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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 SUBSCRIPTION OF LIMITED PARTNER INTEREST IN A FUND

SUBSCRIPTION OF LIMITED PARTNER INTEREST IN A FUND

The Board is pleased to announce that on 8 August 2018 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, and the General Partner entered into the Subscription Agreement to subscribe for the Limited Partner Interest in the Fund as a Limited Partner for a capital commitment of US\$70 million (equivalent to approximately HK\$546 million).

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Subscription is more than 5%, but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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SUBSCRIPTION AGREEMENT

- Date : 8 August 2018
- Name of the Fund : Genesis Capital II LP
- Parties : (1) Genesis Capital II Ltd, as the General Partner, on behalf of itself and the Fund; and
(2) Well Advantage Global Limited, as the Subscriber
- Subject Matter : Subscription for the Limited Partner Interest
- Contribution : A capital commitment of US\$70 million (equivalent to approximately HK\$546 million) by the Subscriber and will be contributed in instalments as specified by the General Partner pursuant to the terms and conditions of the Limited Partnership Agreement
- Closing : The Subscription is conditional upon, among other things, the acceptance by the General Partner of the Subscription

The capital commitment by the Subscriber was determined after arm's length negotiations between the General Partner and the Subscriber with reference to (i) the investment objective of the Fund; (ii) the expected duration of the Fund; (iii) the possible investment return of the Fund; (iv) the financial position and resources of the Subscriber available; and (v) the investment opportunities expected to be available for the Group. The capital commitment will be funded by the Group's internal resources and paid by the Subscriber through wire transfer when due instalments of the capital commitment to the Fund.

Simultaneously with the entering into of the Subscription Agreement, the Subscriber, the Initial Limited Partner, the General Partner, the Carried Interest Partner and other Limited Partners entered into the Limited Partnership Agreement, which shall govern the relationship between the General Partner and the Limited Partners and to provide for (among other things) the manner of operation and management of the Fund. Upon admission of new Limited Partner(s) to the Fund, the Initial Limited Partner would cease to be a partner of the Fund.

LIMITED PARTNERSHIP AGREEMENT

- Date : 8 August 2018
- Name of the Fund : Genesis Capital II LP
- Parties : (1) Genesis Capital II Ltd, as the General Partner;
- (2) Genesis Capital CI II LP, as the Carried Interest Partner;
- (3) Yuan Capital Ltd, as the Initial Limited Partner;
- (4) The Subscriber, as the Limited Partner(s); and
- (5) Other Limited Partners, which are third parties independent from the Company and its connected persons.
- Purpose of the Fund : To invest in equity and equity-related securities of growth and late stage technology entities (including companies in technology, media and telecommunications industry) in the PRC with a view to generate income and capital appreciation.
- Term of the Fund : The term of the Fund shall continue until the tenth anniversary of the Final Closing Date, or such earlier time as determined by the General Partner in its sole discretion, with a view to the Fund being dissolved as soon as reasonable practicable thereunder, and such term may be extended for up to a maximum of two consecutive one-year periods by the Advisory Board or a majority in interest of the Limited Partners.
- Distribution of investment returns : The General Partner may, in its sole discretion (but shall not be required to) cause the Fund to make distributions to the partners of the Fund in the manner as described in the Limited Partnership Agreement. The investment proceeds from the investment made by the Fund shall be apportioned preliminarily among the partners of the Fund in accordance with their sharing percentages of, or respective interests in, such investment and distributed, after deducting reserves to meet the expenses and other liabilities of the Fund, to the partners of the Fund in accordance with the terms and conditions under the Limited Partnership Agreement.

- Transfer by Limited Partner : The Limited Partner Interest may not be sold, assigned, transferred, pledged, charged, encumbered, mortgaged, granted a security interest in or otherwise disposed of, in whole or in part, without the prior written consent of the General Partner, which may be withheld in its sole discretion. The Subscriber may not withdraw from the Fund.
- Management fee : The Fund shall pay the General Partner an annual management fee at 2% of the aggregate Capital Commitments of all Limited Partners (or, following the end of the Fund's Investment Period, the aggregate acquisition cost of investments), commencing from the date of the Limited Partnership Agreement and ending on the winding-up or dissolution of the Fund.

