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 2020

The board of directors (the "Board") of OCI International Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020 ("Period") together with the comparative figures for the corresponding period in 2019 as follows:

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2020

	Note	Six months ended 30 June	
		2020	2019
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Revenue	4	**29,086**	52,700
Cost of sales		**(1,227)**	(3,728)
		27,859	48,972
Other income		**746**	730
Selling and distribution cost		**(2)**	(68)
General and administrative expenses		**(21,434)**	(24,232)
Impairment losses on financial assets		**(14,924)**	(88,807)
Loss from operations		**(7,755)**	(63,405)
Finance costs	5	**(16,144)**	(12,837)
Loss before taxation	6	**(23,899)**	(76,242)
Income tax	7	**—**	—
Loss for the period		**(23,899)**	(76,242)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,020)**	(172)
Total comprehensive expense for the period		**(24,919)**	(76,414)

	Note	Six months ended 30 June	
		2020	2019
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
(Loss)/profit for the period attributable to:			
Equity shareholders of the Company		**(24,123)**	(75,773)
Non-controlling interests		**224**	(469)
		(23,899)	(76,242)
Total comprehensive (expense)/income for the period attributable to:			
Equity shareholders of the Company		**(25,143)**	(75,945)
Non-controlling interests		**224**	(469)
		(24,919)	(76,414)
Loss per share	9		
Basic and diluted		**HK(2.28) cents**	HK(7.15) cents

Unaudited Consolidated Statement of Financial Position

At 30 June 2020

	Note	**At 30 June 2020**	At 31 December 2019
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment		**14,732**	17,738
Debt investments at amortised cost	10	**—**	140,226
Rental deposits		**2,116**	2,116
		16,848	160,080
Current assets			
Inventories		**11,968**	12,324
Trade receivables	11	**2,607**	2,788
Deposits, prepayments and other receivables		**15,580**	17,293
Debt investments at amortised cost	10	**62,421**	78,468
Financial assets at fair value through profit or loss	12	**531,926**	550,332
Deposits with banks with original maturity date over three months		**—**	21,360
Cash and cash equivalents		**67,596**	80,767
		692,098	763,332
Current liabilities			
Contract liabilities		**—**	15,700
Accruals and other payables		**21,996**	8,610
Obligations under repurchase agreements		**77,503**	105,170
Borrowings		**386,006**	542,775
Lease liabilities		**5,954**	5,531
Current taxation		**4,948**	4,946
		496,407	682,732
Net current assets		**195,691**	80,600
Total assets less current liabilities		**212,539**	240,680
Non-current liability			
Lease liabilities		**8,305**	11,527
NET ASSETS		**204,234**	229,153

	Note	At 30 June 2020 HK$'000 (unaudited)	At 31 December 2019 HK$'000 (audited)
CAPITAL AND RESERVES			
Share capital		**10,598**	10,598
Reserves		**194,122**	219,265
Total equity attributable to equity shareholders of the Company		**204,720**	229,863
Non-controlling interests		**(486)**	(710)
TOTAL EQUITY		**204,234**	229,153

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2019 (audited)	10,598	217,190	247	99,005	327,040	(179)	326,861
Loss for the period	—	—	—	(75,773)	(75,773)	(469)	(76,242)
Other comprehensive expense for the period	—	—	(172)	—	(172)	—	(172)
Total comprehensive expense for the period	—	—	(172)	(75,773)	(75,945)	(469)	(76,414)
Balance at 30 June 2019 (unaudited)	10,598	217,190	75	23,232	251,095	(648)	250,447
Balance at 1 January 2020 (audited)	**10,598**	**217,190**	**(33)**	**2,108**	**229,863**	**(710)**	**229,153**
(Loss)/profit for the period	**—**	**—**	**—**	**(24,123)**	**(24,123)**	**224**	**(23,899)**
Other comprehensive expense for the period	**—**	**—**	**(1,020)**	**—**	**(1,020)**	**—**	**(1,020)**
Total comprehensive (expense)/income for the period	**—**	**—**	**(1,020)**	**(24,123)**	**(25,143)**	**224**	**(24,919)**
Balance at 30 June 2020 (unaudited)	**10,598**	**217,190**	**(1,053)**	**(22,015)**	**204,720**	**(486)**	**204,234**

Notes to the interim financial results

1. GENERAL

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 addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 811, Level 8, One Pacific Place, 88 Queensway, Hong Kong respectively.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in asset management, provision of investment and financial advisory services, securities trading and investments and trading of wines.

2. BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2020 but are extracted from the interim financial report.

The interim financial report has 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 Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 28 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report has been reviewed by the Company's audit committee.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS that are first effective for the current accounting period of the Group.

None of the 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. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are asset management, provision of investment and financial advisory services, securities trading and investments and trading of wines.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Asset management	**19,340**	16,508
– Investment advisory services	**28**	142
– Trading of wines	**1,253**	4,022
	20,621	20,672
Revenue from other sources		
Income from debt investments	**27,656**	13,841
Change in fair value of financial assets at fair value through profit or loss	**(18,558)**	15,196
Dividend income	**—**	428
(Loss)/gain on disposal of financial assets at fair value through profit or loss	**(633)**	2,563
	8,465	32,028
Total	**29,086**	52,700

(b) Segment reporting

The Group's executive directors are the chief operation decision makers ("CODM") as they collectively make strategic decisions towards the Group's operations based on nature of business.

