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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 — IRREVOCABLE GUARANTEE LETTER**

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

On 17 May 2017, Grand Plus Investment Limited (“Grand Plus”), a wholly-owned subsidiary of the Company, subscribed China Tian Yuan Finance Capital General Partner (I) Limited (“Tian Yuan Capital”) as a general partnership. On 22 May 2017, Wealth Creation Special Opportunities Fund LP subscribed for a private placement note issued by Baton Investment Limited (“Baton”) with a principal amount of HK\$100,000,000 for a term of three years. On 22 May 2020, the private placement note was extended for one year to 22 May 2021 by serving the Partnership Extension Notice to Grand Plus in relation to the aforesaid general partnership. As at 22 May 2021, Baton still owed the aforesaid fund a debt with a principal amount of HK\$100,000,000.

The Group was aware that Baton has not paid the interest when due, and Baton has a business cooperation with another independent third party company (the “Guarantor”). As a result, upon negotiation among Baton, Wealth Creation Special Opportunities Fund LP, Tian Yuan Capital and the Guarantor, it was unanimously agreed that the Guarantor would enter into an irrevocable guarantee letter (the “Guarantee Letter”) on 30 June 2021 and would agree to provide effective guarantee for the settlement of the principal of Baton’s aforesaid debts, whereby:

- within the limits of the properties listed in the Guarantee Letter, provide a guarantee of no more than HK\$100,000,000 for Baton’s debts;
- the guarantee period is 12 months, i.e. from 30 June 2021 to 29 June 2022;

- if Baton fails to repay the relevant debts before 30 June 2022, and the Guarantor fails to perform the guarantee obligations when due, Tian Yuan Capital has the right to choose to exercise the rights under the Guarantee Letter first and request the Guarantor to assume the guarantee obligations.

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

Hong Kong, 23 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.*