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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 28 March 2024, the Subscriber (an indirect wholly-owned subsidiary of the Company), the General Partner and the Fund 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\$25 million (equivalent to approximately HK\$195.5 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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The principal terms of the Subscription Agreement and the Limited Partnership Agreement are set out below:

SUBSCRIPTION AGREEMENT

- Date : 28 March 2024
- Name of the Fund : ECC Partners L.P.
- Parties : The Subscriber;
The General Partner; and
The Fund
- Subject matter : Subscription for Limited Partner Interest
- Contribution : A capital commitment of US\$25 million (equivalent to approximately HK\$195.5 million) by the Subscriber and will be contributed on a date to be determined by the General Partner pursuant to the terms and conditions of the Subscription 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 available resources of the Subscriber; and (v) the potential 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 to the Fund when the capital commitment is due.

The Subscription has been accepted by the General Partner. According to the Subscription Agreement, the Subscriber authorises the General Partner to execute the Limited Partnership Agreement on behalf of the Subscriber and the Subscriber became a party to, and will be bound by all the terms of the Limited Partnership Agreement, which governs the relationship between the General Partner, the Initial Limited Partner and the Limited Partners, and provides for (among other things) the manner of operation and management of the Fund.

LIMITED PARTNERSHIP AGREEMENT

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

Date : 28 March 2024

The original exempted limited partnership agreement dated 24 October 2019 was superseded and replaced by the Limited Partnership Agreement.

Name of the Fund : ECC Partners L.P.

Parties : (i) ECC Partners GP Limited, as the General Partner;

(ii) Mr. Hu Yi, as the Initial Limited Partner; and

(iii) each person who, from time to time, becomes a Limited Partner

Purpose of the Fund : Mainly to make investments, directly or indirectly, in the environmental industry globally to achieve long-term capital appreciation.

Term of the Fund : A term of five (5) years from the date of the Limited Partnership Agreement, subject to extension for a two (2) 12-months periods in the sole discretion of the General Partner, unless a termination event as stipulated under the Limited Partnership Agreement occurs.

Notwithstanding the forgoing, the Fund may continue in existence until the filing of a notice of dissolution of the Fund in accordance with the terms and conditions of the Limited Partnership Agreement.

- Distribution of investment returns : The General Partner shall determine the timing and amount of distribution to be made by the Fund in the manner as described in the Limited Partnership Agreement. The distributable cash attributable to any portfolio investment made by the Fund shall be apportioned initially among the Limited Partners pro-rata in proportion to each of their respective Capital Contributions, after deducting reserves to meet the expenses (including the management fee as stipulated below) and other liabilities of the Fund, to the Limited Partners in accordance with the terms and conditions under the Limited Partnership Agreement.
- Transfer by Limited Partner : No Limited Partner may, whether directly or indirectly, voluntarily or involuntarily (including without limitation to an affiliate or by operation of law), transfer all or any part (whether legal or beneficial) of its limited partner interest in the Fund without the prior written consent of the General Partner.
- Management of the Fund : The General Partner has the full unrestricted power and exclusive authority to represent the Fund and to carry on its business and to do and to perform all things necessary for, incidental to or connected with carrying on the business of the Fund.
- Management fee : The Fund shall pay the General Partner a management fee equal to 2% per annum on the Capital Contribution of the relevant Limited Partner, calculated from the date on which the relevant Capital Contribution is made.
- Limited Liability : The liability of each Limited Partner for the debts and obligations of the Fund will be limited to the amount of Capital Contributions made by, or agreed to be made by, such Limited Partners to 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. The Group continues to review its existing investment portfolio and intends to ride on its proven track record and experience. The increasing global awareness of climate change and the rise of environmental, social, and governance (ESG) sectors have catalysed the emergence of innovative business models in various regions, thereby attracting more investments towards the environmental industry. Leveraging on the expertise, experience, and network of the Fund's management team, the Group holds an optimistic outlook on the potential of the Fund and anticipates that the General Partner will possess advantages in identifying and securing investment opportunities in the global environmental sector, creating sustainable long-term financial returns while diversifying the Group's industry exposure.

In such circumstances, the Group believes that the Subscription presents an opportunity for the Group to invest in the fast growing environmental industry globally and further diversify the investment portfolio.

