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GOOD RESOURCES

## **Good Resources Holdings Limited**

**天成國際集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 109)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION AND CLARIFICATION IN RELATION TO CHANGE OF DIRECTORS**

#### **THE INVESTMENT**

The Board announces that on 25 August 2015, the Company has entered into the Limited Partnership Agreement (as amended by the Side Letter) with the General Partner and Other Limited Partners pursuant to which the Company has conditionally agreed to invest US\$93,000,000 in GSC Special Buyout Fund. Upon Completion, the Company will become one of the limited partners of GSC Special Buyout Fund, which is led and managed by the General Partner to pursue cross-border investment opportunities as permitted under the investment mandate, including the acquisition of the 80.1% shareholdings in Lumileds.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the percentage ratios pursuant to the Listing Rules applicable to the Investment exceed 5% but are less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Mr. Wu, a Director and a substantial shareholder of the Company, controls the General Partner, the Investment constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM by poll in accordance with the requirements of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be established by the Company to advise the Independent Shareholders on the Investment. Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Investment.

### **GENERAL**

A SGM will be convened for the Shareholders to consider, and, if thought fit to approve Limited Partnership Agreement (as amended by the Side Letter) and the transactions contemplated thereunder. A circular containing, among other things, further information on (i) the Investment, (ii) the recommendations from the Independent Board Committee; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders together with the notice of the SGM, is expected to be despatched to the Shareholders on or before 14 September 2015.

**The completion of the Investment is subject to approval by the Independent Shareholders at the SGM. There is no assurance that the Investment and the transactions contemplated thereunder will proceed. Investors are advised to exercise caution in dealing in the shares of the Company.**

### **REASONS FOR AND BENEFITS OF THE INVESTMENT**

#### **An overview of the acquisition transactions in relation to Lumileds**

As stated in the announcement of the Company dated 31 March 2015, GSC Target Buyout Fund, a buyout fund led and managed by GSR GO Scale Capital Advisor Ltd., has signed a legally binding share purchase agreement with Koninklijke Philips N.V. (NYSE: PHG, AEX: PHIA) (“Philips”) to acquire an 80.1% shareholding in Lumileds (a company spun off from Philips) and the right to use the “Philips” trademark for 20 years (the “Lumileds Buyout”). Upon completion of the Lumileds Buyout, Philips will retain a 19.9% shareholding in Lumileds.

In order to complete the Lumileds Buyout, GSC Target Buyout Fund shall invest approximately US\$1,382.5 million in equity interest, together with buyout loans of approximately US\$1.9 billion, to obtain an 80.1% shareholding in Lumileds. Investors in the Lumineds Buyout plan to withdraw from China’s domestic or external capital market in order to realise future returns.

GSC Special Buyout Fund shall make contributions into GSC Target Buyout Fund in its capacity as a limited partner. GSC Target SPV Partners, L.P. is a general partner of both GSC Target Buyout Fund and GSC Special Buyout Fund, and is controlled by Mr. Wu.

The Lumileds Buyout shall be completed after completion of the administrative approval process by relevant government authorities.

The Company's core business is cross-border buyout and acquisitions of leading enterprises in emerging industries. The Company will be actively carrying out a series of capital operations, such as controlling and acquiring interests of general partners of funds and subscribing for limited partnership interest in the funds, aiming at bringing sustainable return on investments for the Company from large-scale cross-border buyout and acquisitions, such as the Lumileds Buyout. The Company believes that the downside risk for the Investment is limited and controlled, and there is a huge room for upside in the future. Although the Company is required to bear some risks for the Class A Preferred Limited Partners, it can also share a larger proportion of investment income from the Class A Preferred Limited Partners. The Company, as one of the investors of GSC Special Buyout Fund, can enjoy the investment returns under the Limited Partnership Agreement as detailed below.

The Investment is an important beginning of cross-border buyout and acquisitions of assets of high quality by the Company. The Company will continue to look for acquisition opportunities in the emerging industry sectors in the future, integrate advantages of resources and provide value-added services for buyout and acquisitions targets.

As Mr. Wu, a Director, is interested in the Investment, Mr. Wu has abstained from voting at the board meeting in respect of the resolution to approve the Limited Partnership Agreement (as amended by the Side Letter) and the transactions contemplated thereunder. The Directors (excluding the independent non-executive Directors who will give their view after receiving the advices from the Independent Financial Adviser) consider that the terms of the Limited Partnership Agreement (as amended by the Side Letter) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **THE INVESTMENT**

The principal terms of the Limited Partnership Agreement (as amended by the Side Letter) are as follows:

**Date:** 25 August 2015

**Parties:**

1. the Company
2. General Partner
3. Other Limited Partners, including Class A Preferred Limited Partner and Class B Limited Partner.

Save for the General Partner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Other Limited Partners and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

### **Purpose**

The primary purpose of the Investment is for the Company to hold an indirect interest in GSC Target Buyout Fund.

