
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Green Economy Development Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

- (1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED SHARE PREMIUM REDUCTION;
(4) PROPOSED CAPITAL REORGANISATION INVOLVING
CAPITAL REDUCTION OF ISSUED SHARES
AND SUB-DIVISION OF UNISSUED SHARES; AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used on this cover page have the same meaning as defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 7 to 20 of this circular. A notice convening the EGM to be held at Room 2010, 20/F, No. 118 Connaught Road West, Hong Kong on Thursday, 6 April 2023 at 11:00 a.m. or any adjournment thereof is set out on pages 21 to 25 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. at 11:00 a.m. on Tuesday, 4 April 2023) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the EGM to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the EGM. The Company reserves the right to deny admission to the EGM venue if any person does not comply with the precautionary measures to be taken at the EGM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Accumulated Losses”	the accumulated losses of the Company
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number; and (b) cancelling the paid up capital to the extent of HK\$0.03 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.04 to HK\$0.01
“Capital Reorganisation”	the proposed capital reorganisation of the Company comprising the Capital Reduction and the Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the change in board lot size of Shares for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares (or 10,000 New Shares subject to the Capital Reorganisation becoming effective)
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands, as consolidated and revised

DEFINITIONS

“Company”	Green Economy Development Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1315)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company immediately following the Share Consolidation becoming effective but before the Capital Reorganisation becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Thursday, 6 April 2023 for the purpose of considering and, if thought fit, approving, among other things, the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation
“Existing Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company before the Share Consolidation and the Capital Reorganisation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Memorandum and Articles”	the memorandum and articles of association of the Company, as amended from time to time
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the issued and unissued share capital of the Company after both of the Share Consolidation and the Capital Reorganisation becoming effective
“Registrar”	Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued Existing Shares of HK\$0.002 each into one (1) Consolidated Share of HK\$0.04
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the amount standing to the credit of the Share Premium Account
“Share Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share of par value of HK\$0.04 each into four (4) New Shares of par value of HK\$0.01 each
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share Option(s)”	the option(s) to subscribe for new Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 19 December 2011 and terminated on 7 October 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Save where otherwise specified, all times and dates in this circular refer to Hong Kong local times and dates.

Events	Hong Kong Date and Time
	2023
Latest date and time for lodging transfers documents in order to qualify for attendance and voting at the EGM.....	4:00 p.m. on Thursday, 30 March
Register of members of the Company closed for the determining members who are entitled to attend and vote at the EGM for the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation	Friday, 31 March to Thursday, 6 April (both days inclusive)
Latest time for lodging forms of proxy for the EGM.....	11:00 a.m. on Tuesday, 4 April
Record date of the attendance and voting at the EGM	Thursday, 6 April
Date and time of the EGM	11:00 a.m. on Thursday, 6 April
Announcement of voting results of the EGM for the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation	Thursday, 6 April

EXPECTED TIMETABLE

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation, the Change in Board Lot Size and the Share Premium Reduction, and therefore the dates are tentative only:

Effective date of the Share Consolidation and the Share Premium Reduction	Wednesday, 12 April
Dealings in the Consolidated Shares commence	9:00 a.m. on Wednesday, 12 April
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes.....	9:00 a.m. on Wednesday, 12 April
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 12 April
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 12 April
Effective date of the Change in Board Lot Size	Wednesday, 26 April
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 26 April
Parallel trading in the Consolidated Shares and the Existing Shares (in the form of new share certificates and existing share certificates) commences.....	9:00 a.m. on Wednesday, 26 April
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares.....	9:00 a.m. on Wednesday, 26 April
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.....	4:00 p.m. on Wednesday, 17 May
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 17 May
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends.....	4:10 p.m. on Wednesday, 17 May
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:00 p.m. on Friday, 19 May

EXPECTED TIMETABLE

The following events are conditional on the fulfillment of the conditions relating to the implementation of the Capital Reorganisation, and therefore the dates are tentative only:

Effective date of the Capital Reorganisation Friday, 16 June

Commencement of dealings in the New Shares 9:00 a.m. on Friday, 16 June

First day of free exchange of existing share certificates
for the Consolidated Shares into new share certificates
for New Shares Friday, 16 June

Last day of free exchange of existing share certificates
for the Consolidated Shares into new share certificates
for New Shares Friday, 14 July

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Chau Chit

(Chairman and Chief Executive Officer)

Mr. Fung Ka Lun

Mr. Zhu Xiaodong

Registered Office:

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent Non-executive Directors:

