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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 6 October 2021 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with the General Partner and the Initial Limited Partner to subscribe for the Limited Partner Interest in the Fund as a Limited Partner for a capital commitment of US\$42 million (equivalent to approximately HK\$327.2 million).

IMPLICATIONS UNDER THE LISTING RULES

With respect to each of the Subscription and the grant of the Repurchase Option, one of the applicable percentage ratios under Chapter 14 of the Listing Rules is more than 5% but all applicable percentage ratios are less than 25%, and as such, the Subscription and the grant of the Repurchase Option (which is classified as if it had been exercised pursuant to Rule 14.74(1) of the Listing Rules since it is an option not exercisable at the discretion of the Company) each 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 SUBSCRIPTION AND THE LIMITED PARTNERSHIP AGREEMENT

The Subscriber, the Initial Limited Partner and the General Partner entered into the Limited Partnership Agreement, which sets out the terms of the Subscription, 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.

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

- Date : 6 October 2021
- Name of the Fund : NovoAstrum Investors L.P.
- Parties : (i) ZQ Capital Management Limited, as the General Partner;
- (ii) Ms. Wang Jue, as the Initial Limited Partner; and
- (iii) the Subscriber, as the Limited Partner.
- Purpose of the Fund : Mainly to make investments, directly or indirectly, in the securities of mature businesses in the global healthcare industry to achieve long term capital appreciation.
- Contribution : A capital commitment of US\$42 million (equivalent to approximately HK\$327.2 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.
- Term of the Fund : The term of the Fund shall continue for a term of five (5) years from the date of the Limited Partnership Agreement, subject to extension for up to two (2) years at the sole discretion of the General Partner, unless any of the termination events as specified in the Limited Partnership Agreement occurs.

Prior to the expiration of the term of the Fund in accordance with the above, the General Partner may, whether for the purpose of orderly disposition of the investments of the Fund or otherwise, further extend the term of the Fund upon consent of the Limited Partners holding at least 75% of the aggregate limited partner interest in the Fund.

- 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 investment proceeds from the investment made by the Fund shall be apportioned initially among the Limited Partners pro-rata in proportion to each of their outstanding 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, voluntary or involuntary (including without limitation to an affiliate or by operation of law), assign, sell, charge, mortgage, pledge, hypothecate or otherwise 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 fee : The Fund shall pay the General Partner a management fee equal to 2% per annum on the Outstanding Capital of the relevant Limited Partner, calculated from the date on which the relevant capital contribution is made.
- Repurchase Option : At any time prior to the third (3rd) anniversary of the date of the Limited Partnership Agreement, the General Partner, or any person designated by the General Partner (provided that such person is an independent third party from the Subscriber), may elect to purchase up to 50% of the Limited Partner Interest held by the Subscriber (the “**Repurchase Option**”). If the Repurchase Option is exercised prior to the first (1st) anniversary, the purchase price shall equal to the aggregate capital contribution made by the Subscriber for such Limited Partner Interest, plus a fixed return of 12%. If the Repurchase Option is exercised between the first (1st) and the third (3rd) anniversaries, the purchase price shall equal to the aggregate capital contribution made by the Subscriber for such Limited Partner Interest, plus a fixed return of 12% per annum (without compounding). The maximum purchase price to be received by the Subscriber when the Repurchase Option is exercised is US\$28,560,000 (equivalent to approximately HK\$222,482,400).

Any Limited Partner Interest purchased by the General Partner or the person designated by the General Partner shall not be subject to any management fee or distribution provided under the Limited Partnership Agreement and shall be paid in its entirety to the Subscriber.

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; (v) the target aggregate capital commitment of the Fund, which to the best of the Directors' knowledge, information and belief, is US\$100 million (equivalent to approximately HK\$779 million); and (vi) 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 to the Fund when instalments of the capital commitment are due.

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 COVID-19 pandemic has been placing enormous strain on the global healthcare sector's workforce, infrastructure, and supply chain, and accelerating change across the ecosystem. Such changes lead to cooperation of public and private health systems and innovation of provision of healthcare products and services. With this background and leveraging the expertise, experience and network of the Fund management team, the Group is optimistic about the potential of the Subscription and believes the General Partner will be advantageous in sourcing and executing attractive investment opportunities in the global healthcare sector and creating financial returns to the Group.

The Board considers that the terms of the Subscription 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 Act (as amended) of the Cayman Islands on 17 September 2021. The primary focus of the Fund is to make investments, directly or indirectly, in the securities of mature businesses in the global healthcare industry to achieve long term capital appreciation.

The target aggregate capital commitment of the Fund as at the date of this announcement is US\$100 million (equivalent to approximately HK\$779 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 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 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 wholly-owned by Mr. Shen Zheqing ("**Mr. Shen**").

Mr. Shen is the founding member of the General Partner. He has extensive experience in the healthcare industry and Asia capital markets, with a special area of expertise and network in China. Prior to founding the General Partner in 2017, 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.

Ms. Wang Jue ("**Ms. Wang**") 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. Ms. Wang 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, its ultimate beneficial owner and the Initial Limited Partner are third parties independent of the Company and its connected persons.

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. 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.

IMPLICATIONS UNDER THE LISTING RULES

With respect to each of the Subscription and the grant of the Repurchase Option, one of the applicable percentage ratios under Chapter 14 of the Listing Rules is more than 5% but all applicable percentage ratios are less than 25%, and as such, the Subscription and the grant of the Repurchase Option (which is classified as if it had been exercised pursuant to Rule 14.74(1) of the Listing Rules since it is an option not exercisable at the discretion of the Company) each 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;
“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;
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company from time to time;
“Fund”	NovoAstrum Investors L.P., an exempted limited partnership incorporated in the Cayman Islands;
“General Partner”	ZQ Capital Management Limited, an exempted company incorporated in the 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 Limited Partner”	Ms. Wang Jue, the initial limited partner of the Fund, who has withdrawn from the Fund upon execution of the Limited Partnership Agreement and has ceased to be a Limited Partner;
“Limited Partner(s)”	the limited partner(s) of the Fund;
“Limited Partner Interest”	the limited partnership interest in the Fund to be subscribed by the Subscriber pursuant to the Subscription;
“Limited Partnership Agreement”	an amended and restated agreement of exempted limited partnership dated 6 October 2021 entered into among the General Partner, the Initial Limited Partner and the Subscriber which sets out the terms of the Subscription, 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 of Hong Kong Limited;
“Outstanding Capital”	in respect of a Partner, the amount of such Partner’s capital contribution to the Fund which has not been repaid (or deemed to be repaid) in accordance with the terms of the Limited Partnership Agreement;
“Partner”	the General Partner, the Initial Limited Partner and the Subscriber (as a Limited Partner);
“Repurchase Option”	has the meaning ascribed to it under the section headed “The Subscription and The Limited Partnership Agreement” in this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Great Heart Holdings 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 Limited Partnership Agreement;

“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\$7.79 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, 6 October 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*