GREEN ENERGY GROUP LIMITED
綠色能源科技集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 979)

2007 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Green Energy Group Limited (the "Company") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 30 June 2007 (the "Period") with comparative figures for the corresponding period in 2006 as set out below:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover	3	**14,288**	27,027
Other revenue	3	**1,835**	3,490
Construction contract costs		**(11,924)**	(25,606)
Cost of goods sold		**(1,472)**	–
Staff costs		**(2,231)**	(469)
Depreciation and amortisation expenses		**(1,208)**	(174)
Other operating expenses		**(5,462)**	(3,848)
Operating (loss)/profit	5	**(6,174)**	420
Finance costs	4	**(33)**	(265)
(Loss)/profit before income tax		**(6,207)**	155
Income tax	6	**(69)**	(473)
Loss for the period		**(6,276)**	(318)
Attributable to:			
Equity holders of the Company		**(6,276)**	(318)
Dividend	7	**–**	–
Loss per share – Basic	8	**(1.81) cents**	(0.18) cents
– Diluted		**N/A**	N/A

* *For identification purposes only*

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2007 (Unaudited) HK$'000	At 31 December 2006 (Audited) HK$'000
Non-current assets			
Land		**7,625**	–
Property, plant and equipment		**4,081**	2,024
Goodwill		**8,875**	8,875
Other intangible asset		**17,610**	18,537
		38,191	29,436
Current assets			
Inventories		**1,440**	550
Gross amounts due from customers for contract works		**22,597**	18,658
Accounts receivable	9	**4,572**	4,043
Prepayments, deposits and other receivables		**5,304**	2,499
Bank and cash balances		**99,230**	119,813
		133,143	145,563
Less: **Current liabilities**			
Accounts payable	10	**16,043**	12,129
Accruals and other payables		**6,724**	8,307
Current tax liabilities		**3,457**	3,297
		26,224	23,733
Net current assets		**106,919**	121,830
NET ASSETS		**145,110**	151,266

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**At 30 June 2007 (Unaudited)** *HK$'000*	At 31 December 2006 (Audited) *HK$'000*
Capital and reserves			
Share capital		**34,191**	34,191
Reserves		**110,919**	117,075
SHAREHOLDERS' FUNDS		**145,110**	151,266

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statement for the year ended 31 December 2006 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (new "HKFRS") issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2007. The application of the new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment is required.

The Group has not early applied all the new standard, amendment or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrows Cost[1]
HKFRS 8	Operating Segment[1]
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) – Int 12	Service Concession Arrangement[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 March 2007
[3] Effective for annual periods beginning on or after 1 January 2008

The directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the results and financial positions of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover	**14,288**	27,027
Other revenue		
Interest income	**1,809**	99
Others	**26**	3,391
	1,835	3,490
Total revenue	**16,123**	30,517

Primary reporting format – business segments

	Turnover		Segment results	
	For the six months ended 30 June			
	2007	2006	**2007**	2006
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Construction contracts in the People's Republic of China ("PRC")	**12,753**	27,027	**701**	1,047
Trading of bio-cleaning materials	**244**	–	**(1,937)**	–
Trading of recyclable plastic materials	**1,291**	–	**(702)**	–
	14,288	27,027		
Total segment results			**(1,938)**	1,047
Unallocated costs			**(6,071)**	(4,117)
Other revenue			**1,835**	3,490
			(6,174)	420
Finance costs			**(33)**	(265)
(Loss)/profit before income tax			**(6,207)**	155
Income tax			**(69)**	(473)
(Loss) for the period attributable to equity holders of the Company			**(6,276)**	(318)

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

	Revenue		**Total assets**		**Capital expenditure**	
	For the six months ended 30 June		**At 30 June**	At 31 December	**At 30 June**	At 31 December
	2007	2006	**2007**	2006	**2007**	2006
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,535**	–	**125,095**	146,900	**72**	29,143
Germany	**–**	–	**15,244**	–	**9,891**	–
The PRC	**12,753**	27,027	**30,995**	28,099	**–**	65
	14,288	27,027	**171,334**	174,999	**9,963**	29,208

4. FINANCE COSTS

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans and overdraft	**33**	36
Others	**–**	229
	33	265

5. (LOSS)/PROFIT BEFORE INCOME TAX

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Loss)/profit before income tax has been arrived at after charging (crediting) the following items:	**(6,207)**	155
Depreciation and amortisation expenses	**1,208**	174
Staff costs	**2,231**	469
Interest income	**(1,809)**	(99)

6. INCOME TAX

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PRC income tax	**69**	473
	69	473

No provision for Hong Kong profits tax is required since the Group has no assessable profit in Hong Kong for the Period.

