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SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION SUBSCRIPTION OF FUND

Reference is made to the announcement of the Company dated 23 April 2025 (the “**Announcement**”). Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Announcement.

FURTHER INFORMATION OF THE SUBSCRIPTION AND THE FUND

The Board would like to provide the shareholders and potential investors of the Company with supplemental information in relation to the Subscription and the Fund as follows.

Adhering to the investment strategy and objectives as disclosed in the Announcement, the Company targets to identify a fund that offers diversification benefits and potential capital appreciation that is complementary to the Group’s existing portfolio. Such fund investment must also align with the Group’s overall risk-return objectives and liquidity requirements.

The Fund is organised as a feeder fund and all the Fund’s investable assets are invested in the ordinary shares of the Master Fund. The Master Fund is a multi-strategy fund deploying diverse investment strategies that do not focus on particular sectors or industries. The investment strategy of the Master Fund has been disclosed in the Announcement.

The Investment Manager uses a team approach to portfolio construction with discretion allowing for individually allocated capital. The Investment Manager has an investment committee comprising the chief risk officer, chief investment officer, certain investment team partners and head of market risk. Investment opportunities are discussed at these specific weekly strategy meetings and themes and trade ideas are developed in these sessions, taking into account both fundamental data/research, macro views and market participant activity.

For Strategy Funds, the relevant portfolio construction starts with strategy discussions by the relevant sub-group of the Investment Manager. Within the strategy sessions, external and internal information is taken into consideration and reviewed; and investment proposals

are made and challenged. External information includes street research, street trade ideas, specialised research and market intelligence. When analysing a particular theme or series of trades, the Investment Manager focuses on fundamental analysis, supply/demand dynamics, current market environment, liquidity, tail event risk, and fit within the portfolio (i.e. not just focused on simple correlation).

For Direct Investments, the portfolio managers trading on behalf of the Master Fund have trading discretion on their individually allocated capital. Such trading is subject to their set of permission products/asset classes and trading limits, which are defined by the Investment Manager's risk team, which also monitors and enforces compliance of the trading mandate and risk framework.

The Company's decisions regarding the Subscription are reached through collaborative discussions among the various departments of the Company, including but not limited to the investment team, risk management department, finance department, legal department and the company secretarial department. The Subscription was approved by the executive committee of the Company, comprising executive Directors Mr. Leung Oi Kin and Mr. Leung Wai Yiu, Malcolm (the "**Executive Committee**") and the Board, and the reasons for and the benefits of the Subscription has been disclosed in the Announcement. The Company has followed the typical implementation cycle adopted by the Group's principal investment business when selecting the Fund:

Identify investment opportunities and process initial project screening

The Company identified the Fund, an investment fund with a broad investor base (as referred to in the relevant guidelines of the Stock Exchange). The Fund is an actively managed fund with a multi-asset approach that seeks to structure a diversified portfolio not correlated to traditional fixed income and equity markets. The Company has assessed the Fund and analysed the Fund's historical risk-return profile and found it consistent with the target parameters for this allocation. Its liquidity terms (i.e. one-year soft lockup with quarterly redemption) were deemed acceptable and manageable within the Group's overall liquidity profile.

Conduct due diligence

After identifying the Fund, the Company conducted advanced due diligence, including (i) assessing the Investment Manager – evaluating the Investment Manager's historical performance, consistency, and experience in relevant markets; and whether assets under management aligns with the strategy's scalability; and (ii) operational, financial and investment review – covering know-your-client processes of the involved parties/entities; reviewing fund documentation like prospectus, private placement memorandum; analysing performance metrics (Sharpe ratio, volatility, Sortino ratio, maximum drawdown, correlation to benchmarks, percentage of positive months); confirming the Fund's investment objective and strategy, legal structure, characteristics and investment terms (subscription, redemption, liquidity, lock-ups, fee structure); and ensuring regulatory and financial compliance.

Assess the Investment Manager

As disclosed in the Announcement, the Investment Manager was incorporated as a limited liability partnership in England and Wales on 24 May 2005. The Investment Manager is a global asset manager and fixed income specialist firm headquartered in London, with affiliates in the United States and Asia. The Investment Manager's team structure is well-defined, with low historical turnover among senior members. As at 31 December 2024, the Investment Manager's group had 134 investment professionals, with 13 investment partners having an average of 23 years' professional experience and an average tenure of 13 years. The Company also considered Mr. Yan Huo, the co-founder, managing partner and chief investment officer, and the core fixed income investment personnel at the Investment Manager, who has the ultimate decision-making authority over the Investment Manager. Mr. Yan Huo was a member of the J.P. Morgan proprietary trading group based in New York and London, focusing on G3 interest rate markets for the majority of their careers. Mr. Yan Huo was at United Financial of Japan as head of fixed income prior to co-founding the Investment Manager in 2005. He established his professional career at J.P. Morgan, where he was most recently the head of European proprietary trading, having earlier worked in the derivatives research and proprietary position business. Mr. Yan Huo previously served as a member of the US Treasury Borrowing Advisory Committee. There is a proven track record of the Fund and extensive experience of the key principals and investment team members of the Investment Manager.