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

(a) asset management

(b) investment and financial advisory services

(c) securities trading and investments

(d) trading of wines

Segment revenue and results

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2020 and 2019 is set out below.

Six months ended 30 June 2020

	Asset Management	Investment and financial advisory services	Securities trading and investments	Trading of wines	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from contracts with customers:					
– At a point in time	—	—	—	1,253	1,253
– Over time	19,340	28	—	—	19,368
	19,340	28	—	1,253	20,621
Revenue from other sources	—	—	8,465	—	8,465
Reportable segment revenue	19,340	28	8,465	1,253	29,086
Segment (loss) profit	15,561	—	(11,006)	(115)	4,440
Other income					191
Unallocated corporate and other expenses					(14,217)
Share of loss of joint venture					—
Finance costs					(14,313)
Loss before taxation					(23,899)
Income tax					—
Loss for the period					(23,899)

Six months ended 30 June 2019

	Asset Management *HK$'000*	Investment and financial advisory services *HK$'000*	Securities trading and investments *HK$'000*	Trading of wines *HK$'000*	Total *HK$'000*
Revenue from contracts with customers:					
– At a point in time	—	—	—	4,022	4,022
– Over time	16,508	142	—	—	16,650
	16,508	142	—	4,022	20,672
Revenue from other sources	—	—	32,028	—	32,028
Reportable segment revenue	16,508	142	32,028	4,022	52,700
Segment (loss) profit	10,847	(1,710)	(55,341)	(318)	(46,522)
Other income					269
Unallocated corporate and other expenses					(18,640)
Share of loss of joint venture					—
Finance costs					(11,349)
Loss before taxation					(76,242)
Income tax					—
Loss for the period					(76,242)

Revenue is allocated to the reportable segments with reference to revenue and income generated by those segments.

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

5. FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**3,397**	1,990
Interest on other borrowings	**8,808**	7,308
Interest on lease liabilities	**343**	—
Other borrowing costs	**3,596**	3,539
	16,144	12,837

6. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging (crediting):

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs (including directors' emoluments)	**8,848**	10,549
Cost of inventories recognised as an expense	**1,227**	3,728
Loss allowance on debt investments	**14,924**	88,807
Depreciation charge		
– owned property, plant and equipment	**262**	640
– right-of-use assets	**2,854**	—
Interest income from bank balances (included in other income)	**(181)**	(270)

7. INCOME TAX EXPENSES

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these two jurisdictions.

The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong is 16.5% (2019: 16.5%). The PRC Enterprise Income Tax rate is 25% (2019: 25%).

No Hong Kong Profits Tax and PRC Enterprise Income Tax have been provided for in the unaudited condensed consolidated financial statements for the six months ended 30 June 2020 and 2019 as the Group has no estimated assessable profits for both periods.

8. DIVIDENDS

No interim dividend was declared, proposed or paid for both the six months ended 30 June 2020 and 2019.

9. LOSS PER SHARE

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

Basic:

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss attributable to equity shareholders of the Company	**(24,123)**	(75,773)
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 assuming conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the six months ended 30 June 2020 and 2019. Therefore, the diluted loss per share is the same as basic loss per share.

10. DEBT INVESTMENTS AT AMORTISED COST

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Corporate debt securities	**213,359**	354,708
Receivable under a loan facility	**31,000**	31,000
	244,359	385,708
Less: Loss allowance	**(181,938)**	(167,014)
Total debt investments at amortised cost, net of loss allowance	**62,421**	218,694
Analysed for reporting purpose, net of loss allowance		
– Non-current portion	**—**	140,226
– Current portion	**62,421**	78,468
	62,421	218,694

11. TRADE RECEIVABLES

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade debtors in respect of wine trading	**616**	1,934
Fees receivable from asset management	**1,991**	1,409
Less: Allowance for doubtful debts	**—**	(555)
	2,607	2,788

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 60 days	**2,199**	2,088
61 to 90 days	**—**	—
91 to 180 days	**—**	—
More than 180 days	**408**	700
	2,607	2,788

The Group allows an average credit period from 90 to 120 days (2019: 90 to 120 days) to its trade customers in respect of wine trading and a credit period of 30 days to its customers in respect of asset management.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
US Dollar Bond Linked Notes	**134,750**	134,347
Corporate debt securities	**245,792**	247,842
Investment fund	**151,384**	168,143
	531,926	550,332

13. EVENTS AFTER THE REPORTING PERIOD

(a) On 13 August 2020, the Company entered into a subscription agreement with a subscriber pursuant to which such subscriber has conditionally agreed to subscribe for 440,000,000 new shares at a price of HK$0.65 per share.

Net proceeds from the subscription agreement are expected to be approximately HK$285 million.

Up to the date of the interim financial report, the subscription agreement has not been completed.

Details of the subscription agreement are set out in the Company's announcement dated 13 August 2020.

