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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 AGREEMENT**

This announcement is voluntarily made by China Gem Holdings Limited (the “Company”, together with its subsidiaries, the “Group”).

Grand Plus Investment Limited, a wholly-owned subsidiary of the Company, subscribed Partners Tian Wei Fund (as GP, which was subsequently replaced by Pearl River Capital Limited (“Party A”). Star Keen Investment Limited (“Party B”) owed the aforesaid fund a principal amount of HK\$140,000,000 for private placement bonds, and on 26 March 2021, it repaid the principal of HK\$22,128,000.95 through debt restructuring with a debt substitution agreement. As at 30 June 2021, it still owed Party A the debts in a principal amount of HK\$117,871,999.05.

The Group was aware that on 8 July 2021, Party A, Party B, Shanghai Borun Petrochemical Technology Development Co., Ltd.\* (上海博潤石化科技發展有限公司) (“Party C1”) and Mr. Guo Sheng\* (郭盛) (“Party C2”) entered into a debt restructuring agreement (the “Agreement”), whereby:

1. Party C1 and Party C2 (collectively referred to as “Party C”) each holds 39.1667% of the equity interest (the “Target Equity”) in Jiangsu Huirun Logistics Co., Ltd.\* (江蘇輝潤物流有限公司) (the “Target Company”). Party C is willing to transfer the Target Equity to Party A on behalf of Party B, and the consideration of the Target Equity is to repay the aforesaid debts owed to Party A in the corresponding amount of principal on behalf of Party B.

2. Party A and its fund investors (Grand Plus Investment Limited or the domestic subsidiary of the Company) are entitled to acquire the Target Equity to be obtained by Party A under the Agreement (upon the due liquidation or distribution of the fund, subject to the registration of transfer of the Target Equity).

The net profit of the Target Company in the first half of 2021 was approximately RMB6,232,100 and the net profit for the year is expected to be approximately RMB12,464,200.

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

Hong Kong, 19 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*