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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The directors (the "Directors") of Green Energy Group Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 HK$'000	2006 HK$'000
Revenue	2	**18,689**	56,904
Cost of finished goods sold		**(1,075)**	(12)
Construction contract costs		**(19,542)**	(53,083)
Gross (loss) profit		**(1,928)**	3,809
Other income	4	**5,734**	3,812
Staff costs		**(5,489)**	(10,271)
Depreciation and amortisation expenses		**(3,044)**	(874)
Other expenses		**(16,209)**	(28,035)
Impairment loss on goodwill		**(8,875)**	–
Impairment loss on other intangible assets		**(11,745)**	–
Gain on waiver of accrued directors' remuneration		**–**	3,384
Gain on disposal of subsidiaries		**–**	939
Finance costs	5	**(34)**	(470)
Loss before tax		**(41,590)**	(27,706)
Income tax expense	6	**(544)**	(1,246)
Loss for the year attributable to equity holders of the Company	7	**(42,134)**	(28,952)
Loss per share – Basic	9	**12.30 cents**	10.58 cents

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2007

	NOTES	**2007**	2006
		HK$'000	*HK$'000*
Non-Current Assets			
Property, plant and equipment		**21,006**	2,024
Goodwill		**–**	8,875
Other intangible assets		**12,608**	18,537
		33,614	29,436
Current Assets			
Inventories	10	**1,438**	550
Amounts due from customers for contract work	11	**7,050**	18,658
Trade receivables	12	**3,545**	6,072
Prepayments, deposits and other receivables		**2,219**	470
Bank balances and cash		**79,068**	119,813
		93,320	145,563
Current Liabilities			
Trade payables	13	**3,879**	12,585
Accruals and other payables		**7,169**	7,851
Tax payable		**4,016**	3,297
		15,064	23,733
Net Current Assets		**78,256**	121,830
Total Assets less Current Liabilities		**111,870**	151,266
Capital and Reserves			
Share capital		**34,358**	34,191
Share premium and reserves		**77,512**	117,075
Total Equity		**111,870**	151,266

NOTES:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has adopted, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirement of HKAS 32 has been removed and the relevant information based on the requirement of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The Group is still not in the position to reasonably estimate the impact that may arise from the application of these standards or interpretations.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[3]
HK(IFRIC) – Int 12	Service Concession Arrangements[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

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

2. REVENUE

The Group's revenue which represents revenue from construction contracts and trading of bio-cleaning materials and recyclable plastic materials.

	2007	2006
	HK$'000	*HK$'000*
Revenue from construction contracts	**16,496**	56,826
Trading of bio-cleaning materials	**320**	78
Trading of recyclable plastic materials	**1,873**	–
	18,689	56,904

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

In the previous financial year, the Group was organised into two operating divisions, construction contracts and trading of bio-cleaning materials. During the year ended 31 December 2007, following the expansion of the Group's distribution and trading of recyclable plastic materials and waste recycling and management operations. The Group reorganised its segment information into three operating divisions – construction contracts, distributions and trading, and waste recycling. These divisions are on the basis on which the group reports its primary segment information.

Construction contracts	–	Provision of construction works
Distributions and trading	–	Trading of bio-cleaning materials and recyclable plastic materials
Waste recycling	–	Provision of waste recycling and management

Segment information about these businesses is presented below:

2007

	Year ended 31 December 2007				
	Construction contracts	Distributions and trading	Waste recycling	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
External sales	16,496	2,193	–	–	18,689
Inter-segment sales	–	–	2,059	(2,059)	–
	16,496	2,193	2,059	(2,059)	18,689
RESULTS					
Segment results	(5,250)	(27,901)	(2,846)	(18)	(36,015)
Other income					5,547
Unallocated corporate expenses					(11,088)
Finance costs					(34)
Loss before tax					(41,590)
Income tax expense					(544)
Loss for the year					(42,134)

BALANCE SHEET

	At 31 December 2007			
	Construction contracts *HK$'000*	**Distributions and trading** *HK$'000*	**Waste recycling** *HK$'000*	**Consolidated** *HK$'000*
ASSETS				
Segment assets	**10,782**	**10,027**	**15,686**	**36,495**
Unallocated corporate assets				**90,439**
Consolidated total assets				**126,934**
LIABILITIES				
Segment liabilities	**7,103**	**1**	**658**	**7,762**
Unallocated corporate liabilities				**7,302**
Consolidated total liabilities				**15,064**

