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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 UNITS IN THE FUND

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The Board is pleased to announce that on 21 July 2023, the Subscriber (an indirect wholly-owned subsidiary of the Company) and the General Partner entered into the Limited Partnership Agreement, pursuant to which, inter alia, the Subscriber agreed to subscribe for the Limited Partner Units in the Fund as a Limited Partner at the Capital Commitment of CAD12 million (equivalent to approximately HK\$71.16 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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LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are set out below:

- Date : 21 July 2023
- Name of the Fund : Garden City (WPG) Limited Partnership
- Parties : (i) Garden City (WPG) GP Inc., as the General Partner; and
(ii) the Subscriber, as a Limited Partner.
- Investment Objective : The Fund will engage in the Project, and all ancillary and related matters thereto.
- Total Capital Requirement : The Acquisition Cost of Investment, which is estimated to be, in aggregate, CAD70 million (equivalent to approximately HK\$415.10 million), comprising CAD65 million (equivalent to approximately HK\$385.45 million) plus all ancillary costs and taxes in connection therewith.
- Issue of Class A Units of the Fund : The General Partner will identify and negotiate with other potential investors to invest in the Fund as Limited Partners. The Fund will issue to the Subscriber and other potential Limited Partners an aggregate of 108 Class A Units of CAD0.25 million (equivalent to approximately HK\$1.48 million) each at the aggregate Capital Commitments of CAD27 million (equivalent to approximately HK\$160.11 million).
- It is anticipated that the shortfall between the Total Capital Requirement and the Capital Commitments of the Limited Partners shall be financed by way of bank loans.
- Capital Commitment of the Subscriber : The Subscriber shall subscribe for 48 Class A Units with Capital Commitment of CAD12 million (equivalent to approximately HK\$71.16 million) and will be contributed on a date to be determined by the General Partner pursuant to the terms and conditions of the Limited Partnership Agreement.

Additional Funds : In the event that the General Partner determines that there are additional amounts required for the Fund in addition to the Total Capital Requirement (the “**Additional Funds**”), the General Partner may determine that such Additional Funds may be obtained by (i) loans from Limited Partners (the “**LP Loans**”), (ii) a loan from third party or (iii) additional Capital Contributions from Limited Partners (the “**Additional Capital Contributions**”), or a combination of one or more of the foregoing.

The Limited Partners may, but not obliged to, contribute to the Additional Funds. If any Limited Partner makes Additional Capital Contributions, the Fund will issue Class B Units to such Limited Partner, which will be entitled to the Additional Capital Preferred Return.

Distribution of investment returns : Where there has been no sale of the Property or any part thereof, the General Partner will distribute such Distributable Cash to the Limited Partners in the manner as described in the Limited Partnership Agreement. In general, the General Partner shall (i) firstly, repay all the LP Loans and interest accrued thereon; (ii) secondly, pay any Additional Capital Preferred Return; (iii) thirdly, pay to the Limited Partners holding Class A Units and Class B Units on a pro-rata basis up to their respective Contributed Capital; and (iv) lastly, pay the balance to Limited Partners holding Class A Units on a pro-rata basis.

Where there has been sale of the Property or any part thereof, the net proceeds received from such sale shall be distributed in accordance with the sequence (i), (ii) and (iii) above and if there is any balance after the aforesaid payments, such balance shall be paid as to 80% to the Limited Partners on a pro-rata basis and 20% to the General Partner.

Management of the Fund : The General Partner shall have exclusive authority to manage, control, administer and operate the Project and the other business and affairs of the Fund and to make all decisions in connection therewith.