REASONS FOR, AND BENEFITS OF, THE SUBSCRIPTION

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. It is the plan of the Group to strategically and progressively expanding its exposure in investment by establishing and taking part in different funds with distinct investment objectives. The Fund management team has extensive experience in investment and fund operation in technology, media and telecommunications sectors. By leveraging the Fund management team's experience and skills in relevant areas, the Board believes the Company will be able to capture investment opportunities and potential investment returns in technology, media and telecommunications sectors and diversify the Group's investment portfolio. The Board considers that the terms of the Subscription Agreement and the Limited Partnership Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE FUND

The Fund is an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of Cayman Islands on 23 April 2018. The total capital commitment of the Fund as at the Initial Closing Date is US\$466.16 million (equivalent to approximately HK\$3,636.05 million). As it is newly established, neither financial information nor past performance of the Fund is presented in this announcement.

INFORMATION OF THE GENERAL PARTNER, THE INITIAL LIMITED PARTNER AND THE CARRIED INTEREST PARTNER

The General Partner is an exempted company incorporated in Cayman Islands with limited liability and shall be responsible for the management and day-to-day operations of the Fund.

The Initial Limited Partner, an exempted company incorporated in Cayman Islands with limited liability, was the initial limited partner of the Fund but has subsequently withdrawn from the Fund as at the Initial Closing Date and has ceased to be a Limited Partner.

The Carried Interest Partner is a Cayman Islands exempted limited partnership. The Carried Interest Partner was formed by the General Partner for the purpose of investing in the Fund as a Limited Partner.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Subscription Agreement and the Limited Partnership Agreement, each of the General Partner, the Initial Limited Partner, the Carried Interest Partner, other Limited Partners and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE SUBSCRIBER AND THE GROUP

The Subscriber is a company established in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The Group is principally engaged in principal investment business, money lending business, provision of financial services and real property business.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the Subscription is more than 5%, but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Advisory Board”	the advisory board appointed by the General Partner;
“Board”	the board of Directors;
“Carried Interest Partner”	Genesis Capital CI II LP, an exempted limited partnership registered in the Cayman Islands;
“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;

“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Final Closing Date”	the date which is twelve months after the Initial Closing Date or such later date approved by the Advisory Board;
“Fund”	Genesis Capital II LP, a Cayman Islands exempted limited partnership;
“General Partner”	Genesis Capital II Ltd, an exempted company incorporated in Cayman Islands with limited liability;
“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;
“Initial Closing Date”	the date of the Limited Partnership Agreement;
“Initial Limited Partner”	Yuan Capital Ltd, an exempted company incorporated in the Cayman Islands with limited liability;
“Investment Period”	the period from the Initial Closing Date to its fifth anniversary;
“Limited Partner(s)”	the limited partner(s) of the Fund;
“Limited Partnership Agreement”	the amended and restated agreement of exempted limited partnership dated 8 August 2018 entered into among the Subscriber, the General Partner, the Carried Interest Partner, the Initial Limited Partner and other Limited Partners to govern their relationship and provide for (among other things) the manner of operation and management of the Fund;
“Limited Partner Interest”	the limited partnership interest in the Fund represented by a capital commitment of US\$70 million (equivalent to approximately HK\$546 million) to the Fund, representing 15.02% of the total capital commitment to the Fund as at the date of this announcement;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Well Advantage Global Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Limited Partner Interest by the Subscriber pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 8 August 2018 entered into between the Subscriber and the General Partner for subscribing the Limited Partner Interest;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.80 per US\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 8 August 2018

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

- (i) Mr. Leung Oi Kin and Mr. Leung Wai Yiu, Malcolm as executive Directors; and*
- (ii) Mr. Lo Wa Kei, Roy, Mr. Chen Gong and Mr. Martin Que Meideng as independent non-executive Directors.*

* *For identification purpose only*