Global Master Repurchase Agreement, which is the subject of the Company’s announcement dated 18 September 2018;
“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;
“subsidiaries”	has the meaning ascribed to it by the Listing Rules;
“US\$”	United States dollars, the lawful currency of the United States America;
“%”	per cent

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

Hong Kong, 9 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