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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 A FUND**

#### **SUBSCRIPTION OF LIMITED PARTNER UNITS IN A FUND**

The Board is pleased to announce that on 19 May 2023 (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 Units in the Fund as a Limited Partner for a capital commitment of US\$30 million (equivalent to approximately HK\$234.3 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	:	19 May 2023 (after trading hours)
Name of the Fund	:	Sixty Degree Capital Fund III L.P.
Parties	:	The General Partner; and The Subscriber.
Subject matter	:	Subscription for Limited Partner Units
Contribution	:	A capital commitment of US\$30 million (equivalent to approximately HK\$234.3 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 authorizes 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 Special 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 : 1 June 2022
- Name of the Fund : Sixty Degree Capital Fund III L.P.
- Parties : (i) Sixty Degree Capital Fund III GP Inc., as the General Partner;
- (ii) Sixty Degree Capital Fund III Carry L.P., as the Special Limited Partner; and
- (iii) each person who, from time to time, becomes a Limited Partner.
- Investment Objective : 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 equity and equity-related investments in companies in the healthcare and technology sectors and originating principally in Canada and the United States and, from time to time, in Europe or Asia.
- Term of the Fund : A term of ten (10) years from 1 June 2022, subject to extension for up to two additional one-year periods with the prior approval of the limited partner advisory committee of the Fund. The General Partner may further extend the term of the Fund with the consent of Limited Partners holding at least 75% of the aggregate Limited Partner Units.
- Distribution of investment returns : Within 90 days after receipt by the General Partner of the Distributable Proceeds, the General Partner will distribute such Distributable Proceeds to the Partners in the manner as described in the Limited Partnership Agreement. The Distributable Proceeds shall be apportioned initially among the Limited Partners pro-rata in proportion to each of their Contributed Capital.

- Transfer by Limited Partner : No Limited Partner may assign, give, sell or otherwise dispose of all or a portion of such Limited Partner's units in the Fund without the prior written consent of the General Partner, which consent may not be unreasonably withheld or delayed.
- 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 or its designated affiliate an annual fee for services performed by or on behalf of the General Partner during the term of the Fund, including any extension thereof.
- In general, the fee will be equivalent to 2% per annum of the Net Invested Capital for the first five years commencing from 1 June 2022, with such fee stepping down in stages to 1% per annum in accordance with the terms and conditions of the Limited Partnership Agreement.
- Limited Liability : The liability of each Limited Partner to the Fund for the debts, liabilities, losses and obligations of the Fund is limited to (i) any unpaid Committed Capital, (ii) the amount of any distribution that such Limited Partner is required to return to the Fund and (iii) the unpaid balance of any other payments that such Limited Partner is expressly required to make to the Fund pursuant to the Limited Partnership Agreement.

## **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. Technological innovations such as the use of artificial intelligence in the drug discovery process and the application of robot-assisted surgery have been reshaping various aspects of the healthcare industry, creating substantial investment opportunities in the healthcare and technology sectors globally.

In such circumstances, by leveraging on the expertise, experience, track record and global network of the Fund's management team, the Group is optimistic about the potential of the Fund and believes that (i) the Subscription presents an opportunity for the Group to invest in the fast growing healthcare and technology sector globally and further diversify the investment portfolio; and (ii) the General Partner will be in an advantageous position in sourcing, identifying and executing proprietary investment opportunities in the global healthcare and technology sector and creating financial returns to the Group.

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 a limited partnership under the laws of Ontario, Canada on 6 May 2022. 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 equity and equity-related investments in companies in the healthcare and technology sectors and originating principally in Canada and the United States and, from time to time, in Europe or Asia.

Based on the information provided by the Fund, the target aggregate capital commitment of the Fund as at the date of this announcement is US\$250 million (equivalent to approximately HK\$1,952.5 million). As it has been established on 6 May 2022, neither financial information nor past performance of the Fund is available. As at the date of this announcement, the Fund has around 17 investors as Limited Partners.

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 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 SPECIAL LIMITED 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 owned by Mr. Guo Jian (“**Mr. Guo**”) and Ms. Zu Feng (“**Ms. Zu**”). 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. Guo and Ms. Zu are also the directors of the General Partner and lead the investment team of the Fund. Mr. Guo is a seasoned and insightful venture capital/private equity investor with over 20 years of experience investing in the healthcare and technology sectors. He is a business leader, having served at the executive level as an advisor to and on the board of various international public and private companies. Mr. Guo has obtained a degree of master of business administration from the Schulich School of Business at York University, Toronto, Canada. Ms. Zu is the secretary of the General Partner and is involved in the activities of the General Partner. Ms. Zu has obtained an engineering degree from York University, Toronto, Canada and post graduate certificate in International Business Management. The Special Limited Partner is engaged in investments.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of the Subscription Agreement, the General Partner, the Special 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

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 incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Committed Capital”	in respect of each Limited Partner, the aggregate amount of cash agreed to be contributed as capital to the Fund by such Limited Partner;
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Contributed Capital”	the amount of cash 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 Proceeds”	all cash received by the Fund attributable to any investment, including payment of interest, dividends and principal and proceeds from the disposition of the Fund’s interest in any investments or from the repayment, and any other cash that the General Partner determines is otherwise available for distribution to the Partners net of all costs and expenses relating to such distribution and after deducting tax withholdings and any amounts that are required to meet the ongoing obligations of the Fund;
“Fund”	Sixty Degree Capital Fund III L.P., a limited partnership under the laws of Ontario, Canada;
“General Partner”	Sixty Degree Capital Fund III GP Inc., a corporation incorporated under the laws of Canada;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Limited Partner(s)”	the limited partner(s) of the Fund;
“Limited Partner Units”	the 30,000,000 units in the Fund, which are subscribed by the Subscriber pursuant to the Subscription Agreement;
“Limited Partnership Agreement”	an amended and restated limited partnership agreement dated 1 June 2022 entered into among the General Partner, the Special 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;
“Net Invested Capital”	in general, (i) the aggregate amount of Contributed Capital invested by the Fund plus a reasonable reserve for follow-on investments;  less  (ii) the aggregate amount of Contributed Capital that have been sold;
“Partners”	the General Partner, the Limited Partners (including the Special Limited Partner) and the Subscriber (as a Limited Partner);
“Proportionate Net Invested Capital”	in respect of any Limited Partner, the amount of Net Invested Capital multiplied by the fraction equivalent to proportion of the Committed Capital of that Limited Partner to the aggregate Committed Capital of all Limited Partners;
“Special Limited Partner”	Sixty Degree Capital Fund III Carry L.P., a limited partner existing under the laws of Ontario, Canada;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;



“Subscriber”	Resilient Global Group 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 Units by the Subscriber pursuant to the Subscription Agreement and Limited Partnership Agreement;
“Subscription Agreement”	the subscription agreement dated 19 May 2023 entered into between the General Partner 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\$7.81 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, 19 May 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*