(b) Since January 2020, the outbreak on novel coronavirus ("COVID-19") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of the financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group are provision of asset management services, investment and financial advisory services, securities trading and investments and trading of wines. The Group's investment team that has been in place since the second half of 2017, has delivered satisfactory results in building and managing the Group's public offering bond investments to provide steady income stream for the Group. The Group was granted Type 4 (advising on securities) and Type 9 (asset management) licenses by the Securities and Future Commission of Hong Kong (the "SFC") in May 2018. Then the Group commenced its asset management business and earned revenue in these segments through providing asset management services and advisory services through the expertise of the Group's investment team. Over the past two years, assets under management (AUM) managed by us increased from US$662 million as at 31 December 2018 to US$736 million as at 31 December 2019, representing an increment of 11.2% and further to US$746 million as at 30 June 2020. Three more funds of an aggregated size of approximately at US$93 million has been launched and closed subsequent to 30 June 2020. As a result, the AUM of the funds managed by the Group amounted to US$839 million as at the date of this announcement, representing an increment of 14.0% compared to the AUM as at 31 December 2019. However, our wine trading business suffered setback in these two years due to the downturn of the market sentiment for premium red wine.

The Group recorded total revenue of HK$29.09 million for the six months ended 30 June 2020 (the "Period") (six months ended 30 June 2019: HK$52.70 million). The decrease in revenue was mainly due to decrease in sales of wine trading and the decrease in fair value of financial assets. The consolidated net loss of HK$23.90 million was incurred by the Group for the Period (six months ended 30 June 2019: loss of HK$76.24 million). The consolidated losses from operations were mainly due to the impairment losses in relation to the fixed income investment in the senior secured guaranteed notes issued by Rundong Fortune Investment Limited and Sanpower (Hong Kong) Company Limited amounting to HK$11.74 million and HK$3.18 million respectively (six months ended 30 June 2019: HK$78.55 million and HK$10.26 million) and loss on fair value of investment fund amounting to HK$16.76 million (six months ended 30 June 2019: gain on fair value HK$2.96 million).

Asset Management Services

The Group carries on its asset management business through providing a range of asset management services and investment advisory services to qualified corporate, individual and financial institutional professional investors under Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the SFC. The strategy of developing our asset management business mainly focuses on management of private equity funds and bond funds. The Group has launched the open-ended US Dollar Debt Fund at the initial size of US$15 million as our seed investment during the Period aiming to provide a platform for proprietary investment in public offering bonds for potential investors. The fund is managed by the asset management subsidiary.

As at 30 June 2020, the asset management subsidiary is engaged in management of four funds including the US Dollar Debt Fund mentioned below with fund size varying from US$15 million to US$642 million. Asset management fee income of HK$19.34 million was recorded for the Period (six months ended 30 June 2019: HK$16.51 million). As at the date of this announcement date, the number of funds managed by the asset management subsidiary increased to seven.

Investment and Financial Advisory Services

Our investment advisory services mainly relate to advising US dollar debts related investments. As at 30 June 2020, the asset management subsidiary is engaged in advising one fund with fund size of US$60 million.

Investment advisory services fee amounting to HK$0.03 million was recorded as income for the Group for the Period (six months ended 30 June 2019: HK$0.14 million).

Fund Investment

On 23 May 2019, the Company entered into the subscription agreement with the ICBC AMG China Fund I SPC, in respect of its segregated portfolio, ICBC US Dollar Debt Fund SP (the "Sub-Fund"), pursuant to which the Company subscribed for the Class B Shares issued by the Sub-Fund in an amount of US$20 million (equivalent to approximately HK$157 million). The fund size was US$60 million including both Class A Shares of US$40 million and Class B Shares of US$20 million.

Both Class A and Class B Shares are entitled to a fixed return accruing on each anniversary of 3 June 2019 ("Distribution Date") at 4% per annum on its subscription amount. Provided that the portfolio has sufficient distributable assets after payment of the Class A fixed return and deduction of all fees, expenses and other liabilities of the Sub-Fund (including but not limited to management fees), each Class B Share carries the right to a fixed return accruing on each distribution date calculated at the rate of 4% per annum on the subscription amount. 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. The Sub-Fund will generate 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 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.

In accordance with the terms of the transaction documents, (i) the management fee is calculated at the rate of 0.60% per annum on the net asset value of the Sub-Fund; (ii) the set up fees, including costs incurred in connection with the preparation and execution of the agreements relating to the Sub-Fund and all initial legal and printing costs, are estimated to be US$50,000; and (iii) the fees payable to the administrator, the custodian and the registrar with respect to their provision of services to the Sub-Fund are to be agreed by the relevant service provider with the manager of the Sub-Fund from time to time.

As at 30 June 2020, the fair value of the fund investment was HK$151.38 million (31 December 2019: HK$168.14 million), representing 21.4% of the total asset of the Group (31 December 2019: 18.2%)

The Group launched a US dollar debt fund (the "US Dollar Debt Fund") in February 2020 through injection of two existing investment bonds valued at approximately US$15.42 million at the date of injection. The aim of the US Dollar Debt Fund is to invest in short to medium term notes to obtain steadily interest income as well as capital appreciation. The US Dollar Debt Fund is open to external professional investors and is managed by OCI Asset Management Company Limited, the Group's asset management subsidiary. The fund manager will closely monitor the market value of the investment notes within the portfolio of the fund and try to capture any opportunities to acquire investment notes at low value and to dispose those investment notes at a higher price to obtain capital gain in addition to obtaining interest return. Further details of the investment portfolio of the US Dollar Debt Fund is set out under "Securities Trading and Investments — US Dollar Debt Fund" below.