- Transfer by Limited Partner : A Limited Partner shall not, except with the prior written consent of the General Partner, sell, transfer, grant an option with respect to, or otherwise dispose of all or any portion of its rights and benefits under the units in the Fund.
- Acquisition fee and Management fee : The Fund shall, upon closing of the acquisition by the Fund of the Property, pay to the General Partner an acquisition fee equivalent to 1% of the purchase price of the Property.
- The Fund shall pay annually to the General Partner an annual management fee of CAD0.35 million (equivalent to approximately HK\$2.08 million), representing approximately 0.5% of the Acquisition Cost of Investment, plus all professional fees and other expenses relating to the acquisition of the Project.
- Limited Liability : The liability of each Limited Partner for the debts, liabilities and obligations of the Fund as a Limited Partner will be limited to the amount of Capital Contributions made by, or agreed to be made by, such Limited Partners to the Fund.
- Closing : The Subscriber will make its Capital Contribution in accordance with the terms of the Limited Partnership Agreement, which is estimated to be 11 September 2023 or such other date as determined by the General Partner.
- Term of the Fund : The Fund will liquidate its assets and dissolve upon the occurrence of any of the following events:
- (a) at the end of the fiscal period in which all of the Fund's assets have been disposed of and the net proceeds have been distributed in accordance with the Limited Partnership Agreement;
 - (b) decision of the General Partner to the dissolution and winding-up of the Fund; and
 - (c) insolvency, dissolution or winding up of the General Partner or the removal of the General Partner pursuant to the Limited Partnership Agreement, unless replaced with another general partner.

BASIS OF DETERMINING THE CAPITAL COMMITMENT OF THE SUBSCRIBER

The Capital Commitment of 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 of the Subscriber will be funded by the Group's internal resources and paid by the Subscriber through wire transfer to the Fund.

REASONS FOR, AND BENEFITS OF, THE SUBSCRIPTION

The Group is engaged in, inter alia, real property investment business. This property investment opportunity enabled the Group to identify a quality and upscale real estate investment that offers attractive returns and the potential for significant capital appreciation. The Group believes that it presents an opportunity for the Group to invest in a quality commercial property in Canada which is expected to generate stable income and long-term capital appreciation through operational enhancement. Furthermore, this investment would also help to diversify the Group's property portfolio geographically.

The Board considers that the terms of the Limited Partnership Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE FUND

The Fund was formed as a limited partnership under the laws of the province of Ontario, Canada on 9 May 2023. The Fund will engage in the Project, which involves the acquisition, ownership, operation and leasing and otherwise dealing with the Property, including without limitation, the management of and possible enhancement, development, expansion or redevelopment of the same.

The Property is mainly a retail shopping centre, namely, Garden City Shopping Centre, located municipally at 2305 & 2315 McPhillips Street, Winnipeg, Manitoba, Canada, with a gross floor area of approximately 371,425 square feet.

Based on the best knowledge of the Directors after making reasonable enquiries, the Fund is expected to be an investment fund with a wide investor base.

Based on the information provided by the Fund, the Total Capital Requirement of the Fund is estimated to be approximately CAD70 million (equivalent to approximately HK\$415.10 million). As it is newly established, neither financial information nor past performance of the Fund is presented in this announcement.

The Company will recognise the Limited Partner Units 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 SUBSCRIBER AND 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.

The Subscriber is a company incorporated in the province of British Columbia, Canada with limited liability which possesses an interprovincial license to conduct business in Ontario, Canada and is an indirect wholly-owned subsidiary of the Company. It is engaged in investment holding.

