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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 30 September 2021 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the General 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**

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 Letter Agreement are set out below:

## **SUBSCRIPTION AGREEMENT**

- Date : 30 September 2021
- Name of the Fund : Genesis Capital III LP
- Parties : (i) Genesis Capital III Ltd, as the General Partner; and  
(ii) Data Giant International Limited, as the Subscriber.
- Subject matter : Subscription for the Limited Partner Interest.
- 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 Letter 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; (v) the target aggregate capital commitment of the Fund, which to the best of the Directors' knowledge, information and belief, amounts to over US\$1 billion (equivalent to approximately HK\$7.8 billion); 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.

Simultaneously with the entering into of the Subscription Agreement, the Subscriber, the Initial Limited Partner and the General Partner entered into the Letter Agreement, which shall also govern the relationship between the General Partner and the Subscriber and to provide for (among other things) the manner of operation and management of the Fund.

## LETTER AGREEMENT

- Date : 30 September 2021
- Name of the Fund : Genesis Capital III LP
- Parties : (i) Genesis Capital III Ltd, as the General Partner;  
(ii) Yuan Capital III Ltd, as the Initial Limited Partner; and  
(iii) the Subscriber, as the Limited Partner.
- Purpose of the Fund : To mainly make investments, directly or indirectly, in equity and equity-related securities of growth and late-stage technology related entities in the PRC with a view to generating income and capital appreciation.
- Term of the Fund : The term of the Fund shall continue until the tenth (10th) anniversary of the Final Closing Date, or such earlier time as determined by the General Partner, but may, unless earlier dissolved, be extended for a one-year period by the General Partner at its sole discretion and may be further extended for an additional one-year period with the consent of the Advisory Board or at least a majority in interest of the Limited Partners, to allow for an orderly dissolution.
- Distribution of investment returns : The General Partner may cause the Fund to make distributions to the Partners in the manner as described in the Letter Agreement. The investment proceeds from the investments made by the Fund shall be apportioned preliminarily among the Partners pro-rata in proportion to each of their respective sharing percentage with respect to the applicable investment and with respect to each Partner (other than Partners affiliated with the General Partner), after deducting reserves to meet the expenses and other liabilities of the Fund, to the Partners in accordance with the terms and conditions under the Letter Agreement.
- Transfer by Limited Partners : The Limited Partner Interest may not be sold, assigned, transferred, exchanged, pledged, charged, encumbered, mortgaged, granted a security interest in or otherwise disposed of, in whole or in part, without the prior written consent of the General Partner, which may be withheld in its sole discretion. The Subscriber may not withdraw from the Fund.

Advisory fee : The Fund shall pay the General Partner or its designated affiliate an annual advisory fee at 2% of an amount equal to the aggregate Commitments held by the Partners (other than Partners affiliated with the General Partner) in accordance with the terms and conditions under the Letter Agreement. The advisory fee will commence as of the Initial Closing Date and ending on the winding-up or dissolution of the Fund.

Upon the execution of the Subscription Agreement and Letter Agreement, the Subscriber becomes a Limited Partner. The General Partner will enter into a Limited Partnership Agreement on behalf of the Subscriber pursuant to a power of attorney in due course. The Limited Partnership Agreement shall contain terms substantially in line with and no less favourable to the Subscriber than the Letter 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. Being a limited partner of Genesis Capital I LP and Genesis Capital II LP, the Group believes that by leveraging the strategic and extensive resources available and extensive experience in investment and fund operation in the technology, media and telecommunications industry possessed by the Fund's management team, the Subscription will bring about valuable investment opportunities and increasing financial returns to the Group. It is also expected that the information technology for both consumer and enterprise sectors in China will continue to grow in fast pace under a new wave of innovations which is expected to create new internet platforms with great potential for developments, and thus present rewarding investment opportunities.

The Board considers that the terms of the Subscription Agreement and the Letter 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 13 May 2021. The primary focus of the Fund is to make investments in equity and equity-related securities of growth and late-stage technology related entities in the PRC with a view to generating income and capital appreciation.

The target aggregate capital commitment of the Fund as at the date of this announcement is over US\$1 billion (equivalent to approximately HK\$7.8 billion). 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 Yuan Capital III Ltd which is in turn wholly-owned by Mr. Xu Liang ("**Mr. Xu**").

The Initial Limited Partner is Yuan Capital III Ltd, a company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Xu. It was the initial limited partner of the Fund but has subsequently withdrawn from the Fund on the date of the Letter Agreement and has ceased to be a Limited Partner.

Mr. Xu is a founding member of the General Partner. He participates in the formulation of the firm's strategy and serves as an investment committee member. Prior to founding the General Partner, Mr. Xu served as an investment committee member of the investment department of Tencent Holdings Limited ("**Tencent**"). Mr. Xu is a highly regarded internet veteran with over 19 years of technology-related investment, product, and operations experience in China. Before joining Tencent, Mr. Xu worked at 21sports.com and founded his own software company. Mr. Xu holds an Executive Master of Business Administration from China Europe International Business School (CEIBS) and holds a Bachelor's degree in Economics from Wuhan University.

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 Letter Agreement, each of the General Partner and the Initial Limited Partner and their respective ultimate beneficial owners 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**

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:

“Advisory Board”	the advisory board appointed by the General Partner;
“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;
“Commitments”	with respect to each Partner, the aggregate amount of cash agreed to be contributed as capital to the Fund by such Partner in accordance with the terms and conditions of Letter Agreement and the Subscription Agreement;
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company from time to time;
“Final Closing Date”	the date which is twelve (12) months after the Initial Closing Date or such later date approved by the Advisory Board;

“Fund”	Genesis Capital III LP, an exempted limited partnership incorporated in the Cayman Islands;
“General Partner”	Genesis Capital III Ltd, 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 PRC;
“Initial Closing Date”	a date as determined by the General Partner;
“Initial Limited Partner”	Yuan Capital III Ltd, a company incorporated in the Cayman Islands with limited liability;
“Letter Agreement”	a letter agreement dated 30 September 2021 entered into among the General Partner, the Initial Limited Partner and the Subscriber to govern their relationship and provide for (among other things) the manner of operation and management of the Fund;
“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 to be entered into by, among others, the General Partner and the Limited Partners;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“PRC”	the People’s Republic of China;
“Partner(s)”	the General Partner and the Limited Partners;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Data Giant International 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 30 September 2021 entered into between the Subscriber and the General Partner for the Subscription;
“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, 30 September 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*