### **Principal amount of the Investment**

The Company has conditionally agreed to invest US\$93,000,000 in GSC Special Buyout Fund.

Upon the obtaining of the approval of the Independent Shareholders at the SGM, the entire sum of the investment amount shall be paid into GSC Special Buyout Fund immediately prior to the completion of Lumileds Buyout. The Investment will be satisfied by the internal resources of the Group. Upon Completion, the Company will become one of the limited partners in GSC Special Buyout Fund and the Investment will be accounted for by the Company as "financial assets at fair value through profit and loss" in its financial statements.

### **Basis of the principal amount of the Investment**

The amount of the Investment has been determined upon arm-length basis negotiation among the parties of the Limited Partnership Agreement after taking into account the benefits of the Investment as set out in the section above, the internal cash resources of the Company and the capital needs of GSC Special Buyout Fund.

### **Terms**

Unless otherwise agreed, the term of GSC Special Buyout Fund shall be 3 years. If a listing of Lumileds or a transfer of 80.1% interest in Lumileds by GSC Target Buyout Fund takes place within 3 years of the completion of Lumileds Buyout, the Company, General Partner and the Other Limited Partners shall be able to collect the returns according to the principle set out in the section headed "Distributions of Investment Returns" below.

### **Management Fee**

The management fee will be paid as follows:

A one-time transaction fee equal to 1% of the Capital Contribution shall be payable to the management company within ten days upon the completion of the Lumileds Buyout, for the payment of related attorney consultant fees, financial audit fee and other expenses.

Based on the amount to be invested by the Company, US\$930,000 shall be payable by the Company as a one-time transaction fee. The management company will be designated by the General Partner.

## **Distributions of Investment Returns**

The General Partner may, in its sole discretion, make distributions of cash and marketable securities then held by GSC Special Buyout Fund in the following priority and manner:

- (a) Distributions shall firstly be made between (i) the Company and Class A Preferred Limited Partners (tentatively as one party) and (ii) the Class B Limited Partners in proportion to their respective Capital Contributions.
- (b) Distributions shall then be made between the Company and Class A Preferred Limited Partners as follows. The Company and Class A Preferred Limited Partner shall commit their respective Capital Contributions at a ratio of approximately 1:3. The Company shall, subject to its Capital Contribution and investment return, guarantee an annualised return of 8% for Class A Preferred Limited Partners. For Class A Preferred Limited Partners, an investment return of over 8% represents an “excess preference return” and the excess preference return to which Class A Preferred Limited Partners shall be entitled shall be capped at 20%. The Company shall be entitled to receive 40% of the excess preference return, and the General Partner shall be entitled to receive 40% of the excess preference return.

## **The announcement dated 21 March 2015**

On 21 March 2015, the Company and GSR Ventures have entered into a non-legally-binding memorandum of understanding in relation to the strategic cooperation with GSR Ventures on the possible transactions. For details, please refer to the announcement made by the Company on 23 March 2015. If the proposed cooperative projects as set out in the abovementioned memorandum of understanding were executed, the Company shall indirectly own a 51% shareholding in the General Partner.

## **Limitation on Transfer**

The Company cannot transfer any legal and/or beneficial ownership in any of its interests in GSC Special Buyout Fund without the prior written consent of the General Partner. In particular, the following transfer of the Company’s interests in GSC Special Buyout Fund is prohibited:

- a) any transfer to the competitors engaging in the lighting industry specified in the Limited Partnership Agreement;
- b) any transfer to person other than a well-reputed financial investor or to another partners of GSC Special Buyout Fund;
- c) any person which is or is affiliated with any direct competitors of Lumileds and its subsidiaries; and
- d) any transfer which may trigger Philips’ right to require GSC Special Buyout Fund to acquire certain of its shareholdings in Lumileds.

### **Limitation of Liability**

The Company will not be bound by or be personally liable for, the expenses, liabilities or obligations of GSC Special Buyout Fund, except as required by law.

### **INFORMATION OF GSC SPECIAL BUYOUT FUND**

GSC Special Buyout Fund is a Cayman Islands exempted limited partnership established on 13 May 2015. It is a limited partner which shall hold a direct limited partnership interest in GSC Target Buyout Fund and such fund is the acquirer of the Lumileds project. Further details of the Lumileds Buyout are set out in the announcement published by the Company on 31 March 2015.

As GSC Special Buyout Fund was newly established on 13 May 2015, as at the date of this announcement, it has an unaudited total asset value of zero and it does not have any profit or revenue.

### **INFORMATION OF GENERAL PARTNER AND MR. WU**

The General Partner is a Cayman Islands exempted limited partnership, principally engaged in fund management. Mr. Wu is a Director and a substantial shareholder of the Company. Mr. Wu also controls the majority interests in the General Partner.