INFORMATION OF THE GENERAL PARTNER

The General Partner is a company incorporated in Canada with limited liability and it shall be responsible for the management and day-to-day operations of the Fund. The General Partner is wholly-owned by Mr. Gu Renting (“**Mr. Gu**”). Mr. Gu is an accomplished entrepreneur and real estate investor, serving as the Chairman of Unisync Group (TSX: UNI.TO), one of Canada's largest uniform companies. His leadership and strategic vision contribute greatly to Unisync's stature in the industry. Simultaneously, Mr. Gu is the president of E. Star International Inc., an extensive domestic and import apparel manufacturing company. His acumen extends beyond apparel into a diverse range of investments including the educational sector, with ownership in Willowood School. Mr. Gu's profound expertise in real estate shines through his role as principal owner of Smart Investment Ltd. As an active real estate investment and management firm, the company has a proven track record of success, with a team of experienced professionals adept in acquisition, development, property management, and leasing. They are committed to delivering exceptional value and results for their clients, forging long-term relationships built on trust and integrity. With a master of business administration degree from the Rotman School, University of Toronto, and over two decades of diverse business experience, Mr. Gu offers exceptional strategic investment insights. His multi-sector involvement and robust portfolio make him a highly respected figure in Canada's business landscape.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Limited Partnership Agreement, the General Partner and its ultimate beneficial owner 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

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

“Acquisition Cost of Investment”	the cost of Investment, which is estimated to be, in aggregate, CAD70 million (equivalent to approximately HK\$415.10 million), comprising CAD65 million (equivalent to approximately HK\$385.45 million) plus all ancillary costs and taxes in connection therewith;
“Additional Capital Preferred Return”	with respect to outstanding Additional Capital Contributions made by a Limited Partner, an amount equal to the notional interest which would be charged at the rate per annum established by the General Partner in its sole and absolute discretion;
“Board”	the board of Directors;
“CAD”	Canadian dollars, the lawful currency of Canada;
“Capital Commitment(s)”	a Limited Partner's obligation to contribute capital to the Fund;
“Capital Contribution(s)”	a contribution of capital to the Fund by a Limited Partner;
“Class A Units”	the Class A Units issued by the Fund;

“Class B Units”	the Class B Units issued by the Fund;
“Company”	G-Resources Group Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Contributed Capital”	the amount contributed by a Limited Partner to the Fund less any amount distributed to such Limited Partner;
“Director(s)”	the director(s) of the Company from time to time;
“Distributable Cash”	the amount equivalent to, for any one-year period (or such other period determined by the General Partner), the revenue of the Fund from the Project and disposal of any assets thereof exceeding all expenses (including tax payment) of the Fund and out-of-pocket expenses of the General Partner at such time or times;
“Fund”	Garden City (WPG) Limited Partnership, a limited partnership established under the laws of the province of Ontario, Canada;
“General Partner”	Garden City (WPG) GP Inc., a corporation incorporated under the laws of the province of Ontario, Canada, the general partner of the Fund;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Investment”	investment by the Fund in the Project;
“Limited Partner(s)”	the limited partner(s) of the Fund from time to time;

“Limited Partner Units”	48 Class A Units, representing 44% of the Total Capital Commitment, which are subscribed by the Subscriber pursuant to the Limited Partnership Agreement;
“Limited Partnership Agreement”	the limited partnership agreement dated 21 July 2023 entered into among the General Partner and the Subscriber regarding the operation and management of the Fund;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Project”	the acquisition, ownership, operation and leasing and otherwise dealing with the Property, including without limitation, the management of and possible enhancement, development, expansion or redevelopment of the Property;
“Property”	the land and premises of the retail shopping centre, known as the Garden City Shopping Centre, located municipally at 2305 & 2315 McPhillips Street, Winnipeg, Manitoba, Canada, with a gross floor area of approximately 371,425 square feet;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Smart League (Canada) Investments Limited, a company incorporated in the province of British Columbia, Canada with limited liability which possesses an interprovincial license to conduct business in Ontario, Canada, and is an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Limited Partner Units by the Subscriber pursuant to the Limited Partnership Agreement;
“Total Capital Commitment”	CAD27 million (equivalent to approximately HK\$160.11 million), being the total amount of capital commitment by the Subscriber and other potential Limited Partners;

“Total Capital Requirement” the Acquisition Cost of Investment; and

“%” per cent.

In this announcement, for the purpose of illustration only, amounts quoted in CAD have been converted into HK\$ at the rate of HK\$5.93 per CAD1.00. 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, 21 July 2023

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*