Securities Trading and Investments

The Group disposed of its entire listed equity securities investment portfolio in the year 2019 to focus on fixed income products. Dividend income, income from debt investments, gain/(loss) on disposal of financial assets, and the change in fair value of the financial assets recognised under this segment for the Period amounted to HK$8.47 million (six months ended 30 June 2019: HK$32.03 million). Loss attributed to this business segment amounted to HK$11.01 million (six months ended 30 June 2019: HK$55.34 million) mainly due to the impairment losses on fixed income investment notes amounted to HK$14.92 million (six months ended 30 June 2019: HK$88.81million).

Fixed Income Products

The Group actively invested in the fixed income products during the Period. Other than the fixed income products brought forward from the year ended 31 December 2019, certain investment notes listed below were acquired by the Group during the Period.

The key factors considered by the Group when making the investment decisions included, but not limited to, (i) the credit rating of the issuers; (ii) the financial position and financial performance of the underlying assets; (iii) the returns offered by and the relevant costs in association with the fixed income products; (iv) the terms of the fixed income products; (v) any guarantor or collaterals in association with the fixed income products; (vi) leverage which can be applied in the fixed income products; (vii) the economic environment; and (viii) government policies.

One of the investment strategies of the Group is to obtain leverage on the fixed income products through entering into financial arrangements with financial institutions such as total return swap ("TRS") agreements and US Dollar bond linked notes. Through these financial arrangements, the Company can obtain the economic benefits including the interest and capital gain of an underlying asset without paying the entire amount to buy the underlying asset. The Company only needs to pay part of the market value of the underlying assets as upfront payment to the financial institution. In return, the financial institutions will pay the Company the return of the underlying asset net of the funding cost pre-agreed between the Company and the financial institutions.

The Group also enters into repurchase agreement ("Repo") with financial institutions to obtain leverage. A Repo is an agreement whereby the Company sells its debt securities to the financial institutions and agrees to repurchase it at a pre-agreed price in the future. The economic benefits including the interest and capital gain of its debt securities are retained by the seller, i.e. the Group. It is in substance a form of borrowing with its debt securities as collaterals, and the funding cost is embedded in the pre-agreed price to repurchase the security in the future.

As the fixed income products provided a stable income flow to the Group, we will continue to seek appropriate investment opportunities to enrich the investment portfolio of the Group.

As at 30 June 2020, the Group held interests in the following debt securities which are recognised as debt investments carried at amortised costs and at fair value in the consolidated statement of financial position of the Group as at that date:

(i) US$15 million 10% senior secured guaranteed notes ("RD Note") issued by Rundong Fortune Investment Limited ("RD Note Issuer") matured on 15 April 2019. The RD Note was secured by a charge over 78,000,000 shares of China Rundong Auto Group Limited (China Rundong Charged Shares), a company listed on the Stock Exchange (stock code: 1365). The Group issued an EOD Notice to the RD Note Issuer and demanded for payment from RD Note Issuer on 16 April 2019. Then the Group sold 2,019,000 China Rundong Charged Shares and subsequently also contracted with LanHai International Trading Limited (覽海國際貿易有限公司) and Ms. Ding Yi (丁怡) ("RD Charged Share Purchasers"), to sell the remaining 75,981,000 China Rundong Charged Shares ("Remaining RD Shares") for HK$80 million. For details, please refer to our annual report 2019.

    The legal proceedings between the Group against the RD Charged Share Purchasers is continuing.

    As at 30 June 2020, the carrying amount of the RD Note was HK$13.11 million (31 December 2019: HK$25.46 million), after a provision for impairment loss as at 30 June 2020 of HK$99.49 million (31 December 2019: HK$87.75 million), representing 1.8% of the consolidated total assets of the Group (31 December 2019: 2.8%).

    Valuation of the carrying amount of the RD Note was based on the closing price as at 30 June 2020 of 75,981,000 China Rundong Charged Shares (31 December 2019: 75,981,000) that secured the RD Note was HK$0.184 per share (31 December 2019: HK$0.46) and a bulk discount and fee of 14.57% (31 December 2019: 12.28%) with a positive post period adjustment due to volatility in share price after period end of 9.81% (31 December 2019: 16.95% discount) was applied.

(ii) US$13 million 8% senior secured guaranteed notes ("SP Note") issued by Sanpower (Hong Kong) Company Limited ("SP Note Issuer") matured on 30 July 2019.

The Group issued in October 2018 an EOD Notice to the SP Note Issuer and demanded for payment from the Sanpower Group Co., Ltd. (the "Corporate Guarantor") and Mr. Yuan Yafei (the "Personal Guarantor") as guarantors, in respect of all outstanding sums owing by the SP Note Issuer under the SP Note. The SP Note is secured also by charges over a total of 131,000,000 shares of C.banner International Holdings Limited ("C.banner Shares"), a company listed on the Stock Exchange (stock code: 1028). Details please refer to our annual report 2018 and 2019.

As at 30 June 2020, the carrying amount of the SP Note was HK$18.34 million (31 December 2019: HK$22.04 million), after a provision for impairment loss as at 30 June 2020 of HK$82.42 million (31 December 2019: HK$79.24 million), representing 2.6% of the consolidated total asset of the Group (31 December 2019: 2.4%).