PRC income taxes are calculated at tax rate applicable in the PRC in which the subsidiaries of the Group are assessable for tax.

No recognition of the potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential deferred tax assets is uncertain.

7. DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2007. (2006: Nil)

8. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK$6,276,000 (2006: HK$318,000) and on the weighted average number of 341,908,176 (2006: 175,676,576 consolidated shares) ordinary shares in issue during the Period.

9. ACCOUNTS RECEIVABLE

The Group has a policy of allowing its trade customers with credit period normally between 30 to 90 days or terms in accordance with construction contracts. The ageing analysis is as follows:

	At 30 June 2007	At 31 December 2006
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0 to 90 days	**1,923**	4,010
91 to 180 days	**–**	16
181 to 365 days	**2,649**	17
	4,572	4,043

10. ACCOUNTS PAYABLE

The ageing analysis is as follows:

	At 30 June 2007 (Unaudited) *HK$'000*	At 31 December 2006 (Audited) *HK$'000*
0 to 90 days	**11,777**	9,852
91 to 180 days	**273**	137
181 to 365 days	**3,120**	571
Over 365 days	**873**	1,569
	16,043	12,129

BUSINESS REVIEW

Operating results

The turnover of the Group for the Period was approximately HK$14.3 million (2006: HK$27.0 million) representing a decrease of 47% as compared with the corresponding period in 2006.

The net loss for the Period was approximately HK$6.3 million (2006: HK$0.3 million) representing an increase of 2,000%. The results of the corresponding period in 2006 included approximately HK$3.4 million gains arising from the waiver of accrued salaries by certain ex-directors of the Company. Excluding such gains, the net loss for the Period would have increased by 70.3%

Contract works

During the Period, the Group continued its construction contract works in the Guangdong Province, the PRC, where the Group had developed and operated its business over the last few years. Similar to the corresponding period in 2006, the Group has been prudent and selective in accepting new contracts in order to minimize the risk of bad debts. The turnover attributable to the construction sector for the Period was approximately HK$12.8 million, a decrease of 52.6% in turnover compared with the corresponding period in 2006. The drop in turnover were due to the keen competition for construction contract works coupled with a decline in the profit margin for such works.

Trading of bio-cleaning products

In October 2006 the Group acquired ReKRETE International Limited together with its subsidiary, ReKRETE (Asia) Limited ("ReKRETE Asia"). Details of the acquisition were made known to shareholders in the Company's circular dated 9 October 2006. ReKRETE Asia contributed approximately HK$244,000 in terms of the Group's turnover during the Period which was less than 1.7% of the total turnover of the Group. The main target customers of ReKRETE Asia were airport facilities, cargo operators, mass transport operators and oil station.

Trading of recyclable plastic materials

During the Period, a Hong Kong subsidiary, Green Energy Trading Limited was incorporated for the main purpose of trading recyclable plastic materials. The trading activities contributed approximately HK$1.3 million in terms of the Group's turnover during the Period which was about 9.1% of the total turnover of the Group. A facility is being constructed in Hong Kong for the storage and repacking of such recyclable plastic materials and completion is expected to take place in the forth quarter of 2007.

General and administrative expenses comprising staff costs, professional fees, and oversea travelling and general administrative expenses increased by 100% from approximately HK$4.5 million in 2006 to approximately HK$9.0 million in 2007. The increase arose mainly due to the increase in oversea traveling expenses, increase in the costs of staff as a result of expanding business segment and the costs of amortisation in distribution right.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2007, the Group had total current assets of approximately HK$133.1 million (At 31 December 2006: HK$145.6 million) and total current liabilities approximately HK$26.2 million (At 31 December 2006: HK$23.7 million). The current ratio of the Group was 5.08 (At 31 December 2006: 6.14). The Group had sufficient fund to settle its debts.

