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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)

VOLUNTARY ANNOUNCEMENT — SETTLEMENT OF DEBT BY DEBTOR PURSUANT TO THE DEBT RESTRUCTURING UNDERTAKING LETTER

This announcement is voluntarily made by China Gem Holdings Limited (the “Company”).

Through the investment fund of “Forward Fund SPC” by Double Management Fund SP (“DMF”), Grand Plus Investment Limited, a wholly owned subsidiary of the Company, subscribed the two-year convertible bonds issued by China Ocean Industry Group Limited (Listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock code: 0651, “China Ocean”) with a subscription amount of HK\$80,000,000 and HK\$49,000,000, on 8 November 2017 and 27 December 2017, respectively. As at 30 June 2021, China Ocean still owed DMF a principal amount of HK\$129,000,000.

On 9 August 2021, Zhonghai Wumao (Shenzhen) Limited* (中海物貿(深圳)有限公司, “Zhonghai Wumao”), DMF and China Ocean entered into a debt restructuring undertaking letter, which:

1. Zhonghai Wumao agreed to transfer 325 car park spaces (the “Target Assets”) to DMF, which the payment shall be used to repay the abovementioned debts owed DMF corresponding to the principal amount of the convertible bonds on behalf of China Ocean, and the corresponding interest shall no longer be claimed after the debts are settled. The Target Assets were owned by Zhonghai Wumao pursuant to the Acquisition Agreement on the underground garage project of Mingcheng International Community entered in to by Zhonghai Wumao and another party on

18 August 2016, including 220 mechanical car parking spaces of RMB85,000 each and 105 flat parking spaces of RMB160,000 each, which the aggregate value is RMB35,500,000 (equivalent to approximately HK\$42,673,400).

2. DMF and its fund investor, Grand Plus Investment Limited or the domestic subsidiary of the Company, subsequently have the right to acquire the Target Assets (upon the due liquidation or distribution of the fund, subject to the completion and registration of transfer of the Target Assets) obtained in accordance with this debt restructuring undertaking letter.

By order of the Board
China Gem Holdings Limited
Zhong Ling
Executive Director

Hong Kong, 13 August 2021

As at the date of this announcement, the Board comprises Mr. Zhong Ling, Mr. Yan Ping and Mr. Wu Yijie being executive Directors; Mr. Kan Chi Ming being non-executive Director; Mr. Warren Lee Primhak and Mr. Li Haibo being independent non-executive Directors.

** for identification purpose only*