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G-Resources Group Limited

國際資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1051)

**DISCLOSEABLE TRANSACTION
NOVATION OF INVESTMENT AGREEMENT**

NOVATION OF INVESTMENT AGREEMENT

On 10 February 2017, TCGL, an indirect wholly-owned subsidiary of the Company, the Original Investor, Edge Special and ZQ Capital entered into the Novation Deed pursuant to which the Original Investor transferred to TCGL, and TCGL accepted the transfer of, all the rights and outstanding obligations of the Original Investor under the Investment Agreement, subject to the terms of the Novation Deed.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceed(s) 5% but is/are less than 25%, the transaction contemplated in the Novation Deed constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 10 February 2017, TCGL, an indirect wholly-owned subsidiary of the Company, the Original Investor, Edge Special and ZQ Capital entered into the Novation Deed pursuant to which the Original Investor transferred to TCGL, and TCGL accepted the transfer of, all the rights and outstanding obligations of the Original Investor under the Investment Agreement, subject to the terms of the Novation Deed.

PRINCIPAL TERMS OF THE NOVATION DEED

Date

10 February 2017

Parties

- (i) TCGL
- (ii) the Original Investor
- (iii) Edge Special
- (iv) ZQ Capital

Novation

Subject to the terms of the Novation Deed, the Original Investor transfers to TCGL and TCGL accepts the transfer from the Original Investor of, all of the rights and all outstanding obligations of the Original Investor under the Investment Agreement.

As from the date of the Novation Deed and subject to the terms therein, (i) TCGL undertakes to perform the Investment Agreement and be bound by its terms as if TCGL had been a party to the Investment Agreement in place of the Original Investor, and (ii) each of Edge Special and ZQ Capital undertakes to perform the Investment Agreement and be bound by its terms as if TCGL were the original party to the Investment Agreement in place of the Original Investor.

Upon the execution of the Novation Deed, the Investment Agreement shall be deemed to have been amended (i) to replace the Original Investor with TCGL as the Investor (as defined below) thereof, and (ii) to incorporate and give effect to the provisions in the Novation Deed.

TCGL covenants to pay the Original Investor any losses, damages or costs that may be suffered or incurred by the Original Investor under the Investment Agreement as a result of TCGL failing to perform its obligations under the Investment Agreement assumed pursuant to the Novation Deed.

Payment of Subscription Price and Return of deposit

Upon the execution of the Novation Deed (or any other date agreed between ZQ Capital and TCGL), TCGL shall immediately transfer the Subscription Price to a bank account designated by ZQ Capital, upon which TCGL shall be entered into the register of members of Edge Special as the holder of the Subscription Shares.

Upon receipt of the Subscription Price, ZQ Capital shall return the deposit previously paid by the Original Investor under the Investment Agreement to the Original Investor.

Refund of Subscription Price

Following the payment of the Subscription Price by TCGL, if the Acquisition Closing has not occurred by 31 May 2017 due to reasons not attributable to TCGL, ZQ Capital shall immediately return the Subscription Price in full to TCGL, less TCGL's share of reasonable transaction expenses incurred by the Consortium not to exceed US\$200,000.

As a condition to such refund, TCGL shall sign such documents and take such actions as Edge Special and/or ZQ Capital may reasonably require to effect the removal of TCGL from the register of members of Edge Special.

THE INVESTMENT AGREEMENT

Subscription and Proposed Transaction

Under the Investment Agreement, Edge Special shall issue, and the Original Investor as the investor (the "**Investor**") shall subscribe for, the Subscription Shares for a total consideration equal to the Subscription Price. The Subscription Price is determined on arm's length basis taking into account the value of the Proposed Transaction and the prospects of Edge Special after the Acquisition Closing.

Edge Special shall apply a portion of the sum of the Subscription Price and the Preferred Consideration to acquire indirectly through an investment vehicle to be established by the Consortium an equity interest in the Target in the Proposed Transaction.

Business and management

Prior to the Acquisition Closing, Edge Special shall conduct no other business other than in relation to the Investment Agreement, the Preferred Subscription Agreement and the Proposed Transaction. Subject to the Amended Articles, the business and affairs of Edge Special shall be managed and conducted by its sole director, who shall be appointed by ZQ Capital, provided that Edge Special and/or its director may not take certain major actions without the prior written consent of the Investor.

Distribution

Edge Special shall pay the Preferred Shareholder a signing bonus at Acquisition Closing and thereafter, the Preferred Shareholder is entitled to a customary annual preferred return payable by Edge Special. ZQ Capital is entitled to an annual service fee at a customary level following the Acquisition Closing and a fixed percentage of return as the special shareholder of Edge Special. Proceeds remaining after distributions for, among others, the annual preferred return, service fee and fixed return, less any reasonable and documented expenses incurred by Edge Special, shall be distributed to the Investor.