The Board considers that the terms of the Subscription, 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 was formed as an exempted limited partnership under the laws of the Cayman Islands on 24 October 2019. The Fund will conduct its affairs in a manner consistent with the primary purpose of achieving superior returns for its investors, principally through long-term capital appreciation, by making, holding and disposing of investments, directly or indirectly, in the environmental industry globally to achieve long-term capital appreciation.

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 terms of the Limited Partnership Agreement, the aggregate Capital Contributions to be made by all Limited Partners do not exceed US\$150 million (equivalent to approximately HK\$1,173 million). The Fund has not had any substantive operations since its formation, other than its engagement in the activities relating to its formation and annual registrations in the Cayman Islands. On the date of the Limited Partnership Agreement, the Fund does not have any assets or any actual or threatened liabilities.

Based on the management accounts of the Fund, for the financial years ended 31 December 2022 and 2023, the net loss of the Fund amounted to approximately US\$4,103 (equivalent to approximately HK\$32,085) and US\$4,883 (equivalent to approximately HK\$38,185) respectively. As at 31 December 2023, the total asset value and net liabilities of the Fund was nil and US\$26,022 (equivalent to approximately HK\$203,492) respectively.

The Company will recognise the Limited Partner 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 SUBSCRIBER AND THE COMPANY

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

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 OF THE GENERAL PARTNER AND THE INITIAL LIMITED PARTNER

The General Partner is an exempted company incorporated in the Cayman Islands with limited liability and it shall be responsible for the management and day-to-day operations of the Fund. The General Partner is owned by Mr. Shen Zheqing ("**Mr. Shen**").

Mr. Shen is the sole member of the General Partner. Mr. Shen and his team of investment professionals have extensive experience in the global environmental industry and capital markets, with a special area of expertise and network in China. Mr. Shen was the managing director and head of the China Financial Institutions Business at Barclays PLC from 2011 to 2015. From 2004 to 2010, he worked with The Goldman Sachs Group, Inc. ("**Goldman Sachs**") as an investment banker in its New York and Hong Kong offices. Mr. Shen has worked with many corporations in Asia. He also worked with a number of corporations in the United States during the early stages of his career at Goldman Sachs and Lehman Brothers Holdings Inc. in New York. Mr. Shen obtained a Bachelor of Arts in Mathematics and Economics from Wesleyan University.

The General Partner has the full unrestricted power and exclusive authority to represent the Fund and to carry on its business and to do and to perform all things necessary for, incidental to or connected with carrying on the business of the Fund.

Mr. Hu Yi ("**Mr. Hu**") was the Initial Limited Partner. Upon execution of the Limited Partnership Agreement, the Initial Limited Partner has withdrawn from the Fund and has ceased to be a Limited Partner. Mr. Hu is a merchant.

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 and the Initial Limited Partner 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:

“Board”	the board of Directors;
“Capital Contribution(s)”	with respect to any General Partner and Limited Partner, the aggregate capital contributed by such Partners to the Fund pursuant to the Limited Partnership Agreement;
“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;
“Director(s)”	the director(s) of the Company from time to time;
“Fund”	ECC Partners L.P., an exempted limited partnership formed under the laws of the Cayman Islands;
“General Partner”	ECC Partners GP Limited, a limited company incorporated under the laws of the Cayman Islands;
“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;

“Initial Limited Partner”	Mr. Hu Yi, the initial limited partner of the Fund, who has withdrawn from the Fund on 28 March 2024 and has ceased to be a Limited Partner;
“Limited Partner(s)”	the limited partner(s) of the Fund;
“Limited Partner Interest”	the interest of a Limited Partner in the Fund, including all of its rights and obligations under the Limited Partnership Agreement with respect to voting, distributions and information, among others;
“Limited Partnership Agreement”	an amended and restated exempted limited partnership agreement dated 28 March 2024 entered into among the General Partner, the Initial Limited Partner, and the Limited Partners which governs the relationship between the General Partner and the Limited Partners and provides for (among other things) the manner of operation and management of the Fund;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Partners”	the General Partner and the Limited Partners;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Total Smart 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 and the Limited Partnership Agreement;
“Subscription Agreement”	the subscription agreement dated 28 March 2024 entered into between the General Partner, the Fund and the Subscriber;
“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\$7.82 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, 28 March 2024

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*