Review operational, financial and investment systems

The Investment Manager has in place a risk team, which among other things, prepares a stress analysis for potential increases in margin requirements across financing counterparties with oversight by its chief risk officer. Risk management for the Master Fund calculates an independent exit cost for the portfolio on a daily basis which is monitored against limits and additionally incorporated into the stress loss assessment for each portfolio (also subject to limits). The terms of the Fund were considered competitive for its strategy and peer group.

Based on the foregoing, the Company considers that the Subscription could provide the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation.

FURTHER INFORMATION OF THE GROUP'S PRINCIPAL INVESTMENT BUSINESS

To provide context and enhance better understanding for the shareholders of the Company, the Board would like to include further background information on the Group's principal investment business.

As disclosed in the annual report for the year ended 31 December 2024 of the Company (the "**2024 Annual Report**"), the goal of the Company's principal investment business is to identify investment opportunities and to invest in different industries, to provide better risk weighted return and capital value to the Group. The Company adopted a policy

for conducting its investment under this business segment, which provides guidance to the management, monitoring and evaluation of the Group's investment portfolio and the Executive Committee is responsible for identifying, reviewing, considering and approving different investment opportunities taking into account the Group's liquidity requirements, risk to capital and reasonable returns on investment with the risk taken.

Investment strategy

The Company's principal investment strategy is centered on a diversified multi-asset approach, targeting both income generation and capital appreciation. As disclosed in the 2024 Annual Report, the Group has been continuously reviewing its business and investment strategies, especially for its principal investment business pursuant to the Group's financial needs and change of market circumstances. The Group generates profit from interest income, dividend income and distribution income from financial products held by the Group in its principal investment business. The Group adopts a prudent approach in allocating its financial assets. Apart from equity investments, which are usually accompanied by higher market risks, the Group has been exploring various fixed income investment portfolios as part of its asset allocation plan, including the selection of fixed income assets and the vehicles the Group uses to access them. Since 2018, considering the trend of interest rates, risk tolerance, capital preservation, liquidity and yield, the Group constructed its fixed income investment portfolios by pairing its bond investment with cash investment. The Group believes that a strong fixed income component serves as a safety net for the Group's overall investment portfolios. The Group has allocated approximately 40% of its financial assets to fixed income investment, divided equally between bond investment and cash investment, which include deposits with financial institutions. This strategy, as part of the Group's on-going efforts, aims to minimise the impact of market fluctuations commonly associated with equity investment.

The Company considers and makes investment decisions in the context of a portfolio as a whole, having risk and return objectives reasonably suited to the Group. One of the most important components of the Group's investment strategy is the diversified investment portfolio by way of the allocation among various classes of assets and securities, and such investment strategies are for long-term investment purposes.

Investment portfolio

The investment portfolio will be diversified across asset classes and investment managers, details of the investment portfolio of the Group for the financial year ended 31 December 2024 have been disclosed in Note 16 to the Notes to the Consolidated Financial Statements contained in the 2024 Annual Report, including:

- (a) *global equities investments* is a component of the Group's asset allocation strategy, mainly focusing on the Hong Kong stocks, U.S. stocks and A-shares markets, with a core emphasis on key industry sectors like financials, real estate, technology, media and telecom; and consumer goods and retails. The global equities investment

allocates majority of its assets to long-term investments, with the remaining allocated to trading position. The investment horizon typically spans from 3 to 5 years for long-term holdings, while that for trading position is generally less than 12 months;

- (b) *global fixed income* comprises (i) debt instruments measured at amortised cost, which refers to instruments that have a low risk of default or the issuers have a strong capacity to repay (e.g. financial instruments that are of investment grade or issuer with good credit history and capacity to repay, etc.); (ii) investments in perpetual notes at fair value through profit or loss; and (iii) investments in perpetual notes designated as at fair value through other comprehensive income, with the average investment timeframe of the bonds under each of the above categories from 3 to 5 years in general;
- (c) *hedge funds* is for a source of diversification and uncorrelated returns in volatile markets by leveraging on the investment expertise of the external investment managers that employ non-traditional strategies to manage risk and enhance potential return. In general, the investment timeframe for the investment under this category ranges from 3 to 5 years; and
- (d) *private equity* generally seeks long-term capital appreciation, primarily via private equity funds with a solid track record globally with terms generally exceeding 5 years. For direct investments in private companies by the Group (including unlisted equity investments and unlisted exchangeable notes), they are required to be assessed as having strong growth prospects, sound business models and capable management teams. The investment timeframe for the investment under this category typically ranges from 5 to 10 years.

The investments are not required to be conducted under any license of the relevant regulatory authorities and the Company funded its investments from the net proceeds from the disposal of mining operations in 2016 and its gains derived from the principal investment business during the years.

Typical implementation cycle of the Group's investments

A typical implementation cycle for investments, including the involvement of the Executive Committee, is outlined below:

Step 1: Identify investment opportunities – The Group's potential investment opportunities are identified and sourced by the investment team through various channels, including market research, invitation to investment conference, and referrals from industry contacts and/or financial intermediaries.