Restrictions

Except for transfers made to an affiliate, neither the Investor nor ZQ Capital may transfer any shares of Edge Special without prior written consent of the other.

Within eighteen (18) months following the date of the Investment Agreement, the Investor shall not, without Edge Special's prior written consent, engage in discussions with the Target or members of the Consortium on any potential investment in the Target or any other transaction involving the Target.

INFORMATION ABOUT THE PARTIES

The Group

The Company is an investment holding company and its subsidiaries are principally engaged in principal investment business, money lending business, provision of financial services and real property business.

The Original Investor

The Original Investor is an investment company that invests in various sectors, including but not limited to media, telecom, healthcare, real estate and financial institutions.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Original Investor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Edge Special

Edge Special is an investment holding company and as at the date of this announcement, Edge Special has not conducted any business. Pursuant to the terms of the Investment Agreement, Edge Special shall not, without prior written consent of the Investor, engage in any activity or business other than which is reasonably necessary, advisable or incidental to the Proposed Transaction and the Preferred Issuance.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Edge Special and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

ZQ Capital

ZQ Capital is a special purpose entity whose principal business is to act as the special shareholder of Edge Special and certain other entities that participate in the Proposed Transaction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, ZQ Capital and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE NOVATION

The Group is engaged in principal investment business, the goal of which is to identify investment opportunities and to invest in different industries to provide better risk weighted return and capital value to the Group. The Company has a positive outlook of the healthcare industry in view of the increasing demand for medical devices and the entry into the

Novation Deed provides an investment opportunity as part of the Group's principal investment business. The Company also considers the entry into the Novation Deed would be an efficient use of the capital.

The Directors consider the terms of the Novation Deed are fair and reasonable and that the entry into the Novation Deed are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceed(s) 5% but is/are less than 25%, the transaction contemplated in the Novation Deed constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following expressions have the meanings set out below in this announcement:

“Acquisition Closing”	closing of the Proposed Transaction;
“Amended Articles”	Amended and Restated Memorandum and Articles of Association of Edge Special to be adopted by Edge Special;
“Company”	G-Resources Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Consortium”	Edge Special and certain other investors who intend to enter into the Proposed Transaction;
“Directors”	the directors of the Company;
“Edge Special”	Edge Special Opportunity Limited, a limited liability company organised under the laws of the Cayman Islands;
“Group”	the Company and its subsidiaries;
“Investment Agreement”	the investment agreement dated 12 December 2016 among Edge Special, ZQ Capital and the Original Investor;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Novation”	the novation of the Original Investor's rights and outstanding obligations under the Investment Agreement to TCGL;

“Novation Deed”	the deed of novation dated 10 February 2017 among TCGL, the Original Investor, Edge Special and ZQ Capital, the principal terms of which are set out in the section headed “Principal Terms of the Novation Deed”;
“Original Investor”	Empire Gain International Limited, a company organised under the laws of the British Virgin Islands;
“Preferred Consideration”	the aggregate consideration for the Preferred Issuance;
“Preferred Issuance”	proposed issuance by Edge Special of preferred shares of Edge Special with par value of US\$0.10 each to the Preferred Shareholder;
“Preferred Shareholder”	an exempted limited partnership established in the Cayman Islands;
“Preferred Subscription Agreement”	the subscription agreement to be entered into between Edge Special and the Preferred Shareholder in respect of the Preferred Issuance;
“Proposed Transaction”	proposed acquisition by the Consortium (through an investment vehicle to be established by the Consortium) of all equity interests in the Target;
“Shareholder(s)”	holder(s) of shares of the Company;
“Special Share(s)”	shares of par value US\$0.10 each in Edge Special which are designated as special shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	US\$30,000,000, being the aggregate consideration for the subscription of the Subscription Shares;
“Subscription Shares”	30,000 ordinary shares of par value of US\$0.10 each of Edge Special;
“Target”	a medical device manufacturer organised under the laws of British Columbia;
“TCGL”	Top Concept Global Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company;

“US\$”	United States dollars, the lawful currency of the United States of America;
“ZQ Capital”	ZQ Capital Services Limited, a limited liability company organised under the laws of the Cayman Islands, being the special shareholder of Edge Special holding the Special Shares.

By Order of the Board
G-Resources Group Limited
Leung Oi Kin
Executive Director and Company Secretary

Hong Kong, 10 February 2017

As at the date of this announcement, the Board comprises:

- (i) Mr. Chiu Tao, Mr. Ma Xiao, Mr. Wah Wang Kei, Jackie and Mr. Leung Oi Kin as executive Directors; and*
- (ii) Dr. Or Ching Fai, Mr. Chen Gong and Mr. Martin Que Meideng as independent non-executive Directors.*

** For identification purpose only.*