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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board of directors (the"Board") of OCI International Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 (the "Period") together with the comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2017

	NOTES	Unaudited six months ended 30.6.2017 HK$'000	30.6.2016 HK$'000 (restated)
Continuing operations			
Revenue			
Sales of goods		**8,645**	2,868
Cost of goods sold		**(7,733)**	(2,379)
		912	489
Dividend income		**1,566**	7,604
Interest income from held-to-maturity investment		**2,430**	—
Interest income from financial assets at fair value through profit or loss		**—**	496
Arrangement and handling fee income		**2,844**	—
Change in fair value of financial assets at fair value through profit or loss		**(371)**	(42)
		7,381	8,547
Other income		**14**	193
Other gains and losses		**(414)**	(168,062)
Administrative expenses		**(15,923)**	(6,986)
Finance costs		**(1,093)**	(99)
Loss before tax		**(10,035)**	(166,407)
Income tax expense	5	**—**	—
Loss for the period from continuing operations	6	**(10,035)**	(166,407)
Discontinued operations			
Loss for the period from discontinued operations		**(9,304)**	(5,310)
Loss for the period		**(19,339)**	(171,717)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Fair value change in available-for-sale investments		**—**	(66,865)
Exchange differences arising on translation of foreign operations		**886**	(1,583)
		886	(68,448)
Total comprehensive expense for the period		**(18,453)**	(240,165)
Loss per share	8		
Basic and diluted			
– Continuing operations		**HK(0.95) cents**	HK(15.70) cents
– Discontinued operations		**HK(0.87) cents**	HK(0.50) cents
		HK(1.82) cents	HK(16.20) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 JUNE 2017

	NOTES	**30.6.2017**	31.12.2016
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Non-current assets			
Plant and equipment		**2,859**	648
Held-to-maturity investment		**116,550**	—
Rental deposits		**1,968**	1,968
		121,377	2,616
Current assets			
Inventories		**16,123**	305
Trade receivables	9	**6,691**	29
Deposits, prepayments and other receivables		**12,401**	827
Financial assets at fair value through profit or loss		**197,210**	—
Bank balances and cash			
– Bank balances and cash		**118,181**	401,007
– Bank balances and cash of disposal group		**7,843**	13,256
		126,024	414,263
		358,449	415,424
Assets of disposal group classified as held for sale		**41,576**	28,305
		400,025	443,729
Current liabilities			
Accruals and other payables		**14,009**	12,815
Borrowing		**77,800**	—
		91,809	12,815
Liabilities of disposal group classified as held for sale		**49,465**	34,949
		141,274	47,764
Net current assets		**258,751**	395,965
NET ASSETS		**380,128**	398,581
CAPITAL AND RESERVES			
Share capital		**10,598**	10,598
Reserves		**369,530**	387,983
TOTAL EQUITY		**380,128**	398,581

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Share capital	Share premium	Translation reserve	Non-distributable reserve	Special reserve	Investment revaluation reserve	Retained earnings	Attributable to owners of the Company
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(note a)	(note b)			
At 1 January 2016 (audited)	10,598	217,190	59,343	24,737	3,142	35,666	539,231	889,907
Loss for the period	–	–	–	–	–	–	(171,717)	(171,717)
Other comprehensive expense for the period	–	–	(1,583)	–	–	(66,865)	–	(68,448)
Total comprehensive expense for the period	–	–	(1,583)	–	–	(66,865)	(171,717)	(240,165)
At 30 June 2016 (unaudited)	10,598	217,190	57,760	24,737	3,142	(31,199)	367,514	649,742
At 1 January 2017 (audited)	**10,598**	**217,190**	**53,580**	**24,737**	**3,142**	**–**	**89,334**	**398,581**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(19,339)**	**(19,339)**
Other comprehensive income for the period	**–**	**–**	**886**	**–**	**–**	**–**	**–**	**886**
Total comprehensive income (expense) for the period	**–**	**–**	**886**	**–**	**–**	**–**	**(19,339)**	**(18,453)**
At 30 June 2017 (unaudited)	**10,598**	**217,190**	**54,466**	**24,737**	**3,142**	**–**	**69,995**	**380,128**

Notes:

(a) The non-distributable reserve represents statutory reserves appropriated from profit after tax of the Company's subsidiary in The People's Republic of China ("PRC") under the PRC laws and regulations.