Step 2: Process initial project screening – The investment team will then perform an initial screening based on predefined criteria set pursuant to the investment policies adopted by the Group.

Step 3: Conduct due diligence – For opportunities that manage to pass initial screening, the investment team will conduct comprehensive due diligence, including detailed financial modeling, valuation analysis, assessment of management quality, industry and competitive landscape analysis, and legal and regulatory reviews. In addition to the standard due diligence requirement, it also includes a review of the fund manager’s track record, investment strategy, operational infrastructure, and risk management practices for any fund investments. Due diligence processes involve various departments of the Company and external advisers (on certain occasions), which may take from a few weeks to several months. The Company may sign a non-legally binding agreement with the counterparties, depending on the project specifications.

Step 4: Discuss the investment flexibility and assess risk and implication – It is typically required to discuss each individual project/investment across various departments of the Company, including but not limited to the investment team, risk management department, finance department, legal department and the company secretarial department and decisions are reached through collaborative discussions among them. For instance, the investment team presents their analysis and recommendations about the highlights and risks; the finance department assesses the financial and accounting implications of the Group arising from such investment; the legal department is responsible for assessing legal and compliance risks, reviewing legal documents, and evaluating the legal structure of each investment; the risk management department independently evaluates potential risks (separate from the investment team); the company secretarial department closely monitors the discussion and ensures that each investment is conducted in a manner that meets the Group’s governance requirements. The two executive directors, who are also the members of the Executive Committee, will participate in the discussions, where they will review the investment materials, ask follow-up questions or require additional information (if necessary). On certain occasions, the Company will seek advice from external advisers (such as financial adviser and legal counsel) in respect of the investment and its compliance and assist in liaising with the regulators (where applicable).

Step 5: Prepare investment proposal – Through thorough discussions, consensus is sought regarding the potential risks and rewards of an investment, and decisions are made based on collective input. Once a decision is reached, the investment team will present the proposal to the Executive Committee, including investment thesis, expected risks and returns, alignment with strategy, due diligence findings, proposed investment amount, and exit strategy, together with relevant documentation, such as equity commitment letter, and investors’ questionnaire.

Step 6: Review and approve the investment proposal – The Executive Committee is responsible for considering and approving different investment opportunities, taking into account the Group’s liquidity requirements, risk to capital and reasonable returns on investment with the risk taken. The company secretarial department will also advise on the approval process of the relevant investment proposal. Accordingly, the Executive Committee will conduct a final thorough review before officially approving the investment proposal.

Internal control and risk management procedures for ongoing monitoring

Effective risk management is crucial to protecting the Group's capital and achieving its investment goals. The Company has adopted a systematic and real-time approach (as the case may be) to tracking investment performance and market conditions, providing immediate insights into emerging risks. The Executive Committee is responsible for the risk management of the Group's investment, and with assistance from the investment team and risk management team, will regularly review the risk parameters of the Company's overall portfolio as well as the risk parameters of each investment. The investment team and the risk management team comprise experienced professionals with expertise in financial analysis, portfolio management, and risk assessment, and conduct day-to-day risk management work.

The Company has clearly defined its investment goal and determined the Group's risk tolerance and investment horizons so as to provide guidance to its asset allocation and investment decisions. The Group stays invested for the long haul, which can help the Group weather market volatility (i.e. reducing the impact of short-term market fluctuations). By spreading the Group's investments across different asset classes and geographic regions, the Company can reduce the poor-performing impact on the overall portfolio. The Company employs the following approaches when conducting ongoing monitoring of its investment portfolio:

Regular Portfolio Reviews and Reporting

Continuous monitoring of risks in investments is crucial to the Group because it enables early detection of potential threats, allowing the Group to take proactive measures to mitigate risks. Based on the results of the practice of review for each asset class, the allocation of investment portfolio is subject to half yearly reviews. The result of asset allocation is presented to the Executive Committee in case of material deviation from the Group's intended asset allocation.

Compliance Monitoring/Watchlist and Exception Reporting

Generally, the risk management department, together with the legal department will also monitor adherence to internal investment policies, risk limits, and relevant legal and regulatory requirements. Any breaches will be reported to the Executive Committee for corrective action.

External Audit and Review

The Group is subject to periodical reviews regarding the effectiveness of the internal controls and risk management processes within the principal investment business by the audit committee of the Company.

The Group does not specifically have an internal audit department but engages an independent internal control consultant to provide internal control review annually, which is responsible for carrying out an independent review for parts of internal control processes and activities, including providing recommendations to address any identified control weaknesses to the audit committee of the Company.

Besides, the Group's external auditors also report on any control issues identified in the course of their audit work. In particular, the Group's external audit covers the valuation of each project in the Group's principal investment business.

The above supplemental information aims to allow the shareholders and/or potential investors of the Company to have a more in-depth understanding about the Group's principal investment.

Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
G-Resources Group Limited
Leung Oi Kin
Executive Director and Company Secretary

Hong Kong, 31 July 2025

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*