Valuation of the carrying amount of the SP Note was based on the closing price as at 30 June 2020 of 131,000,000 C.banner Shares (31 December 2019: 131,000,000) that secured the SP Note of HK$0.164 per share (31 December 2019: HK$0.21) and a bulk discount and fee of 14.57% (31 December 2019: 12.28%) with a post period discount due to volatility in share price after period end of 0.09% (31 December 2019: 8.68% discount) was applied.

(iii) US$1.74 million (face value) of 5.7% senior bonds issued by Shangrao City Construction Investment Development Group Company Limited maturing on 28 December 2020 ("SCC Note"). The investment cost of the SCC Note was HK$13.04 million. Interest income for the period ended 30 June 2020 was HK$0.39 million (30 June 2019: HK$0.48 million).

As at 30 June 2020, the fair value of the SCC Note was HK$13.44 million (31 December 2019: HK$13.51 million), representing 1.9% of the consolidated total asset of the Group (31 December 2019: 1.5%).

(iv) US$0.40 million (face value) of 5.7% guaranteed bonds issued by Shangrao Investment Holding Group Co., Limited maturing on 14 February 2021 ("SIH Note"). The investment cost of the SIH Note was HK$3.04 million. Interest income for the period ended 30 June 2020 was HK$0.09 million (30 June 2019: HK$0.07 million).

As at 30 June 2020, the fair value of the SIH Note was HK$3.13 million (31 December 2019: HK$3.20 million), representing 0.4% of the consolidated total asset of the Group (31 December 2019: 0.3%).

(v) US$15 million (face value) of 6.8% guaranteed notes issued by Huaxin Pharmaceutical (Hong Kong) Co., Limited maturing on 15 March 2021 ("HX Note"), of which US$10 million are subject to a Repo arrangement between the Group and Haitong International Financial Solutions Limited ("HIFSL"). Based on the offering circular of the HX Note, the Huaxin Pharmaceutical (Hong Kong) Co., Limited has not engaged, since its incorporation, in any material activities other than those relating to the issue of the HX Note and the on-lending of the proceeds thereof to Taizhou Huaxin Pharmaceutical Investment Co., Ltd. or its subsidiaries; whereas Taizhou Huaxin Pharmaceutical Investment Co., Ltd is a state-owned enterprise and its subsidiaries are operating in the industry of sales and distribution of pharmaceutical products. The investment cost of HX Note was HK$113.48 million. The interest income for the period ended 30 June 2020 was HK$3.98 million (30 June 2019: HK$2.14 million).

As at 30 June 2020, the fair value of the HX Note was HK$110.44 million (31 December 2019: HK$113.41 million), representing 15.6% of the consolidated total asset of the Group (31 December 2019: 12.3%).

US Dollar Debt Fund

As at 30 June 2020, the Group is the only investor of this fund and all the debt investments in this fund is regarded as proprietary trade in the Group's financial statements. Fair value of each of those debt investments in the fund is less than 5% of the consolidated total assets of the Group. The details of the debt investments in the US Dollar Debt Fund as at 30 June 2020 are as follows:

(i) US$3.97 million (face value) of 7.5% senior bonds issued by Chengdu Economic & Technological Development Zone State-owned Assets Investment Co., Ltd. maturing on 12 February 2022 ("CD Note");

(ii) US$0.88 million (face value) of 7% fixed rate bond issued by Easy Tactic Limited maturing on 25 April 2021 ("ET Note");

(iii) US$2.69 million (face value) of 9% fixed rate bond issued by CFLD Cayman Investment Ltd. maturing on 31 July 2021 ("CFLD Note");

(iv) US$1 million (face value) of 5.75% bonds issued by Guangxi Financial Investment Group Co., Ltd maturing on 23 January 2021 ("GX Note");

(v) US$1.3 million (face value) of 7.25% senior unsecured bond issued by Greenland Global Investment Limited maturing on 12 March 2022 ("GL Note");

(vi) US$0.5 million (face value) of 6.875% guaranteed senior note issued by Logan Property Holdings Limited maturing on 24 April 2021 ("LP Note");

(vii) US$1.45 million (face value) of 7.85% senior unsecured note issued by Times China Holdings Limited maturing on 4 June 2021 ("TC Note");

(viii) US$1 million (face value) of 7.5% senior note issued by China Aoyuan Property Group Limited maturing on 10 May 2021 ("CAP 2021 Note");

(ix) US$0.5 million (face value) of 7.875% senior notes issued by KWG Group Holdings Limited maturing on 9 August 2021 ("KWG Note 2"); and

(x) US$2 million (face value) of 6.35% senior notes issued by China Aoyuan Property Group Limited maturing on 8 February 2024 ("CAP 2024 Note").

As at 30 June 2020, the fair value of the debt investments in the US Dollar Debt Fund was HK$118.79 million (31 December 2019: Nil), representing 16.8% of the consolidated total asset of the Group (31 December 2019: Nil). The investment cost of the US Dollar Debt Fund is HK$120.29 million. The fair value of the US Dollar Debt Fund is HK$122.20 million as at 30 June 2020 whereas the interest income of HK$2.80 million (30 June 2019: Nil) was included in the financial result for the period ended 30 June 2020.