### **INFORMATION OF THE GROUP**

The Company is incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business of the Group is investment holding, and is engaged in the provision of investment and financial services through its subsidiaries, as well as distribution and trading business.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the percentage ratios pursuant to the Listing Rules applicable to the Investment exceed 5% but are less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Mr. Wu, a Director and a substantial shareholder of the Company, controls the General Partner, the Investment constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to, among other conditions, the approval by the Independent Shareholders at the SGM by poll in accordance with the requirements of the Listing Rules.

As Mr. Wu is interested in the Investment, Mr. Wu and its associates will abstain from voting at the SGM in respect of the resolution to approve the Investment.

The Independent Board Committee comprising all the independent non-executive Directors will be established by the Company to advise the Independent Shareholders on the Investment. Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Investment.

**GENERAL**

An SGM will be convened for the Shareholders to consider, and, if thought fit to approve the Investment and the transactions contemplated thereunder. A circular containing, among other things, further information on (i) the Investment, (ii) the recommendations from the Independent Board Committee; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders together with the notice of the SGM, is expected to be despatched to the Shareholders on or before 14 September 2015.

**The completion of the Investment is subject to approval by the Independent Shareholders at the SGM. There is no assurance that the Investment and the transactions contemplated thereunder will proceed. Investors are advised to exercise caution in dealing in the shares of the Company.**

**CLARIFICATION**

Reference is made to the circular of the Company dated 10 June 2015 (the “Circular”), and the announcements of the Company dated 22 May 2015 and 29 June 2015 respectively (the “Announcements”), in relation to, among other things, the change of Directors.

As disclosed in the Circular and the Announcements, Mr. WU Shen Chun, Sonny (伍伸俊) has been appointed as an executive Director and the Chairman of the Board. In this regard, the Directors would like to clarify that the full name of Mr. Wu should be Sonny WU, instead of Mr. WU Shen Chun, Sonny.

**DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company
“Capital Contribution”	the respective capital invested to GSC Special Buyout Fund by the parties
“Class A Preferred Limited Partner”	each limited partner in the GSC Special Buyout Fund as designated as Class A Preferred Limited Partner
“Class B Limited Partner”	each limited partner in the GSC Special Buyout Fund as designated as Class B Limited Partner



“Company”	Good Resources Holdings Limited, a company which shares are listed on the main board of the Stock Exchange of Hong Kong
“Completion”	completion of the investment of US\$93,000,000 in GSC Special Buyout Fund by the Company
“Directors”	directors of the Company
“General Partner”	GSC Target SPV Partners, L.P., a Cayman Islands exempted limited partnership, the general partner of GSC Special Buyout Fund
“Group”	the Company and its subsidiaries
“GSC Special Buyout Fund”	GSC Special SPV-A, L.P., a Cayman Islands exempted limited partnership
“GSC Target Buyout Fund”	GSC Target SPV, L.P., a Cayman Islands exempted limited partnership. GSC Special Buyout Fund shall be a limited partner of GSC Target Buyout Fund
“Independent Board Committee”	a committee of the Board established for the purpose of considering the Investment and the transactions contemplated thereunder, comprising all the independent non-executive Directors
“Independent Financial Adviser”	Fortune Financial Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Investment
“Independent Shareholders”	Shareholder(s) other than Mr. Wu and his associates
“Investment”	the proposed investment of US\$93,000,000 in GSC Special Buyout Fund by the Company pursuant to the Limited Partnership Agreement as amended by the Side Letter



“Limited Partnership Agreement”	the amended and restated limited partnership agreement dated 25 August 2015 entered into among the General Partner, Class A Preferred Limited Partners and Class B Limited Partners and the Company, as amended by the Side Letter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lumileds”	Lumileds Holding B.V., a company spun off from Philips whose main businesses are in LED lighting and automotive lighting
“Mr. Wu”	Mr. Sonny Wu, an executive Director and a substantial shareholder (as defined under the Listing Rules) of the Company
“Other Limited Partners”	the other limited partners of GSC Special Buyout Fund, namely Class A Preferred Limited Partners and Class B Limited Partners
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and approve the matters relating to the Investment and the transactions contemplated thereunder
“Shareholders”	shareholders of the Company
“Side Letter”	the side letter dated 25 August 2015 entered into between the General Partner and the Company to amend the terms of the Limited Partnership Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States

“%”

per cent

By Order of the Board  
**Good Resources Holdings Limited**  
**Chan Chi Ming, Tony**  
*Company secretary*

Hong Kong, 25 August 2015

*As at the date of this announcement, (i) the executive directors of the Company are Mr. Sonny Wu and Mr. Lu Sheng; (ii) the non-executive directors of the Company are Mr. Liu Hai, Mr. Chen Chuanjin, Mr. Ng Leung Ho and Mr. Lo Wan Sing, Vincent; and (iii) the independent non-executive directors of the Company are Mr. Ford Fraker, Mr. Chau On Ta Yuen, Mr. Francisco Sánchez and Ms. Kwan Shan.*

\* *for identification purposes only*