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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**

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The Board is pleased to announce that on 23 June 2021 (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\$20 million (equivalent to approximately HK\$155.2 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 : 23 June 2021 (after trading hours)
- Name of the Fund : Lavender Hill Capital Partners Fund I, L.P.
- Parties : (i) Lavender Hill Capital GP I Limited, as the General Partner, on behalf of itself and the Fund; and
(ii) Smart Blooming Limited, as the Subscriber.
- Subject matter : Subscription for the Limited Partner Interest
- Contribution : A capital commitment of US\$20 million (equivalent to approximately HK\$155.2 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 Investment Limited Partner and the General Partner 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.

LIMITED PARTNERSHIP AGREEMENT

- Date : 23 June 2021
- Name of the Fund : Lavender Hill Capital Partners Fund I, L.P.
- Parties : (i) Lavender Hill Capital GP I Limited, as the General Partner;
- (ii) Lavender Hill Capital Partners ILP I, L.P., as the Investment Limited Partner; and
- (iii) Smart Blooming Limited, as the Subscriber.
- Purpose of the Fund : Primarily to make equity investments in companies with significant operations in, expansion potential into, strong affiliation with, or having strategic importance to businesses in the Greater China, with a primary focus on companies in technology or technology-enabled education, consumer, media and entertainment, healthcare services, financial services, internet infrastructure and enterprise sectors, with a view to generate capital appreciation and to engage in such other activities as are permitted hereby or are incidental or ancillary thereto as the General Partner shall deem necessary or advisable.
- Term of the Fund : The term of the Fund shall continue until the tenth anniversary of the Closing Day, or such earlier time with a view to the Fund being dissolved upon any of the event of dissolutions as specified in the Limited Partnership Agreement, and such term may be extended for a one-year period upon notice to the Limited Partners by the General Partner and a further one-year period by a majority in interest of the combined limited partners as specified in the Limited Partnership Agreement.
- Distribution of investment returns : The General Partner may 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 initially among the partners of the Fund pro rata in proportion to each of their respective sharing percentage interests with respect 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 Subscriber may not directly or indirectly sell, exchange, assign, mortgage, charge, assign by way of security or create any other security interest in respect of or over, hypothecate, pledge or otherwise transfer its Limited Partner Interest (or any interest therein) in whole or in part without the prior written consent of the General Partner, which may be given or withheld in its sole and absolute discretion.
- Management fee : The Fund shall pay the General Partner an annual management fee at 2% of the aggregate capital commitments of the Limited Partners prior to the expiration or termination of the commitment period.

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. The Group continues to review its existing investment portfolio and intends to ride on our proven track record and experience. In view of our proven track record and experience in our well-maintained investment portfolio, the Subscription aims leverage on the expertise of the General Partner to exploit potential investment opportunities in the anticipated developing technology, healthcare, internet sectors, thereby to achieve returns from such investment while 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 (as amended) of Cayman Islands on 15 April 2019 and has not commenced operations until 24 June 2020.

Based on the audited financial statements of the Fund for the period from the date of commencement of operations (i.e. 24 June 2020) to 31 December 2020, the net investment loss of the Fund amounted to approximately US\$0.8 million. As at 31 December 2020, the total asset value and net asset value of the Fund was approximately US\$9.3 million and US\$9.2 million, respectively. The Company will recognise the Limited Partnership Interest in the Fund as financial assets at fair value through profit or loss in the Company's financial statements under the applicable accounting standards.

INFORMATION OF THE PARTIES

Information of the Subscriber

The Subscriber is a company established in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. The Company is an investment holding company incorporated in Bermuda with limited liability, and through its subsidiaries, principally engaged in financial services business, principal investment business and real property business.

Information on the General Partner and the Investment Limited Partner

The General Partner is an exempted company incorporated in Cayman Islands with limited liability and is wholly-owned by Zhang Xiaoyin. It shall be responsible for the management, operations, policy and conduct of business of the Fund.

The Investment Limited Partner, an exempted limited partnership incorporated in Cayman Islands, and is the investment limited partner of the Fund. It is ultimately held as to over 95% by Zhang Xiaoyin and the remaining by an individual.

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 Investment Limited Partner and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

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

Unless otherwise stated, the terms in this announcement have the following meanings:

“Board”	the board of Directors;
“Closing Day”	23 June 2021;
“Company”	G-Resources Group Limited, a company with limited liability incorporated under the laws of Bermuda whose shares are listed on the main board of the Stock Exchange;
“Conditions”	the conditions precedent as set out in the Limited Partnership Agreement;
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company from time to time;
“Fund”	Lavender Hill Capital Partners Fund I, L.P., an exempted limited partnership incorporated in Cayman Islands;
“General Partner”	Lavender Hill Capital GP I Limited, an exempted company incorporated in Cayman Islands with limited liability;
“Greater China”	the People’s Republic of China, Hong Kong, Macau or Taiwan;
“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;
“Investment Limited Partner”	Lavender Hill Capital Partners ILP I, L.P., an exempted limited partnership incorporated in Cayman Islands;
“Limited Partner(s)”	the limited partner(s) of the Fund;

“Limited Partnership Agreement”	the second amended and restated agreement of exempted limited partnership dated 23 June 2021 entered into among the Subscriber, the General Partner and the Investment Limited Partner 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\$20 million (equivalent to approximately HK\$155.2 million) to the Fund, representing 13.3% 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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Smart Blooming 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 23 June 2021 entered into between the Subscriber and the General Partner for subscribing the Limited Partner Interest;
“US\$”	US 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\$7.76 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 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, 23 June 2021

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

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

** For identification purpose only*