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**China Gem Holdings Limited**

**中國中石控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1191)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE FURTHER PROVISION OF LOAN**

**THE SECOND LOAN AGREEMENT**

Reference is made to the announcement of the Company dated 9 June 2017 in relation to the provision of a loan to the Borrower, an Independent Third Party, in the principal amount of HK\$15,000,000, bearing interest at a rate of 10% per annum for a period of 12 months. On 13 June 2018 (after trading hours), the Lender, a wholly-owned subsidiary of the Company, entered into the Second Loan Agreement with the Borrower, pursuant to which the Lender agreed to further grant to the Borrower a loan in the principal amount of HK\$15,000,000, bearing interest at a rate of 10% per annum for a period of 12 months.

**THE LISTING RULES IMPLICATIONS**

The provision of the Second Loan itself did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the Second Loan and the First Loan were granted within a 12-month period prior to and inclusive of the date of the Second Loan Agreement, the Second Loan and the First Loan shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (after aggregation) are more than 5% but less than 25%, the provision of the Second Loan and the First Loan in aggregate constitute a discloseable transaction of the Company and is therefore subject to the announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement of the Company dated 9 June 2017 in relation to the provision of loan to the Borrower in the principal amount of HK\$15,000,000, bearing interest at a rate of 10% per annum for a period of 12 months. The Borrower paid all the interest and repaid the principal of the First Loan in full to Lender on the repayment date.

The Board announces that on 13 June 2018, the Lender entered into the Second Loan Agreement with the Borrower, pursuant to which the Lender agreed to further grant to the Borrower a loan in the principal amount of HK\$15,000,000, bearing interest at a rate of 10% per annum for a period of 12 months.

## THE SECOND LOAN AGREEMENT

Date : 13 June 2018

Parties : (i) the Lender; and  
(ii) the Borrower

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner is independent of, and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

Principal amount : Hong Kong dollars fifteen million (HK\$15,000,000.00)

Interest : 10% per annum (to be paid every six months)

Drawdown date : the date specified in the Drawdown Notice, or such later date as directed by the Lender, which should be a Business Day in either case

Repayment date : the date falling on 12 months from the drawdown date or such other date as agreed in writing between the Lender and the Borrower

Early repayment : Subject to the Lender's prior written consent, the Borrower may, with at least three Business Days' prior written notice to the Lender, make early repayment of the balance of the Second Loan that remains outstanding and owing to the Lender together with all interest accrued thereon

Guarantee : (i) charge of securities account dated 13 June 2018 between the Borrower and the Lender  
(ii) charge of securities account dated 13 June 2018 between the Chargor and the Lender

The Second Loan will be funded by internal resources of the Group.

The terms of the Second Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to the commercial practice and the amount of the Second Loan. The Directors consider that the terms of the Second Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **INFORMATION ON THE GROUP**

The Group is principally engaged in the business of providing money lending, license and financial services business, fund investment and property development. The Lender is a wholly-owned subsidiary of the Company and a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

### **REASONS FOR THE LOAN**

The Directors consider that the granting of the Second Loan is conducted in the course of the Group's money lending business. Having considered the financial background of the Borrower together with the interest income to be received by the Group in respect of the Second Loan, the Directors consider that the terms of the Second Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

The provision of the Second Loan itself did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the Second Loan and the First Loan were granted within a 12-month period prior to and inclusive of the date of the Second Loan Agreement, the Second Loan and the First Loan shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (after aggregation) are more than 5% but less than 25%, the provision of the Second Loan and the First Loan in aggregate constitute a discloseable transaction of the Company and is therefore subject to the announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	board of the Directors of the Company
“Borrower”	a company incorporated in British Virgin Islands with limited liability and an Independent Third Party of the Company
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and the relevant financial markets are open for general business in Hong Kong
“Chargor”	the sole beneficial owner of the Borrower who agrees to charge a securities account to the Lender under the Second Loan Agreement
“Company”	China Gem Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	Director(s) of the Company
“Drawdown”	a drawdown of the loan pursuant to the Second Loan Agreement
“Drawdown Notice”	a notice to be given by the Borrower to the Lender requesting Drawdown
“First Loan”	the term loan in the amount of HK\$15,000,000 granted by the Lender to the Borrower pursuant to the terms of the First Loan Agreement
“First Loan Agreement”	the loan agreement dated 9 June 2017 entered into among the Lender and the Borrower in relation to the grant of the First Loan to the Borrower
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons (has the meaning ascribed to it under the Listing Rules) of the Company

“Lender”	Professional Wealth Creation Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Loan”	the term loan in the amount of HK\$15,000,000 granted by the Lender to the Borrower pursuant to the terms of the Second Loan Agreement
“Second Loan Agreement”	the loan agreement dated 13 June 2018 entered into among the Lender and the Borrower in relation to the grant of the Second Loan to the Borrower
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**China Gem Holdings Limited**  
**Liu Jieshan**  
*Chairman*

Hong Kong, 13 June 2018

*As at the date of this announcement, the Board comprises Mr. Liu Jieshan, Mr. Cui Lei, Mr. Yang Huaijun and Mr. Han Litie as executive Directors and Mr. Su Xihe, Mr. Wong Wai Chun Alex and Mr. He Yaode as independent non-executive Directors.*