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Green Economy Development Limited

綠色經濟發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1315)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION INVESTMENT IN BAYZED HEALTH

Reference is made to the Company's announcement ("Announcement") dated 18 June 2025 in relation to the discloseable transaction investment in Bayzed Health. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Group targets to acquire no more than 2,748,815 ordinary shares of Bayzed Health (Stock Code: 2609.HK), representing a maximum of 0.208% of its post-IPO issued share capital, at a maximum amount of HK\$11.6 million. As at the date of this supplemental announcement, 2,748,600 Investor Shares were allotted and issued to the Group at a price of HK\$4.22 for each share, arriving at a total subscription price of HK\$11,599,092. The Investor Shares will be classified as a current financial asset at fair value through profit or loss (FVPL) in accordance with Hong Kong Financial Reporting Standard 9 in the consolidated financial statements of the Company.

The Board's view on the subscription

The Board, including all Independent Non-Executive Directors, unanimously determined this investment constitutes a prudent tactical allocation of surplus capital. While focusing on supply chain management operations, this investment was made merely from the perspective of diversifying our treasury returns through liquid Hong Kong-listed growth assets. In respect of the future plan on the investment, the Company will realize profit in due course to enhance the working capital for its supply chain management operations. This decision reflects the following strategic and comprehensive considerations:

1. Bayzed Health operates within the high-growth private oncology healthcare service sector of the PRC, which independent research report from Frost & Sullivan projects such sector will grow at a 17.4% compound annual growth rate (CAGR) from 2026 to 2030;
2. with reference to the Group's total assets of HK\$679 million as at 31 March 2024, the Investor Shares would represent only 1.7% of the Group's total assets, which could be immediately realized in the equity market when the Group requires additional cashflow for its supply chain management operation; and

3. a 21.7% revenue CAGR for 2022–2024, favorable market projecting P.R. China’s private oncology healthcare service market to reach HK\$207 billion by 2030, and strong operational execution demonstrated through a network of eight hospitals in Beijing, Tianjin, Shanxi Province, Anhui Province and Henan Province with strategic focus on provision of full-cycle oncology healthcare service.

The Board conducted comprehensive risk assessment on the Subscription, including but not limited to, (i) the due diligence conducted by the Company; (ii) thorough review of Bayzed Health’s IPO prospectus dated 3 June 2025, audited financial statements by KPMG, and independent Frost & Sullivan research, and (iii) comparison of the valuation data of relevant listed companies across several major markets which validated the above findings. As such, the Company believes that the business prospects of Bayzed Health are positive.

Investment strategy and future plan of the investment in Bayzed Health

After the discussion with Risk Management Committee of the Company (comprising the Directors, namely Mr. Zhu Feng, Mr. Zhu Xiaodong, Mr. Chau Ting Sen and Mr. Wong Wai Kwan), the management of the Group has implemented a policy for mitigating exposure arising from its proposed investment in Bayzed Health, including but not limited to (i) reporting mechanism upon the market value of the Investors Shares decreases over a certain percentage within a day; (ii) disposal of the Investment Shares in the open market if the market value of the Investor Shares falls to a certain level of its subscription price; (iii) continuous reporting will be made available to the Directors on the market trend of the value of the Investor Shares; and (iv) regular monitoring and review on the future realization of the investment.

As mentioned above, the Company has conducted comprehensive due diligence to assess the prospect of Bayzed Health. On the other hand, the Company has implemented the policy as stated above to mitigate the investment risk from the Subscription. Despite the investment risk could not be reduced to nil, it is reasonable for the Company to proceed with the Subscription after comparing the potential return from the Subscription with the relative low return from time deposit with the bank.

The Company will keep the Shareholders and the public informed of the investment in Bayzed Health by making further announcement(s) as and when appropriate, and pursuant to the Listing Rules.

Save as disclosed above, the contents of the Announcement remain unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Green Economy Development Limited
Tang Hongyang
Executive Director and Chief Executive Officer

Hong Kong, 16 July 2025

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Zhu Feng, Mr. Tang Hongyang, Mr. Zhu Xiaodong, Mr. Chau Ting Sen, Mr. Su Junjie and Mr. Fung Ka Lun, and three independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Zhang Shengman and Ms. Li Xiaoting.