Mr. Tam Tak Kei Raymond

Dr. Wong Lee Ping

Mr. Wong Wai Kwan

*Head office and principal place of
business in Hong Kong:*

Room 2010, 20/F

No. 118 Connaught Road West

Hong Kong

3 March 2023

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED SHARE CONSOLIDATION;**
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED SHARE PREMIUM REDUCTION;
**(4) PROPOSED CAPITAL REORGANISATION INVOLVING
CAPITAL REDUCTION OF ISSUED SHARES AND
SUB-DIVISION OF UNISSUED SHARES; AND**
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the announcements of the Company dated 17 February 2023 and 24 February 2023 in relation to the Share Consolidation, the Share Premium Reduction, the Change in Board Lot Size and the Capital Reorganisation. The purpose of this circular is to provide you with information regarding the proposed Share Consolidation, the Share Premium Reduction, the Change in Board Lot Size and the Capital Reorganisation, together with a notice convening the EGM for the purpose of considering, and if thought fit, approving the resolutions to be proposed.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of par value of HK\$0.002 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.04 each.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$20,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.002 each, of which 8,999,998,994 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective but prior to the Capital Reorganisation becoming effective, and assuming that no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$20,000,000 divided into 500,000,000 Consolidated Shares of par value of HK\$0.04 each, of which 449,999,949 Consolidated Shares will have been issued and will be fully paid or credited as fully paid.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the return of capital or cash to the Shareholders.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the Memorandum and Articles. The Share Consolidation will not result in any change in the rights of the Shareholders.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the laws of Cayman Islands and the Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

Subject to the fulfillment of the conditions of the Share Consolidation, the Share Consolidation will become effective on Wednesday, 12 April 2023, being the second Business Day immediately after the date of the EGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has outstanding Share Options entitling the holders thereof to subscribe for an aggregate of 149,999,998 Existing Shares under the Share Option Scheme. As a result of the Share Consolidation and in accordance with the Share Option Scheme, the exercise price and the number of Consolidated Shares to be issued upon exercise of the outstanding Share Options will be adjusted as follows with effect from the effective date (i.e. on Wednesday, 12 April 2023) of the Share Consolidation. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Name or category of participant	Date of grant	Exercisable period (both days inclusive)	Immediately prior to the adjustments as a result of completion of the Share Consolidation		Immediately after the adjustments as a result of completion of the Share Consolidation	
			Exercise price per Existing Share HK\$	Number of Existing Shares to be issued under the outstanding Share Options	Adjusted exercise price per Consolidated Share HK\$	Adjusted number of Consolidated Shares to be issued under the outstanding Share Options
President:						
Mr. Michael Ngai Ming Tak	13 August 2021	13 August 2021 to 12 August 2026	0.03	74,999,999	0.6	3,749,999
Director:						
Mr. Fung Ka Lun	13 August 2021	13 August 2021 to 12 August 2026	0.03	74,999,999	0.6	3,749,999
				149,999,998	7,499,998	

As at the Latest Practicable Date, save for the Share Options, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

Application for listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the Share Options granted.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Lego Securities Limited as its agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Wednesday, 26 April 2023 to 4:00 p.m. on Wednesday, 17 May 2023 (both days inclusive). Shareholders who wish to take advantage of this service should contact Mr. Kelvin Li of Lego Securities Limited at Room 301, 3/F, China Building, 29 Queen's Road, Central, Hong Kong or at telephone number (852) 3188-8055 during normal office hours of such period.

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Wednesday, 12 April 2023 until Friday, 19 May 2023 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit the existing share certificates for the Existing Shares (in green colour) to the Registrar at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (in purple colour).

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher.

After Wednesday, 17 May 2023, share certificates for the Existing Shares will remain valid and effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will cease to be valid for delivery, trading and settlement purposes.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded in board lots of 2,000 Existing Shares. Conditional upon the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 10,000 Consolidated Shares.

Based on the closing price of HK\$0.016 per Existing Share (equivalent to the theoretical closing price of HK\$0.32 per Consolidated Share upon the Share Consolidation becoming effective) as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each existing board lot of 2,000 Existing Shares is HK\$32 and the theoretical value for each new board lot of 10,000 Consolidated Shares would be HK\$3,200.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

LETTER FROM THE BOARD

PROPOSED SHARE PREMIUM REDUCTION

The Board proposes to reduce the amount standing to the credit of the Share Premium Account and to apply such amount towards offsetting the Accumulated Losses as at the effective date of the Share Consolidation.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

- (i) the Share Consolidation having become effective; and
- (ii) the passing of an ordinary resolution by the Shareholders to approve the Share Premium Reduction at the EGM.