	Year ended 31 December 2007				
	Construction contracts *HK$'000*	**Distributions and trading** *HK$'000*	**Waste recycling** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
OTHER INFORMATION					
Capital expenditures	**–**	**2,005**	**15,874**	**9,846**	**27,725**
Depreciation and amortisation	**227**	**1,934**	**317**	**566**	**3,044**
Write-down of inventories	**212**	**–**	**–**	**–**	**212**
Share-based payment expenses	**–**	**–**	**–**	**991**	**991**
Allowance for doubtful debt	**1,422**	**–**	**442**	**–**	**1,864**
Impairment loss on goodwill	**–**	**8,875**	**–**	**–**	**8,875**
Impairment loss on other intangible asset	**–**	**11,745**	**–**	**–**	**11,745**

2006

	Year ended 31 December 2006		
	Construction contracts	Distributions and trading	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
REVENUE			
External sales	56,826	78	56,904
RESULTS			
Segment results	(1,542)	(19,745)	(21,287)
Other income			3,803
Unallocated corporate expenses			(14,075)
Gain on waiver of accrued directors' remuneration			3,384
Gain on disposal of subsidiaries			939
Finance costs			(470)
Loss before tax			(27,706)
Income tax expense			(1,246)
Loss for the year			(28,952)

	At 31 December 2006		
	Construction contracts	Distributions and trading	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Segment assets	28,045	28,563	56,608
Unallocated corporate assets			118,391
Consolidated total assets			174,999
LIABILITIES			
Segment liabilities	19,331	5	19,336
Unallocated corporate liabilities			4,397
Consolidated total liabilities			23,733

	Year ended 31 December 2006			
	Construction contracts	Distributions and trading	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION				
Capital expenditures	65	28,199	944	29,208
Depreciation and amortisation	216	487	171	874
Share-based payment expenses	2,348	18,765	6,461	27,574

The Group's operations are located in the People's Republic of China ("PRC"), Hong Kong and Germany. The Group's provision of contracts works is located in PRC, trading of bio-cleaning materials and trading of recyclable plastic materials are carried out in Hong Kong and provision of waste recycling and management is carried out in Germany.

Geographical segments

The following table provides an analysis of the Group's sales by geographical market, respect of the origin of goods/services:

	Sales revenue by geographical market	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**2,193**	78
The PRC	**16,496**	56,826
	18,689	56,904

The following analysis of the carrying amount of segment assets and capital expenditure, analysis by geographical are in which the assets are based:

	Carrying amount of segment assets		**Capital expenditures**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**10,027**	28,563	**11,851**	29,143
The PRC	**10,782**	28,045	**–**	65
Germany	**15,686**	–	**15,874**	–
	36,495	56,608	**27,725**	29,208

4. OTHER INCOME

	2007	2006
	HK$'000	*HK$'000*
Interest income from bank deposits	**3,561**	2,545
Gain on disposal of property, plant and equipment	**–**	1,256
Exchange gain (net)	**1,978**	–
Others	**195**	11
	5,734	3,812

5. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**–**	46
Interest on other borrowings wholly repayable within five years	**34**	424
	34	470

6. INCOME TAX EXPENSE

	2007	2006
	HK$'000	*HK$'000*
PRC Enterprise Income Tax		
Current year	**544**	1,245
Underprovision in prior years	**–**	1
	544	1,246

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit in Hong Kong for both years.

The PRC Enterprise income tax is calculated at the rates applicable to respective subsidiaries of the Group.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008.

The tax charge for the year can be reconciled to the loss per the consolidated income statement as follows:

	2007	2006
	HK$'000	*HK$'000*
Loss before tax	**(41,590)**	(27,706)
Tax at the Hong Kong Profits Tax rate of 17.5%	**(7,279)**	(4,849)
Tax effect of expenses not deductible for tax purpose	**5,584**	5,391
Tax effect of income not taxable for tax purpose	**(1,099)**	(1,374)
Tax effect of temporary differences not recognised	**(14)**	(34)
Tax effect of tax losses not recognised	**1,925**	660
Effect of different tax rates of subsidiaries operated in other jurisdiction	**1,427**	1,453
Underprovision in respect of prior years	**–**	(1)
Tax charge for the year	**544**	1,246