US Dollar bond linked notes

Brief information on the US dollar bond linked notes held by the Group as at 30 June 2020 are as follow:

Date of announcement	**12 October 2018 and 18 October 2018**
Brief nature of the financial instrument in which the Group invested	A guaranteed note ("KWG Note") issued by the issuer named below, the amount payable upon redemption of which is linked to the reference bond described below.
Amount invested	US$5.03 million (equivalent to HK$39.41 million)
Fair value	US$5.42 million, equivalent to HK$42.02 million, representing 5.9% of the consolidated total assets of the Group as at 30 June 2020 (31 December 2019: US$5.57 million, equivalent to HK$43.43 million, representing 4.7% of the total assets of the Group).
Note Issuer	Haitong International Products & Solutions Limited ("HIPSL")
Guarantor	Haitong International Securities Group Limited
Coupon	Zero
Investment income	Fair value loss of HK$1.41 million and interest income recognised of HK$2.12 million (30 June 2019: Fair value gain of HK$5.73 million and interest income recognised of Nil)

Date of announcement	**12 October 2018 and 18 October 2018**
Reference bond	US$10 million in the principal amount of the 7.875% senior notes issued by KWG Group Holdings Limited (stock code: 1813) due on 9 August 2021. As at 12 October 2018, the market value of the reference bond was US$10.05 million. The principal activities of KWG Group Holdings Limited is investment holding and its subsidiaries are principally engaged in property development, property investment and construction in the PRC.
Amount payable by the note issuer on redemption	On redemption upon maturity being 16 August 2021 or earlier due to an early termination event (which includes drop in market value, acceleration or default, adverse rating changes of the reference bond) the amount payable by the issuer is to be calculated by a pre-agreed formula that can be summarised as follows: a) The aggregate of market value of the reference bond plus interest and principal (net of tax) received by HIPSL minus the aggregate of US$5.03 million (as hypothetical loan notional amount) plus hypothetical interest thereon at the rate of USD 3-month LIBOR-BBA (floored at zero) plus 2.7% per annum; less b) In case of early redemption, cost and expenses incurred by HIPSL and/or affiliates in connection with the redemption of the KWG Note.

Date of announcement	**12 October 2018 and 18 October 2018**
	In the worst case scenario, for example, if market value of the reference bond drops to zero and/or HIPSL is in default in payment of interest and principal amount to the Company, the redemption amount can be zero in which case the Company will not recover its investment.
Benefits	Taking into account the terms of the KWG Note, including the potential return upon redemption based on returns from the reference bond (in the absence of default or a significant reduction of market value of the reference bond) and the amount of investment made in the KWG Note, which is less than the face value of the reference bond (whose shares is listed on the Hong Kong Stock Exchange) and the ultimate holding company of the note guarantor (whose shares are listed on the Shanghai Stock Exchange (600837.SH) and H shares are listed on the Hong Kong Stock Exchange (stock code: 6837)), the Company believes that the investment in the note may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the KWG Note.

Date of announcement	**25 May 2020**
Brief nature of the financial instrument in which the Group invested	A guaranteed note ("GJ Note 3") issued by the issuer named below, the amount payable upon redemption of which is linked to the US Dollar reference bond described below.
Amount invested	US$11.49 million, equivalent to HK$89.65 million
Fair value	US$11.96 million, equivalent to HK$92.72 million, representing 13.08% of the consolidated total assets of the Group as at 30 June 2020 (31 December 2019: Nil)
Note Issuer	Guotai Junan Financial Products Limited ("GJ")
Guarantor	Guotai Junan International Holdings Limited
Coupon	Zero
Investment income	Fair value gain of HK$3.07 million (30 June 2019: Fair value gain of Nil.)
Reference bond in the Bond Portfolio	1. US$10 million of the 6.5% guaranteed senior notes issued by New Metro Global Limited due on 20 May 2022 ("NM Notes"). As at 25 May 2020, the market value of this reference bond was US$9,934,000. New Metro Global Limited is a special purpose vehicle incorporated for bond issues. Its obligation under the NM Notes are guaranteed by Seazen Holdings Co., Ltd. 2. US$10 million of the 5.75% bonds issued by Guangxi Financial Investment Group Co., Ltd. due on 23 January 2021 ("GX Note"). As at 25 May 2020, the market value of this reference bond was US$9,645,000.

Date of announcement **25 May 2020**

Guangxi Financial Investment Group Co., Ltd through its subsidiaries is principally engaged in the provision of micro and small loans, credit guarantees, property insurance, financial leasing and other businesses. Including asset management, venture investment and urban construction.

3. US$10 million in principal amount of the 6.875% guaranteed notes issued by Logan Property Holdings Company Limited ("LP Note") due on 24 April 2021. As at 25 May 2020, the market value of the reference bond was US$10,184,000.

   Logan Property Holdings Company Limited is a company listed on the Stock Exchange (stock code: 3380) and is an investment holding company principally engaged in property development, property investment and construction in the PRC. Its payment obligations under the LP Note are guaranteed by certain of its subsidiaries.