(b) The special reserve of the Group represents reserve arising pursuant to a group reorganisation that was effected in during the year ended 31 December 2000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) GENERAL INFORMATION

OCI International Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

During the year ended 31 December 2016, the Company ceased the money lending business upon disposal of a wholly-owned subsidiary, Dragonite Resources Limited ("DRL"). During the year ended 31 December 2016, the Company entered into an agreement (the "Agreement") with an independent third party to sell its entire interest in the operations of pharmaceutical and healthcare businesses. Pursuant to the Agreement, completion of the disposal will take place on or before 31 December 2017 if the termination right is not exercised by the Company at its sole discretion. Assets and liabilities attributable to the businesses were classified as disposal group held for sale and their results of operations were classified as discontinued operations.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

(2) BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 31 August 2017.

(3) CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(4) SEGMENT INFORMATION

The Group's executive directors are the chief operating decision makers ("CODM") as they collectively make strategic decisions towards the Group's operations in accordance with the nature of business.

The Group's reportable and operating segments in its continuing and discontinued operations under HKFRS 8 are therefore as follows:

(a) healthcare products, which are mainly represented by ginseng products (classified as discontinued operations during the six months ended 30 June 2017)

(b) pharmaceutical products, which are mainly represented by licensed medicines (classified as discontinued operations during the six months ended 30 June 2017)

(c) securities trading and investments

(d) money lending (classified as discontinued operations during the six months ended 30 June 2016)

(e) trading of wines

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 June 2017 (unaudited)

	Continuing operations			Discontinued operations			
	Securities trading and investments	Trading of wines	Subtotal	Healthcare products	Pharmaceutical products	Subtotal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue							
Sales of goods	–	8,645	8,645	83	8,384	8,467	17,112
Arrangement and handling fee income	2,844	–	2,844	–	–	–	2,844
Dividend income	1,566	–	1,566	1	–	1	1,567
Change in fair value of financial assets at fair value through profit or loss	(371)	–	(371)	–	–	–	(371)
Interest income from held-to-maturity investment	2,430	–	2,430	–	–	–	2,430
	6,469	8,645	15,114	84	8,384	8,468	23,582
Segment (loss) profit	6,452	556	7,008	(4,919)	(4,891)	(9,810)	(2,802)
Other income			14			1,583	1,597
Unallocated corporate and other expenses			(15,964)			–	(15,964)
Finance costs			(1,093)			(1,077)	(2,170)
Loss before taxation			(10,035)			(9,304)	(19,339)
Income tax expense			–			–	–
Loss for the period			(10,035)			(9,304)	(19,339)

For the six months ended 30 June 2016 (unaudited)

	Continuing operations			Discontinued operations				
	Securities trading and investments *HK$'000*	Trading of wines *HK$'000*	Subtotal *HK$'000*	Healthcare products *HK$'000*	Pharmaceutical products *HK$'000*	Money lending *HK$'000*	Subtotal *HK$'000*	Total *HK$'000*
Segment revenue								
Sales of goods	—	2,868	2,868	240	9,356	—	9,596	12,464
Change in fair value of financial assets at fair value through profit or loss	(42)	—	(42)	—	—	—	—	(42)
Dividend income	7,604	—	7,604	—	—	—	—	7,604
Interest income from financial assets at fair value through profit or loss	496	—	496	—	—	—	—	496
Interest income from loans receivable	—	—	—	—	—	5,751	5,751	5,751
	8,058	2,868	10,926	240	9,356	5,751	15,347	26,273
Segment (loss) profit	(160,003)	430	(159,573)	(11,359)	842	5,732	(4,785)	(164,358)
Other income			193				9	202
Unallocated corporate and other expenses			(6,928)				(322)	(7,250)
Finance costs			(99)				—	(99)
Loss before taxation			(166,407)				(5,098)	(171,505)
Income tax expense			—				(212)	(212)
Loss for the period			(166,407)				(5,310)	(171,717)
Impairment loss on available-for-sale investments	(167,566)	—	(167,566)	—	—	—	—	(167,566)

Segment revenue includes proceeds from sales of goods, dividend income, arrangement and handling fee income from held-to-maturity investment, interest income from loans receivable, financial assets at fair value through profit or loss and held-to-maturity investment, and change in fair value of financial assets at fair value through profit or loss.

