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GREEN INTERNATIONAL

Holdings Limited

格林國際控股有限公司

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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2700)

**(1) SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE 2022 ANNUAL REPORT REGARDING
THE USE OF PROCEEDS;
AND
(2) BUSINESS UPDATE ON THE GROUP'S HEALTH AND
MEDICAL BUSINESS**

Reference is made to: (1) the prospectus dated 24 November 2020 issued by Green International Holdings Limited (the “**Company**”) and the Company’s announcements dated 25 September 2020 and 15 December 2020 in relation to the one-for-one rights issue of the Company (the “**2020 Rights Issue**”), raising net proceeds of approximately HK\$95.9 million (the “**Net Proceeds**”); (2) the Company’s supplemental announcement dated 15 October 2021 regarding the use of proceeds; and (3) the Company’s annual report (the “**2022 Annual Report**”) for the year ended 31 December 2022 (the “**FY2022**”). Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the 2022 Annual Report.

This announcement is made to provide supplemental information to the 2022 Annual Report regarding the use of the Net Proceeds.

USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITIES

In the section headed “USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITIES” of the Management Discussion and Analysis as contained on page 7 of the 2022 Annual Report, the Company disclosed that among the Net Proceeds of approximately HK\$95.9 million raised in the 2020 Rights Issue, HK\$15 million was utilised as Group’s corporate expenses and overheads as originally intended during the year ended 31 December 2021 (the “FY2021”) and unutilised proceeds of HK\$80.9 million were brought forward into FY2022 from FY2021, and were originally intended for the potential acquisitions, expansion and equipment purchase of the Group’s hospital business.

FURTHER INFORMATION REGARDING THE RELOCATION OF YIYANG HOSPITAL

As disclosed in the 2022 Annual Report, during FY2022, only approximately RMB3,068,000 (HK\$3,474,000) out of the Net Proceeds was used for relocation of the Group’s hospital at Yiyang (“**Yiyang Hospital**”) owned and operated by Yiyang Gangying Hospital Company Limited (“formerly known as “Yiyang Zizhong Kidney Disease Hospital Company Limited”), a subsidiary of the Company, in accordance with their originally intended use.

The Company would like to clarify that the entire capital expenditure budget for the relocation of Yiyang Hospital was planned to be approximately RMB17.3 million (approximately HK\$19.5 million), comprising refurbishment labour costs, service fees and material purchases, purchases of new equipment to cater for the expanded capacity, and other miscellaneous costs. As the premises are intended to be self-operated by the Group and numerous refurbishment contracts were awarded to different service providers and vendors which were independent third parties unrelated to each others, none of the said contracts constituted any notifiable transaction for the Company on a standalone basis.

The refurbishment works of the new premises of Yiyang Hospital commenced in the fourth quarter of 2022. The Company is pleased to inform its shareholders that the refurbishment works were so far largely on schedule and within budget, and are presently expected to complete by the fourth quarter of 2023 largely as planned. During the refurbishment period, the Group continued to operate its health and medical business using its previous premises, minimizing any disruption to our normal operations and inconvenience to our customers.

With the relocation of Yiyang Hospital to the new premises, the Company hopes to enjoy a higher operation capacity at larger premises at lower rental expenses per month, thereby benefiting the Group in the long run. The Board presently plans that the remaining HK\$16 million capital expenditure budget planned for the relocation of Yiyang Hospital will be fully utilised by the end of the year ending 31 December 2023 (“FY2023”).

EXPECTED TIMELINE OF UTILISING THE REMAINING PROCEEDS

As disclosed in the 2022 Annual Report, save as the relocation of Yiyang Hospital, the Group does not intend to commit to any substantial acquisition or expansion plans under any specified timeline prematurely. The reason was due to the taking of more conservative expansion strategy by the Group in response to the deepening of reform of medicine and healthcare systems in 2021, which has adversely affected the expected rates of return of hospital investment projects.

As disclosed in the 2022 Annual Report, subsequent to the period end of FY2022, the Board resolved to change the use of proceeds of HK\$19 million out of the remaining net proceeds for the Group's general working capital and meeting the Group's liabilities and expenses (such as overheads and rental payments, staff costs, professional fees) as they fall due. The Board is of the view that such change is in the best interests of the Company and its shareholders as a whole, as it is vital to have sufficient working capital to maintain the Group's businesses as a going concern. Based on the Group's present budget planning, overhead expenses of approximately HK\$7 million and HK\$5 million are normally expected to accrue in the first and second half of the Company's financial year on average. The Company therefore presently expects that these HK\$19 million of Net Proceeds to be fully utilised by the first half of 2024.

As regards the remaining HK\$42.4 million of Net Proceeds, if no suitable acquisition target can be identified in due course, the Company intends to change their intended use also for the Group's overhead expenses. Assuming the same overhead half-yearly budgets as estimated above, these remaining HK\$42.4 million of Net Proceeds are projected to be fully utilised by the end of 2030.

By order of the Board
Green International Holdings Limited
Yu Zhoujie
Chairman

Hong Kong, 11 August 2023

As at the date of this announcement, the executive Directors are Mr. Yu Zhoujie (Chairman) and Mr. Yu Xiangjin; the non-executive Directors are Mr. Chen Hanhong and Mr. Liu Dong; and the independent non-executive Directors are Mr. Wu Hong, Mr. David Tsoi and Mr. Wang Chunlin.