As at 30 June 2007, the Group had total assets of approximately HK$171.3 million (At 31 December 2006: HK$175.0 million). The gearing ratio, calculated by dividing the total debts over its total assets was 15.3% (At 31 December 2006: 13.5%).

Most of the Group's income and expenses were denominated in Renmnbi. During the Period, the Group did not experience any material difficulties or negative effects on its operations or liquidity arising from any currency exchange rate fluctuation. Recyclable plastic materials were purchased in Euro currency, which only constituted a small portion of value in this Period. The Group did not hedge its foreign currency risks as the effect of foreign exchange between Hong Kong dollars, Renminbi and Euro currency was considered to immaterial.

CONTINGENT LIABILITIES

As at 30 June 2007, the Group did not have any material contingent liabilities.

FUTURE PROSPECTS

While the Directors will continue to carry on business in the construction and property related sectors in the PRC, more efforts will be expended on new line of businesses, such as trading in bio-cleaning materials and recyclable plastic materials.

In February 2007 the Group set up two German subsidiaries, namely, EnviroEnergy GmbH and EnviroPower GmbH for the purpose of undertaking a waste recycling and management business in Germany. EnviroEnergy GmbH was incorporated for the main purpose of acquiring certain pieces of land in Germany and industrial licences associated with the use of the land, whereas EnviroPower was incorporated for the main purpose of building and installing waste treatment facilities and infrastructure on the land and, to that end, acquiring and purchasing all necessary machineries, equipment, tools and materials in connection with the conduct of the waste recycling and management business on the land. The project now being undertaken in Germany is divided into three phrases, as follows:

Phrase One : acquisition of the land and the industrial licences and such plant and machineries as may be necessary for the recycling of building, construction and demolition waste materials on the land for the purposes of re-selling recovered and/or recycled materials to local construction companies and government authorities.

Phrase Two : construction of infrastructure and waste treatment facilities on the land and acquisition of such plant and machineries as may be necessary for the recycling of household waste and used plastic and other materials.

Phrase Three: acquisition and installation of such plant and machineries as may be necessary for the recycling of masses of oil refuse found in certain parts of the land and also discarded and/or unrecyclable plastic waste materials.

As at the date of this report the Group has substantially completed Phrase One of the project in Germany while Phrases Two and Three of the project have not yet been launched. The Group is currently contemplating the formation of strategic partnerships with experienced recyclers in Europe with a view to implementing Phases Two and Three of the project, although negotiations for the formation of such partnership have yet to take place as at the date of this report.

The total investment on the project in Germany is estimated to be in the region of HK$111 million. The source of funds required to finance the project comprises (a) the Group's own internal cash resources and/or (b) funds that may be contributed by strategic partners now being sought by the Group in relation to Phrases Two and Three of the project.

EMPLOYEE

As at 30 June 2007, the Group had 41 employees (2006: 65 employees) in Hong Kong, the PRC and Germany.

CORPORATE GOVERNANCE

The Board considers that the Company has complied throughout the Period with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules, except for the deviations on the code provisions A.2.1 and A.4.1.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company has not appointed a chief executive officer. The role of the chief executive officer was performed by Mr. Yip Wai Leung Jerry, who was the chairman of the Company during the Period. The Board believes that the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board will periodically review the merits and demerits of such management structure and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation.

Code provision A.4.1 stipulates that non-executive directors (including independent non-executive directors) should be appointed for a specific term subject to re-election. However, the independent non-executive directors of the Company were not appointed for a specific term but were subject to the retirement and rotation requirements in accordance with the Company's Bye-laws. The Company believes that the fixing of directors' tenure by the Company's Bye-laws and the shareholders right to re-elect retiring directors serves to safeguard the long term interests of the Company and such provisions are not less exacting than those in the Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own securities dealing code for the directors of the Company. Upon specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Period.

AUDIT COMMITTEE

The audit committee of the Board has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results of the Company for the Period.

PUBLICATION OF INTERIM RESULTS

This announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.greenenergy.hk).

On behalf of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 24 September 2007

As at the date of this announcment, the Company has two executive Directors, namely Mr. Yip Wai Leung Jerry and Mr. Ming Kar Fook Charles and three independent non-executive Directors, namely Mr. So Yin Wai, Mr. Chan Kai Yung Ronney and Ms. Zhu You Chun.