Segment (loss) profit represents the loss from/profit earned by each segment without allocation of other income, finance costs, and unallocated corporate and other expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(5) INCOME TAX EXPENSE

No Hong Kong Profits Tax for the continuing operations has been provided for in the unaudited condensed consolidated financial statements for the six months ended 30 June 2017 and 2016 as the Group has no estimated assessable profits for both periods.

(6) LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

Loss for the period from continuing operations has been arrived at after charging (crediting):

	Unaudited	
	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
		(Restated)
Staff costs (including directors' emoluments)	**3,752**	2,879
Cost of inventories recognised as an expense	**7,733**	2,379
Depreciation of plant and equipment	**587**	159
Operating lease rentals in respect of land and buildings	**3,037**	856
Interest income from bank balances (included in other income)	**(5)**	—
Legal and professional expenses	**6,015**	1,760

(7) DIVIDEND

No interim dividend was declared, proposed or paid for both six months ended 30 June 2017 and 2016.

(8) LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Basic:

	Unaudited	
	Six months ended	
	30.6.2017	30.6.2016
	HK$'000	*HK$'000*
Loss attributable to equity holders of the Company		
– Continuing operations	**(10,035)**	(166,407)
– Discontinued operations	**(9,304)**	(5,310)
	(19,339)	(171,717)
Weighted average number of ordinary shares in issue	**1,059,749,920**	1,059,749,920

Diluted:

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the six months ended 30 June 2017 and 2016. Therefore, the diluted loss per share are the same as basic loss per share.

(9) TRADE RECEIVABLES

The Group allows an average credit period from 60 to 270 days to its trade customers. The following is an aged analysis of trade receivables net of allowance of doubtful debts presented based on invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

	30.6.2017	31.12.2016
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 60 days	**6,573**	29
61 to 90 days	**—**	—
91 to 180 days	**90**	—
181 to 270 days	**28**	—
	6,691	29

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a total turnover generated from continuing and discontinued operations of approximately HK$23.58 million for the six months ended 30 June 2017 (the "Period") (six months ended 30 June 2016: approximately HK$26.27 million). The decrease in turnover was mainly due to the cease of money lending business which was disposed in November 2016. A consolidated net loss of approximately HK$19.34 million (six months ended 30 June 2016: loss of HK$171.72 million) was incurred by the Group for the Period. The substantial reduction of losses was mainly due to (i) the strong improvement in the securities trading and investment operations contributing approximately HK$6.45 million in operating profit while it recognised an impairment loss on available-for-sale ("AFS") investments amounted to approximately HK$167.57 million in the first half of 2016; (ii) a slight reduction of overall losses in the healthcare and pharmaceutical operations; and (iii) a modest increase in operating profit contribution in the wine trading segment.

During the Period under review, the English name of the Company was changed from "Dragonite International Limited" to "OCI International Holdings Limited" and the Company adopted a new Chinese name "東建國際控股有限公司" to replace "叁龍國際有限公司". It also adopted a new logo to denote the Group's fresh focus towards the development of the Group's business.

Wine Trading

Sales performance of wine trading has improved during the Period with a turnover of approximately HK$8.65 million (six months ended 30 June 2016: approximately HK$2.87 million). Profit attributed to this business segment amounted to approximately HK$0.56 million for the Period (six months ended 30 June 2016: approximately HK$0.43 million), which reflects the improvement achieved by allocating more resources into this business sector.

Securities Trading and Investments

The Group has been actively building up its securities and investment operations. The interest income, dividend income, arrangement and handling fee, and the change in fair value of the financial assets recognised under this segment amounted to approximately HK$6.47 million (six months ended 30 June 2016: approximately HK$8.06 million). Profit attributed to this business segment amounted to approximately HK$6.45 million (six months ended 30 June 2016: loss of approximately HK$160.00 million).

The Group has now focused on investing and trading in listed equity securities, fixed income products and private equity opportunities involving companies with strong underlying business fundamentals and/or prospects.

Equity Securities

In terms of listed equity investment strategy, the focus will mainly be on issuers whose shares have high market liquidity but which the Group considers to be undervalued by the market. As at 30 June 2017, the portfolio of listed shares held by the Group valued (based on their closing price as quoted on the Stock Exchange on that day) at approximately HK$197.21 million. The portfolio comprised 12 large capitalisation issuers, most of which have sizeable operations in China and are both A shares and H shares dual listed companies domiciled in China.