Subject to fulfilment of the above conditions, it is expected that the Share Premium Reduction will become effective as at the effective date of the Share Consolidation.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Effect of the Share Premium Reduction

As at 30 September 2022, the amount standing to the credit of the Share Premium Account was approximately HK\$326.3 million and the Accumulated Losses was approximately HK\$280.4 million.

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

PROPOSED CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board further proposes that:

- (i) **Capital Reduction:** after the Share Consolidation becoming effective but subject to the other conditions to the Capital Reorganisation being satisfied, the issued share capital of the Company will be reduced by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number; and (b) cancelling the paid up capital to the extent of HK\$0.03 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.04 to HK\$0.01;
- (ii) **Share Sub-division:** immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$0.04 each be sub-divided into four (4) New Shares of par value of HK\$0.01 each; and
- (iii) **Offsetting Accumulated Losses:** the credits arising in the books of the Company from the Capital Reduction be applied towards offsetting the Accumulated Losses as at the effective date of Capital Reorganisation. The balance of the credit (if any) of the Share Premium Account after offsetting the Accumulated Losses may be applied by the Company in any manner as permitted by all applicable laws and the Memorandum and Articles.

Effect of the Capital Reduction and the Share Sub-division

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$20,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.002 each, of which 8,999,998,994 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation and the Capital Reorganisation becoming effective and assuming no further change in the number of issued Shares as at the Latest Practicable Date up to and including the effective date of the Capital Reorganisation (save and except for the Share Consolidation), the authorised share capital of the Company shall be HK\$20,000,000 divided into 2,000,000,000 New Shares of par value of HK\$0.01 each, of which 449,999,949 New Shares will have been issued and will be fully paid or credited as fully paid.

LETTER FROM THE BOARD

Assuming that there is no change in the number of issued Existing Shares as at the Latest Practicable Date up to and including the date on which the Share Consolidation and the Capital Reorganisation (as the case may be) become effective, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective but prior to the Capital Reorganisation becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.002 per Existing Share	HK\$0.04 per Consolidated Share	HK\$0.01 per New Share
Number of authorised shares	10,000,000,000 Existing Shares	500,000,000 Consolidated Shares	2,000,000,000 New Shares
Amount of authorised share capital	HK\$20,000,000	HK\$20,000,000	HK\$20,000,000
Number of issued shares	8,999,998,994 Existing Shares	449,999,949 Consolidated Shares	449,999,949 New Shares
Amount of the issued share capital (approximately)	HK\$17,999,997.99	HK\$17,999,997.96	HK\$4,499,999.49

Immediately after completion of the Share Consolidation becoming effective but prior to the Capital Reorganisation becoming effective, 449,999,949 Shares will have been issued and will be fully paid or credited as fully paid. Assuming that the par value of each of the 449,999,949 issued Consolidated Shares will be reduced from HK\$0.04 per Consolidated Share to HK\$0.01 per Consolidated Share by cancelling the paid-up share capital to the extent of HK\$0.03 per Consolidated Share by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.01 each, the Company's issued share capital of HK\$17,999,997.96 will be reduced by HK\$13,499,998.47 to HK\$4,499,999.49.

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other in accordance with the Memorandum and Articles.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

- (i) the Share Consolidation has become effective;
- (ii) the passing of the special resolution(s) to approve the Capital Reorganisation by the Shareholders at the EGM;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective;
- (iv) approval of the Capital Reduction by the Court;
- (v) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (vi) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction;
- (vii) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Capital Reorganisation; and
- (viii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled. Upon the fulfilment of the conditions (i) and (ii) above, the legal advisers to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the preliminary timetable as soon as the Court hearing dates are confirmed.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Application for listing of the New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective and the New Shares which may be issued pursuant to the exercise of the Share Options granted.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the New Shares on the Stock

LETTER FROM THE BOARD

Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

At the time the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates for the New Shares

As the Court hearing dates have yet to be fixed, the effective date of the Capital Reorganisation is not ascertainable at present. Should the Capital Reorganisation become effective, Shareholders may submit the existing share certificates for the Consolidated Shares (in purple colour) to the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong to exchange, at the expense of the Company, for new share certificates of the New Shares (in blue colour). Details of such free exchange of share certificates will be announced as soon as the Court hearing date(s) and the effective date of the Capital Reorganisation are ascertained.

All existing certificates of the Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purposes.

