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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**

Reference is made to the announcement to Green Economy Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 September 2024 (the “**Announcement**”). Capitalised but undefined terms used in this announcement shall have the meanings given in the Announcement.

### **THE EQUITY FUNDING AGREEMENT**

Pursuant to the Equity Funding Agreement, the Target Company and Rizhaogang has each agreed to fund their respective share of equity interest in the Target Subsidiary through the payment of equity capital to the Target Subsidiary in the total amount of US\$2,000,000 on or before 30 September 2024, 85% of which (or US\$1,700,000) is payable by the Target Company and 15% of which (or US\$300,000) is payable by Rizhaogang. The amount of the Funding was determined following arm’s length negotiations between Rizhaogang and the Target Company, having regard to the general working capital requirements of the Target Subsidiary’s existing operations as well as the amount of capital investment(s) required to expand the Target Subsidiary’s business in the future.

Following the Funding, the Target Subsidiary is expected to use the proceeds as its general working capital (including staff costs, professional fees, rental payments and other general administrative and operating expenses) and, subject to its working capital needs and its ability to secure additional funding (if such funding is required), to make capital investments in the business of ore processing. As disclosed in the Announcement, the Target Subsidiary intends to develop the ore processing business by providing iron ore pre-treatment and mixed ore processing services for various steel mills. As of the date of this announcement, the Target Subsidiary has been in negotiations for the acquisition of a plot of land (or the right to use such land) and to develop facilities for ore treatment thereon (the “**Potential Transaction**”), and the Equity Funding Agreement has not yet been completed. It is intended that after completion of the Equity Funding Agreement, a substantial part of the proceeds will be utilized for the prepayment of costs in relation to construction of the new ore treatment facilities if the Potential Transaction materialises. To date, there has been no binding agreement, arrangement or understanding in respect of the Potential Transaction nor other capital investments. The Company will make further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

## **SUPPLEMENTAL REASONS FOR AND BENEFITS OF THE FUNDING**

As disclosed in the Announcement, the Board considers that expanding the Group's business to mixed ore business through the Target Subsidiary provides several strategic advantages for the Company. The Board believes that the Equity Funding Agreement and the Funding would provide the resources necessary for the Target Subsidiary to achieve the strategic objectives for the Company, through the continued operation of the Target Subsidiary's existing business and enabling the possibility of capturing investment opportunities to expand its operations.

In view of the above and as disclosed in the Announcement, the Directors are of the view that the terms of the Equity Funding Agreement are fair and reasonable and are on normal commercial terms, and the performance by the Target Company of its obligations under the Equity Funding Agreement are in the interest of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

The Vendor is an a BVI Business Company incorporated with limited liability under the laws of the British Virgin Islands (“BVI”), and is wholly-owned by Wang, Lei.

Rizhaogang is an investment holding company established with limited liability under the laws of PRC, and is ultimately owned by Rizhao Port Co., Ltd. (日照港股份有限公司), a company with limited liability established under the laws of PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 600017).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor, Rizhaogang and their respective ultimate beneficial owners are each independent of the Company and its connected persons.

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**  
**Chau Chit**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 October 2024

*As of the date of this announcement, the Board comprises five executive Directors, namely Mr. Chau Chit, Mr. Fung Ka Lun, Mr. Tang Hongyang, Mr. Zhu Feng and Mr. Zhu Xiaodong; and three independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Zhang Shengman and Ms. Li Xiaoting.*