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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)**

**CLARIFICATION ANNOUNCEMENT REGARDING  
DISCLOSEABLE TRANSACTION  
NOVATION OF INVESTMENT AGREEMENT**

Reference is made to the announcement of G-Resources Group Limited (the “**Company**”) dated 10 February 2017 in respect of the novation of the Investment Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The board (the “**Board**”) of Directors of the Company would like to clarify the following:

**Capital contribution and shareholding in Edge Special**

- (1) As at the date of the Announcement and before the subscription of the Subscription Shares, the total issued share capital of Edge Special is 50,000 special shares of par value of US\$0.10 each. ZQ Capital contributed US\$5,000 as capital into Edge Special and holds all the 50,000 special shares, representing 100% of the issued special shares of Edge Special. As at the date of the Announcement and before the subscription of the Subscription Shares, ZQ Capital is the sole shareholder of Edge Special and none of the ordinary shares or preferred shares have been issued.
- (2) Upon issuance of the Subscription Shares and completion of the subscription of the Subscription Shares, TCGL holds 30,000 ordinary shares of par value US\$0.10 each in Edge Special, representing 100% of the issued ordinary shares of Edge Special.
- (3) Simultaneous with the subscription of the Subscription Shares and pursuant to the Preferred Issuance, 34,000 preferred shares of Edge Special with par value of US\$0.10 each were issued to the Preferred Shareholder for US\$34,000,000, being the Preferred Consideration. Upon completion of the Preferred Issuance, the Preferred Shareholder holds 100% of the issued preferred shares of Edge Special.

- (4) After the subscription of the Subscription Shares, Edge Special will not be treated as a subsidiary of the Group and its accounts will not be consolidated into the accounts of the Group, as the Group does not control Edge Special in accordance with HKFRS 10 Consolidated Financial Statements. Edge Special will not become a subsidiary undertaking (as defined in schedule 1 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company either as the Company does not control a majority of the voting rights in Edge Special nor does the Company control the composition of the board of directors of Edge Special.

### **Distribution**

- (5) The aggregate of the signing bonus payable by Edge Special to the Preferred Shareholder at Acquisition Closing and the annual preferred return to which the Preferred Shareholder is entitled represents an annualised return of 8% of the Preferred Consideration to the Preferred Shareholder.

### **Proposed Transaction**

- (6) As at the date of the Announcement, no agreement has been entered into by Edge Special together with the Consortium to acquire any equity interest in the Target in respect of the Proposed Transaction.

### **Financial Information of Edge Special**

- (7) Edge Special was incorporated in the Cayman Islands on 1 November 2016 and since its incorporation, it has not conducted any operations. The net profits (before and after taxation) of Edge Special from its incorporation to 31 December 2016 were zero as its incorporation expenses were assumed by ZQ Capital.
- (8) As at the date of the Announcement and before the subscription of the Subscription Shares, the total asset of Edge Special only constitutes total issued share capital of US\$5,000.

Save as disclosed above, all other information of the Announcement remains unchanged.

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

Hong Kong, 16 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.*