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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)**

## **CONTINUING CONNECTED TRANSACTIONS ADMINISTRATION AGREEMENT**

### **ADMINISTRATION AGREEMENT**

On 15 June 2018 (after trading hours), the Administrator, a wholly-owned subsidiary of the Company, entered into the Administration Agreement with the Client, pursuant to which the Client agreed to appoint the Administrator and the Administrator agreed to provide administration services to the Client for the period from 15 June 2018 to 14 June 2019.

### **LISTING RULES IMPLICATIONS**

The Client is a limited partner of the partnership managed by CG Investment. CG Investment is a direct wholly-owned subsidiary of CG Finance. CG Finance is a substantial shareholder and a connected person of the Company holding approximately 29.80% of the issued share capital of the Company as at the date of this announcement. Accordingly, the Client is a connected person of the Company. The transactions contemplated under the Administration Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Administrator entered into the Previous Agreement with the Client on 14 April 2017. Pursuant to Rule 14A.81 of the Listing Rules, as the transactions contemplated under the Administration Agreement and the Previous Agreement were entered into between parties who are connected with one another and within a 12-month period, the Administration Agreement and the Previous Agreement constitute a continuing connected transaction.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Administration Agreement and the Previous Agreement (after aggregation) are more than 5% but less than 25% and the total considerations are less than HK\$10,000,000, the transactions contemplated under the Administration Agreement and the Previous Agreement are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 15 June 2018, the Administrator, a wholly-owned subsidiary of the Company, entered into the Administration Agreement with the Client, pursuant to which the Client agreed to appoint the Administrator and the Administrator agreed to provide administration services to the Client for the period from 15 June 2018 to 14 June 2019.

## **THE ADMINISTRATION AGREEMENT**

- Date : 15 June 2018
- Parties : (i) the Administrator, a wholly-owned subsidiary of the Company; and  
(ii) the Client, a connected person of the Company
- Service provided : the Client agreed to appoint the Administrator as an administrator of the Client and delegate to the Administrator all its rights, privileges, powers, duties and discretions in respect of the performance by the Administrator of the services and the Administrator agreed to accept such delegation and appointment to provide the service to the Client
- Terms : from 15 June 2018 to 14 June 2019
- Service fees : the Client agreed to pay to the Administrator an annual fee of 0.2% which shall be calculated on an annual basis as a percentage of the initial net asset value of the Client and the fee shall accrue monthly and shall be payable annually in arrear in US dollars.

### **Annual Cap**

The initial net asset value of the Client is US\$185,000,000 and therefore the service fees shall be capped at US\$370,000 (equivalent to approximately HK\$2,886,000).

## **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 Administrator is a wholly-owned subsidiary of the Company, it is a licensed corporation with SFC regulated activity 4 and 9 and its core business being advising on securities, asset management and provide fund management and administration services for private equity funds.

## **INFORMATION ON THE CLIENT**

The Client is a limited partnership incorporated under the laws of Exempted Limited Partnership Law of the Cayman Islands and is principally engaged in the business of investment and ancillary activities. The general partner of the partnership is CG Investment.

CG Investment is an exempted company incorporated in the Cayman Islands, a direct wholly-owned subsidiary of CG Finance. CG Finance is a substantial shareholder and a connected person of the Company.

## **REASONS FOR THE ADMINISTRATION AGREEMENT**

Directors believe that it is for the benefit of the Group to enter into the Administration Agreement because it will provide the Group with more diversity as a financial services provider and can utilise our existing knowledge and expertise to produce a stable income stream. The terms of the Administration Agreement were determined after arm's length negotiation between the parties thereto. The Directors (including the independent non-executive Directors) are of the view that the terms of the Administration Agreement are on normal commercial terms, in the ordinary and usual course of business of the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **THE PREVIOUS AGREEMENT**

On 14 April 2017, the Administrator entered into the Previous Agreement with the Client, pursuant to which the Client agreed to appoint the Administrator and the Administrator agreed to provide administration services to the Client for the period from 14 April 2017 to 13 April 2018. The Client paid US\$370,000 (equivalent to approximately HK\$2,886,000) service fees to the Administrator. The Previous Agreement was conducted on normal commercial terms and exempt from the reporting, announcement, circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

The Client is a limited partner of the partnership managed by CG Investment. CG Investment is a direct wholly-owned subsidiary of CG Finance. CG Finance is a substantial shareholder and a connected person of the Company holding approximately 29.80% of the issued share capital of the Company as at the date of this announcement. Accordingly, the Client is a connected person of the Company. The transactions contemplated under the Administration Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Administrator entered into the Previous Agreement with the Client on 14 April 2017. Pursuant to Rule 14A.81 of the Listing Rules, as the transactions contemplated under the Administration Agreement and the Previous Agreement were entered into with parties who are connected with one another and within a 12-month period, the Administration Agreement and the Previous Agreement constitute a continuing connected transaction.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Administration Agreement and the Previous Agreement (after aggregation) are more than 5% but less than 25% and the total considerations are less than HK\$10,000,000, the transactions contemplated under the Administration Agreement and the Previous Agreement are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

“Administration Agreement”	an agreement dated 15 June 2018 entered into among the Administrator and the Client in relation to the provision of administration services from 15 June 2018 to 14 June 2019
“Administrator”	Old Peak Capital Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“Annual Cap”	the proposed annual cap for the transactions contemplated under the Administration Agreement
“Board”	the board of Directors
“CG Finance”	China Gem Financial Group Limited, a company incorporated in Hong Kong with limited liability, which is a substantial shareholder and a connected person of the Company
“CG Investment”	China Gem Investment Management Limited, an exempted company incorporated in the Cayman Islands, which is a direct wholly-owned subsidiary of CG Finance and the general partner of the Client.
“Client”	China Gem L.P., a limited partnership incorporated under the laws of Exempted Limited Partnership Law of the Cayman Islands, the general partner of which is CG Investment

“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 (Stock Code: 1191)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Agreement”	an agreement dated 14 April 2017 entered into among the Administrator and the Client in relation to the provision of administration services from 14 April 2017 to 13 April 2018
“SFC”	The Securities and Futures Commission
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$” or “US dollars”	the lawful currency of the United States of America
“%”	per cent.

*For the purpose of this announcement, the following exchange rate is used:  
US\$1.00=HK\$7.80*

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

Hong Kong, 15 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.*