The portfolio of the GJ3 is linked to the Bond Portfolio with a term of optional restructure in the following manner:

(a) to substitute all or part of the Cash Asset Amount with a substitute reference bond of a specified notional amount; or

(b) to substitute all or part of the then current nominal amount of a reference bond in the Bond Portfolio with an amount which will constitute Cash Asset Amount.

Date of announcement	**25 May 2020**

By making a restructuring proposal, the Company is deemed to have acknowledged that GJ has the sole and absolute discretion to adjust the hedging arrangement to reflect a restructuring request and the adjustments made by GJ may differ from the requests of the Company and are final, conclusive and binding on the Company.

For the avoidance of doubt, following any restructure and from and including the relevant restructure date, the aggregate financing amount shall remain unchanged.

Cash Asset Amount means the synthetic amount in USD in the Bond Portfolio that is not invested in the reference bonds, subject to any adjustment. On the issue date of GJ Note 3, the Cash Asset Amount was zero.

Amount payable by the note issuer on redemption

On redemption upon maturity being 28 May 2021 or earlier due to an early termination event (which includes drop in market value, and default of the reference bond) the amount payable by GJ is to be calculated by a pre-agreed formula that can be summarised as follows:

a) The aggregate of market value of the reference bonds realised by GJ or its affiliate; less aggregate financing amount together with the finance costs for the relevant period; plus aggregate cash distribution unpaid to the noteholder.

b) In case of early redemption, cost and expenses incurred by GJ and/or affiliates in connection with the redemption of the GJ Note 3.

In the worst case scenario, for example, when market value of the reference bond drops to zero and/or GJ is in default in payment of interest and principal amount to the Company, the redemption amount can be zero, in which case the Company will not recover its investment.

Date of announcement	**25 May 2020**
Benefits	The subscription is essentially an extension of the financing arrangement under the GJ Note 2 (announced on 2 July 2019), which enables the Group to continue to benefit from the leverage from the Note Issuer at lower interest rate in its indirect investment in the reference bonds in the Bond Portfolio without paying the full market value of those reference bonds. It is expected that the Group can earn the potential return through distribution by the Note Issuer during the term of the GJ Note 3 and upon redemption based on returns from the reference bonds (in the absence of default or a significant reduction of market value of the reference bonds) while the amount of investment made in the GJ Note 3, is less than the face value of the reference bonds. Under the terms of the GJ Note 3, the Group is also allowed to substitute, subject to the consent of Note Issuer, the reference bonds on or before its maturity date with any other reference bond not in the Bond Portfolio. Having considered the credit rating of the reference bond issuer and the creditability of GJ and the guarantor (whose A shares are listed on the Shanghai Stock Exchange and H shares are listed on the Hong Kong Stock Exchange), the Company believes that the investment in the GJ Note 3 may generate investment income (based on the Group's income recognition policy in accordance with HKFRS) and a reasonable return to the Group through the amount receivable on redemption of the GJ Note 3.

Equity Securities

The Group did not re-activate its listed securities investment portfolio during the Period in view of the downturn of the market sentiment due to the outbreak of the COVID-19 pandemic after the Group disposed of the entire listed securities investment portfolio to cut losses on stocks with adverse performance in the last quarter of 2019. Hence, there is no turnover and income/(loss) for the Period from listed securities investment (six months ended 30 June 2019: unrealised loss of HK$2.08 million) and there is no dividend income from listed equity investment for the Period (six months ended 30 June 2019: HK$0.43 million).

Wine Trading

Sales performance of wine trading was affected by the economic slump induced by the COVID-19 pandemic prevention and control measures like entry restrictions, compulsory quarantine for inbound travellers and social distancing practices, which have had hindered most of consumption activities during the Period with a turnover of HK$1.25 million (six months ended 30 June 2019: HK$4.02 million). Loss attributable to this business segment amounted to HK$0.12 million for the Period (six months ended 30 June 2019: loss HK$0.32 million).

In anticipation of a rebound of economy after the COVID-19 pandemic is under control when vaccines against the disease are available globally, the Group is going to strengthen its inventories and expand the marketing and IT back-up team for wine trading operation for the year 2021.

Post Period End Event

On 13 August 2020, 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 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 as enlarged by the Subscription Shares.

Further information of the Subscriber and the effect on the shareholding structure of the Company upon completion is set out in the Company announcement dated 13 August 2020.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the extraordinary general meeting ("**EGM**"). The issuance of the Subscription Shares is subject to approval by the Shareholders at the EGM with the listing approval from Hong Kong Stock Exchange being obtained on or before 31 December 2020. Completion is to take place on the third business days in Hong Kong after fulfilment of the conditions precedent.

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 30 June 2020, the Group had two fixed-rate, unsecured revolving facilities of US$100 million each. One from Cheer Hope Holdings Limited, one of our substantial shareholders, and the other one from Orient Finance Holdings (Hong Kong) Limited, a subsidiary of another substantial shareholder of the Company. The outstanding principal amount of the loans as at 30 June 2020 amounted to US$12 million and US$12 million respectively. In addition, the Group was granted an unsecured revolving facility of HK$500 million from a local bank, in respect of which HK$200 million in principal amount was outstanding as at 30 June 2020. As at the date of this announcement, the credit limit of such unsecured revolving facility was adjusted to HK$300 million.