Reasons for the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the Company to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" (the "**Guide**") issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and updated on 1 October 2020) has further stated that (i) market price of the securities of an issuer at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

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The Shares were recently trading at a level close to HK\$0.016 and the value per board lot was less than HK\$2,000. Upon the Share Consolidation becoming effective, the Share price would be adjusted to HK\$0.32 per Consolidated Share (based on the closing price of HK\$0.016 per Existing Share as at the Latest Practicable Date), and with a board lot size of 10,000 Consolidated Shares, the new board lot value would be HK\$3,200. The Share Consolidation ratio (i.e. every 20 Existing Shares into 1 Consolidated Share) and the Change in Board Lot Size were determined after considering the following factors:

- (i) the proposed Share Consolidation ratio and the Change in Board Lot Size would enable the share price of the Company and the value of the board lot to comply with the trading requirements under the Listing Rules; and
- (ii) the trading volume of the Shares has long been thin and the average daily trading volume for the three months prior to the Latest Practicable Date accounted for only approximately 0.15% to the total number of the existing issued Shares. The Directors considered that if the ratio of the share consolidation is set to a higher ratio, it may result in substantial reduction in the number of issued Shares or substantial increase in the theoretical share price to such an extent which may further affect the trading liquidity of the Shares in the market or may affect future fundraising activities or corporate actions of the Company.

Further, the Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction fee for each securities trade. It is also hoped that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor and thus help broadening the shareholder base of the Company.

Under the Companies Act and the articles of association of the Company, the Company may not issue Shares at a discount to the par value of such shares. Immediately after completion of the Share Consolidation but before implementation of the Capital Reorganisation, the par value of the Consolidated Shares will be HK\$0.04 per Consolidated Share. The Capital Reorganisation will keep the par value of the New Shares at a lower level of HK\$0.01 per New Share, which allows greater flexibility in the pricing for any issue of new Shares in the future. In addition, the credit in the distributable reserve arising from the Capital Reorganisation will enable the Company to set off its Accumulated Losses and may be applied in future for distribution to the Shareholders or in any manner permitted by applicable laws and the Memorandum and Articles.

The Board is of the view that the Share Premium Reduction will allow the Company to reduce its Accumulated Losses, thus enabling the Shareholders and potential investors of the Company to have a better appreciation of the financial position of the Company.

LETTER FROM THE BOARD

As explained above, subject to the offsetting of the credits arising from the Share Premium Reduction and the Capital Reduction, it is expected that the Company should have distributable reserves available to it. Shareholders and potential investors of the Company should note that the actual effects of the Capital Reorganisation will be subject to changes, including those resulted from the changes of share capital and other things affecting the equity of the Company before the effective date of the Capital Reorganisation.

In view of the above, the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation (i) will enable the Company to increase the market price as well as each board lot value of the Shares so as to comply with the requirements under the Listing Rules and the Guide; while (ii) will keep the par value of the Shares at HK\$0.01 per New Share, which allows greater flexibility for the Company in terms of issue of new Shares and dividend distribution and are beneficial to and in the interests of the Company and the Shareholders as a whole. Shareholders and potential investors should note that at this stage, there is no assurance that the Company will issue new Shares and/or declare any dividends in the future, even if the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation take effect.

OTHER CORPORATE ACTIONS AND FUNDRAISING ACTIVITIES IN THE NEXT TWELVE MONTHS

As at the Latest Practicable Date, the Company has no plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation. Nevertheless, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules if and when appropriate.

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation to be put forward at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolutions to be proposed at the EGM.

EGM

The EGM will be held at Room 2010, 20/F, No. 118 Connaught Road West, Hong Kong on Thursday, 6 April 2023 at 11:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, to approve the resolutions regarding the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation. To ascertain Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 31 March 2023 to Thursday, 6 April 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the EGM, all transfers accompanied by the

LETTER FROM THE BOARD

relevant share certificates must be lodged with the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 30 March 2023.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. by 11:00 a.m. on Tuesday, 4 April 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions approving the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the meeting will demand a poll on the resolutions regarding the Share Consolidation, the Share Premium Reduction and the Capital Reorganisation at the EGM. An announcement will be made by the Company on the poll results of the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

WARNING

Shareholders and potential investors of the Company should note that the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation are subject to the satisfaction of the conditions. Accordingly, the Share Consolidation, the Change in Board Lot Size, the Share Premium Reduction and the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