Fixed Income Products

The acquisition of US$15 million 10% senior secured guaranteed notes issued by Rundong Fortune Investment Limited and the subscription of US$15 million 8% senior secured guaranteed notes issued by Sanpower (Hong Kong) Company Limited were both approved at the extraordinary general meeting held on 17 July 2017 and 28 July 2017 respectively. As a result, the interest income, arrangement fee and handling fee income from the senior secured guaranteed notes issued by Rundong Fortune Investment Limited has been recognised in the Group's financial statements for the Period accordingly. As at the date of this announcement, both of the investments in notes have been completed.

Available-for-sale Investments

All the Group's AFS investments have been realised during 2016 and there was no AFS investment held by the Group during the Period.

Healthcare and Pharmaceutical Products

Sales performance of the healthcare and pharmaceutical products segment remained sluggish. It generated turnover of approximately HK$8.47 million for the Period (six months ended 30 June 2016: approximately HK$9.60 million). The segment loss of approximately HK$9.81 million (six months ended 30 June 2016: approximately HK$10.52 million) was mainly due to low turnover in healthcare products and the increase in amortisation due to necessary modifications of the production facilities to comply with the PRC regulations.

The performance of this segment was included in the results of discontinued operations. As disclosed in the 2016 annual report, the Group entered into an agreement to dispose of the entire issued share capital of Captain Wise Limited and its subsidiaries so as to sell its entire interest in manufacturing and trading of pharmaceutical and healthcare business. The Group was granted an option to terminate the disposal at its sole discretion before the end of 2017. The Group is currently reviewing whether or not to proceed with the proposed disposal of the entire issued share capital of Captain Wise Limited.

Money Lending Business

In November 2016, the Group disposed of the entire interest in its wholly-owned subsidiary which carried out money lending business. Therefore, the Group did not record any revenue and profit for the Period, while the Group recorded a segment revenue and profit of approximately HK$5.75 million and HK$5.73 million respectively for the six months ended 30 June 2016.

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 30 June 2017, the Group had an unsecured revolving facility of US$100 million, which carries interest at a fixed rate with amounts drawn maturing within one year from drawdown and extendable twice by a written notice by one year each. US$10 million was drawn down for operational use from this facility as at 30 June 2017. Furthermore, the Group had other unsecured borrowings at fixed interest rate classified under "liabilities of a disposal group classified as held for sale" of approximately HK$23.03 million (31 December 2016: approximately HK$11.16 million). Such borrowings were denominated in US dollars and Renminbi, and thus, there were exposure to fluctuations in exchange rate.

Gearing ratio of the Group as at 30 June 2017 is approximately 26.5% (31 December 2016: approximately 2.8%). The calculation is based on net borrowings of approximately HK$100.83 million and shareholders' funds of approximately HK$380.13 million. Bank balances and cash amounted to approximately HK$126.02 million (31 December 2016: approximately HK$414.26 million) and the total assets were approximately HK$521.40 million (31 December 2016: approximately HK$446.35 million). The Group recorded net current assets of approximately HK$258.75 million (31 December 2016: approximately HK$395.97 million). Inventories increased from approximately HK$4.67 million as at 31 December 2016 to approximately HK$21.22 million as at 30 June 2017 as the Group stocked up inventory for its premium wine trading operation. The Group had no material capital commitment as at 30 June 2017.

As at 30 June 2017, the issued share capital of the Company was 1,059,749,920 shares of HK$0.01 each.

FOREIGN EXCHANGE RISKS

The Group's operations conducted in the PRC are mainly settled in Renminbi while wine trading billings are mainly settled in Euro, Sterling Pound and Hong Kong dollars. However, securities trading and investments are conducted in Hong Kong dollars and US dollars. Therefore, the Group is exposed to fluctuations in foreign exchange rate to a certain extent. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks. However, the Group will continue to closely monitor and manage its exposure to foreign exchange and will consider engaging hedging instruments as and when appropriate.

PROSPECTS FOR THE YEAR 2017 AND DEVELOPMENT PLAN

The majority of the executive board was appointed on and after 11 November 2016, and since their appointment they have been evaluating the operations of the Group, working to secure adequate banking facilities to ensure the Group has adequate financial resources to turn around the operations of the Group, building up investment pipelines and hiring experienced professional employees for the Group's business lines. The Group will focus on building up its securities trading and investment business, expand its wine trading operations and review its strategy regarding the healthcare and pharmaceutical segment.