The gearing ratio of the Group as at 30 June 2020 is 233.4% (31 December 2019: 289.3%), calculated based on total borrowings (including borrowings, obligations under Repo and lease liabilities) of HK$477.77 million (31 December 2019: HK$665.00 million) divided by shareholders' equity of HK$204.72 million (31 December 2019: HK$229.86 million) as at that date.

The Group's bank balances and cash as at 30 June 2020 amounted to HK$67.60 million (31 December 2019: HK$102.13 million). Its total assets as at the same date were HK$708.95 million (31 December 2019: HK$923.41 million).

The Group recorded net current asset of HK$195.69 million (31 December 2019: HK$80.60 million) and inventories decreased from HK$12.32 million as at 31 December 2019 to HK$11.97 million as at 30 June 2020. The current ratio of 1.4 times (31 December 2019: 1.1 times) is calculated based on the current assets of HK$692.10 million (31 December 2019: HK$763.33 million) over the current liabilities of HK$496.41 million (31 December 2019: HK$682.73 million).

As at 30 June 2020 and 31 December 2019, the issued capital of the Company was HK$10.60 million.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not carry out any material acquisition nor disposal of any subsidiary during the Period.

PROSPECTS FOR THE YEAR 2020 AND DEVELOPMENT PLAN

The Group expects the world economy to rebound after the COVID-19 pandemic is under control. Assuming the Subscription proceeds to completion, with the fresh capital injection from the Subscriber by the end of the year, it will be a perfect timing for expansion in our core business. We will keep our investment of fixed income products in China region as China might manage a slight positive growth this year (on the basis of being "first in, first out" on coronavirus) while we expect all other major economies will face a big fall in 2020 in terms of GDP. Apart from focusing on investing in fixed income financial products issued by large state-owned enterprises or companies operating in the various sectors to provide steady income stream, the Group will allocate more resources towards the development of its asset management business and wine trading business which will be the Group's core business sectors for further expansion. The Group is confident towards the expansion of asset management business since our team has expertise with the backing of two SOE shareholders. Moreover, our team possesses good network with most of the financial institutions in the field which can provide insights on suitable investment targets. Our team also has the expertise in related legal and compliance requirements. More investment funds will be structured in the coming year. Assuming the Subscription proceeds to completion, the Group plans to utilise part of the proceeds as seed investments in new funds since it is common practice for asset managers to invest house money in the funds managed by them. Hence, the fund manager's interest is more aligned with the fund's investors and it is generally perceived to be beneficial to the marketing of the funds.

For wine trading business, the Group has established alliance with a reputable distributor for sale of premium wine. Meanwhile, the Group is strengthening our on-line trading through improving our on-line sales platform. Assuming the Subscription proceeds to completion, the Group will also extend wine trading to other categories of wine other than premium red wine and more resources are allocated to increase the manpower of the wine marketing and back-up team as well as advertising and promotion costs.

FOREIGN EXCHANGE RISKS

The Group's operations are conducted (and its borrowings are denominated) in Hong Kong dollars and US dollars while wine trading billings are mainly settled in Euro, Sterling Pound, and Hong Kong dollars. However, the operations of our PRC subsidiaries are conducted in RMB. 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.

DIVIDEND

No dividends were paid, declared or proposed during the Period (six months ended 30 June 2019: Nil). The Board did not recommend any dividend payment for the Period (six months ended 30 June 2019: Nil).

PLEDGE OF ASSETS

As at 30 June 2020 and 31 December 2019, no secured borrowings were reported.

As a precedent condition for the establishment of the secured banking facility of HK$300 million with a local bank, the shares of the Company's investment in ICBC AMG China Fund I SPC amounting to US$20 million is to be charged to the bank by end of August 2020.

CAPITAL COMMITMENTS

As at 30 June 2020, no capital commitments were reported (31 December 2019: Nil).

CONTINGENT LIABILITIES

As at 30 June 2020 and 31 December 2019, the Directors are not aware of any material contingent liabilities.

EMPLOYEE POLICY

As at 30 June 2020, the Group employed 3 employees in the PRC and 18 employees in Hong Kong. The Group has maintained good relationship with its staff and has not experienced any major disruptions of its operations due to labour disputes. The Group contributed to the Mandatory Provident Fund Scheme of Hong Kong and provided medical benefits programme for its employees in Hong Kong. It also contributed to the retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC.

The Group remunerates its employees in accordance with their work performance and experience. The Board has designated the duties of determining Directors' service contracts, reviewing of Directors' and senior management's emoluments and awarding of discretionary bonuses of the Company to the remuneration committee of the Company.

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

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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following enquiries with the Directors, the Company has received confirmation from each of the Directors confirming that he or she has complied with the required standard of dealings set out in the Model Code for the Period.

AUDIT COMMITTEE

The interim results for the Period have been reviewed by the audit committee of the Company (the "Audit Committee"). The Audit Committee comprises four independent non-executive Directors of the Company, namely Mr. Chang Tat Joel, Mr. Wong Stacey Martin, Mr. Tso Siu Lun Alan and Mr. Fei John Xiang.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.oci-intl.com. The 2020 interim report will also be published on the website of Stock Exchange at www.hkexnews.hk and the website of Company at www.oci-intl.com and will be despatched to the Shareholders in due course.

APPRECIATION

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

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

Hong Kong, 28 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