Yours faithfully

By order of the Board

Green Economy Development Limited

Chau Chit

Chairman and Chief Executive Officer

NOTICE OF EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Green Economy Development Limited (the “**Company**”) will be held at Room 2010, 20/F, No. 118 Connaught Road West Hong Kong at 11:00 a.m. on Thursday, 6 April 2023 to consider and, if thought fit, pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) upon the Share Consolidation (as defined below) becoming effective; and (ii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to effect the Share Consolidation, with effect from the second business day immediately following the date on which this resolution is passed or the above conditions are fulfilled (whichever is later) (the “**First Effective Date**”):
 - (a) every twenty (20) issued and unissued shares of par value of HK\$0.002 each (each, an “**Existing Share**”) in the existing share capital of the Company be and are consolidated (the “**Share Consolidation**”) into one (1) share of par value of HK\$0.04 each (the “**Consolidated Share(s)**”), and such Consolidated Shares shall rank *pari passu* in all respects with each other and shall have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company;
 - (b) any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation will be disregarded and will not be issued to the holders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit;
 - (c) immediately following the Share Consolidation, the authorised share capital of the Company be changed from HK\$20,000,000 divided into 10,000,000,000 Existing Shares to HK\$20,000,000 divided into 500,000,000 Consolidated Shares; and

NOTICE OF EGM

- (d) the Directors be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all documents which are ancillary to the Share Consolidation and of administrative nature, on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the implementation of the Share Consolidation.”
2. **“THAT** subject to and conditional upon the Share Consolidation becoming effective, with effect from the First Effective Date:
- (a) the amount standing to the credit of the Share Premium Account of the Company as at the date of passing this resolution be and is hereby cancelled and reduced to nil (the **“Share Premium Reduction”**), and the credit arising from the Share Premium Reduction be applied towards offsetting the accumulated losses of the Company (the **“Accumulated Losses”**) as at the First Effective Date, and the remaining balance (if any) of the credit arising from the Share Premium Reduction be transferred to a distributable reserve account of the Company; and
- (b) the Directors be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the implementation of the Share Premium Reduction.”

SPECIAL RESOLUTION

3. **“THAT** subject to and conditional upon (i) the Share Consolidation becoming effective; (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below) in issue and to be issued upon the capital reorganisation described in paragraphs (a) to (d) of this resolution (the **“Capital Reorganisation”**) becoming effective; (iii) the Grand Court of the Cayman Islands (**“Court”**) granting an order confirming the Capital Reduction (as defined below); (iv) the compliance with any conditions which the Court may impose in relation to the Capital Reduction; (v) the registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; (vi) the compliance with the relevant

NOTICE OF EGM

procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reorganisation; and (vii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation, with effect from the date on which the above conditions are fulfilled (the “**Second Effective Date**”):

- (a) the issued share capital of the Company be reduced by (i) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number, and (ii) cancelling the paid-up capital of the Company to the extent of HK\$0.03 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.04 to HK\$0.01 (the “**Capital Reduction**”);
- (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$0.04 each be subdivided (the “**Share Sub-division**”) into four (4) unissued new shares of par value of HK\$0.01 each (the “**New Shares**”), and such New Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company;
- (c) immediately following the Capital Reduction and the Share Sub-division, the authorised share capital of the Company be changed from HK\$20,000,000 divided into 500,000,000 Consolidated Shares to HK\$20,000,000 divided into 2,000,000,000 New Shares;
- (d) the credit arising from the Capital Reduction be applied towards offsetting the Accumulated Losses of the Company as at the Second Effective Date and the balance of any such credit remaining after offsetting the Accumulated Losses be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner as permitted under the applicable laws and the memorandum and articles of association of the Company; and

NOTICE OF EGM

- (e) the Directors be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reorganisation.”

Yours faithfully

By order of the Board

Green Economy Development Limited

Chau Chit

Chairman and Chief Executive Officer

Hong Kong, 3 March 2023

Executive Directors

Mr. Chau Chit (*Chairman and Chief Executive Officer*)

Mr. Fung Ka Lun

Mr. Zhu Xiaodong

Independent non-executive Directors

Mr. Tam Tak Kei Raymond

Dr. Wong Lee Ping

Mr. Wong Wai Kwan

Notes:

1. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any), under which it is signed or a certified copy of such power or authority shall be delivered to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the EGM or adjourned meeting at which the person named in the instrument proposes to vote.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the EGM or any adjournment thereof in cases where the EGM was originally held within 12 months from such date.
5. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

NOTICE OF EGM

6. Where there are joint holders of any share, any one of such joint holder may vote either in person or by proxy in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The register of members of the Company will be closed from Friday, 31 March 2023 to Thursday, 6 April 2023 (both days inclusive) during which period no transfer of shares will be registered. In order to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 30 March 2023.
8. A form of proxy for use at the EGM is enclosed.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Hong Kong Government is/are in effect any time after 7:00 a.m. on the date of the extraordinary general meeting, the meeting will be postponed. The Company will post an announcement on the web-sites of the Company at www.greeneconomy.com.hk and the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.