Equipped with the additional financial resources, the Group will expand its wine trading operations by focusing on premium wine trading in Hong Kong and mass market wine trading in the Mainland China. Mr. Lee Kein Leong, the former chairman of the Company, has rejoined the Group as managing director of the wine trading segment in June 2017. The Group has expanded the warehousing facilities for its wine trading operation from 36 sq. m. to 53 sq. m. and the Group will stock up more premium wine at its enhanced warehousing facilities for its wine distribution business in Hong Kong that targets to the high-end and sumptuous restaurants and wine collectors. The Group has been building its supplier base which will include wine wholesalers and overseas premium wine distributors.

In relation to the mass market wine trading operations in the Mainland China, the Group entered into a cooperation framework agreement with a cinema chain operator in the Mainland China during the Period to supply wine for mass market consumption, intended for the operator's 275 cinema outlets throughout China. It was agreed that the cooperation will commence its roll out by the end of 2017.

For the securities trading and investment operations, the Group will continue the trading of listed equity securities and investment of fixed income products. At the same time, the management will explore the opportunities of private equity investments in the healthcare, consumer (e.g. education), technology and high tech manufacturing sectors. The Group has also been conducting preparatory work towards securing necessary licenses for type 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities under the Securities and Future Ordinance. The management will consider engaging in the provision of asset management related services without proprietary investments should the opportunities arise.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the Period, the Group did not have any material acquisition and disposal of subsidiaries.

DIVIDEND

No dividends were paid, declared or proposed during the Period (six months ended 30 June 2016: Nil). The Board did not recommend any dividend payment for the Period (six months ended 30 June 2016: Nil).

PLEDGE OF ASSETS

As at 30 June 2017, no secured short-term borrowing was reported.

CONTINGENT LIABILITIES

As at 30 June 2017, the Directors are not aware of any material contingent liabilities.

EMPLOYEE POLICY

As at 30 June 2017, the Group employed 102 employees in the PRC and Hong Kong. The remuneration package of the employee is determined with reference to market conditions, their performance, experience, positions, duties and responsibilities in the Group.

DISCLOSURE OF OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties with written terms of reference. Save as disclosed below, the Company has complied with all code provisions of the Corporate Governance Code (the "Code") during the Period as set out in Appendix 14 to the Listing Rules.

Code Provision D.1.4 stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The three of the newly appointed executive directors, namely Mr. Feng Hai, Mr. Li Yi and Ms. Xiao Qing have entered into service contracts with the Company for their appointments as directors of the Company on 6 July 2017, which the deviation from Code Provision D.1.4 reported in the 2016 annual report was resolved.

Code Provision A.4.1 stipulated that non-executive directors shall be appointed for a specific term and be subject to re-election. The appointment of Mr. Lam Man Sum, Albert as independent non-executive director of the Company is not subject to a specific term of office, which constitutes a deviation from Code Provision A.4.1. However, all the independent non-executive directors and non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. As such, the Board of directors of the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the Code.

Under the Code Provision A.6.7, all independent non-executive directors and non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. For the annual general meeting held on 9 June 2017, Mr. Wong Stacey Martin and Mr. Tso Sin Lun, Alan were unable to attend due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiries of all directors of the Company, they all confirmed that they have complied with the required standard set out in the Model Code during the Period.

AUDIT COMMITTEE

The interim results for the Period have been reviewed by the audit committee of the Company. The audit committee comprises four independent non-executive directors of the Company, namely Mr. Chang Tat Joel (Chairman), Mr. Lam Man Sum, Albert, Mr. Wong Stacey Martin and Mr. Tso Sin Lun, Alan.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement was published on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Company's website (www.oci-intl.com). The 2017 interim report will be published on the Stock Exchange's website and the Company's website and will be despatched to the shareholders of the Company in due course.

APPRECIATION

The Board would like to express our gratitude and sincere appreciation to its business partners, management and staff members, and shareholders for their continuous support.

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

Hong Kong, 31 August 2017

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

Non-executive Directors
Mr. Du Peng
Ms. Zheng Xiaosu

Independent Non-executive Directors
Mr. Lam Man Sum, Albert
Mr. Chang Tat Joel
Mr. Wong Stacey Martin
Mr. Tso Siu Lun, Alan