7. LOSS FOR THE YEAR

	2007	2006
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**1,060**	411
Amortisation of other intangible assets	**1,984**	463
Auditors' remuneration	**1,757**	680
Cost of inventories sold	**863**	12
Minimum lease payments for operating leases in respect of rented premises	**1,556**	135
Research and development expenditure (2006: including share based payment expenses HK$6,997,000)	**15**	7,067
Allowance for doubtful debt	**1,864**	–
Written-down of inventories	**212**	–
Staff costs including directors' emoluments		
Salaries and allowance	**5,049**	3,458
Retirement benefit scheme contributions	**440**	427
Share-based payment expense to employees	**–**	6,386
	5,489	10,271
Share-based payment to other non-employees	**991**	14,191

8. DIVIDEND

No dividend was paid or proposed, nor has any dividend been proposed since the balance sheet date for the both years.

9. LOSS PER SHARE

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company based on the following data:

	2007	2006
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic loss per share	**42,134**	28,952

	2007	2006
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**342,486,269**	273,526,541

No diluted losses per share have been presented for both years because the share options outstanding had an anti-dilutive effect in the calculation of diluted loss per share.

10. INVENTORIES

	2007	2006
	HK$'000	*HK$'000*
Recyclable plastic materials	**887**	–
Bio-cleaning materials	**551**	341
Raw materials	**–**	209
	1,438	550

11. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	2007	2006
	HK$'000	*HK$'000*
Contract costs incurred plus recognised profits less recognised losses to date	**102,403**	84,008
Less: Progress billings	**(95,353)**	(65,350)
Amounts due from customers for contract works	**7,050**	18,658

12. TRADE RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**4,967**	6,072
Less: Allowance for doubtful debts	**(1,422)**	–
	3,545	6,072

The Group allows a credit period of 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Not yet due	**2,349**	2,029
0 – 90 days	**183**	4,010
91 – 180 days	**–**	16
More than 180 days	**1,013**	17
	3,545	6,072

Included in the Group's trade receivables balance is retention receivables held by customers in respect of construction contracts of HK$2,349,000 (2006: HK$2,029,000).

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$1,013,000 (2006: HK$33,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 200 days (2006: 180 days).

Ageing of trade receivables which are past due but not impaired

	2007	2006
	HK$'000	*HK$'000*
91 to 180 days	**–**	16
More than 180 days	**1,013**	17
Total	**1,013**	33

The Group has provided fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

Movement in the allowance for doubtful debts

	2007	2006
	HK$'000	*HK$'000*
Balance at beginning of the year	**–**	–
Impairment loss recognised on trade receivables	**1,422**	–
Balance at end of the year	**1,422**	–

The above allowance for doubtful debts represent individually impaired trade receivables with an aggregate balance of HK$1,422,000 (2006: nil) which have been placed in severe financial difficulties. The Group does not had any collateral over these balances.

In addition, an allowance for doubtful debt has been provided for a loan receivable of HK$442,000 (2006: nil) which has been considered as irrecoverable. The Group does not have any collateral over this balance.

13. TRADE PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Not yet due	**2,713**	808
0 – 90 days	**770**	9,500
91 – 180 days	**–**	137
181 – 365 days	**207**	571
Over 365 days	**189**	1,569
	3,879	12,585

The average credit period on purchase of goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Included in trade payable balance is retention payables to suppliers in respect of construction contracts of HK$2,713,000 (2006: HK$808,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's total revenue for the year ended 31 December 2007 ("FY2007") was approximately HK$18.7 million (FY2006: HK$56.9 million) representing a decrease of 67.1% as compared with that for the year ended 31 December 2006 ("FY2006").

The construction sector's revenue for the FY2007 was approximately HK$16.5 million (FY2006: HK$56.8 million) representing a decrease of 71.0% as compared with that for FY2006. Due to the change of company's main management and the Group's development strategies, together in view of the austerity measures adopted by the authorities of the People's Republic of China ("PRC") to curb overheating of the economy, the Group has put less emphasis on the PRC construction market, and the Group has been prudently and selectively in accepting new contracts in order to minimise the risk of bad debt for FY2007 and coming year.

The bio-cleaning sector's revenue for the FY2007 was approximately HK$320,000 (FY2006: HK$78,000).

Business in recyclable plastic material started its operation in March 2007, the operation has been slowed down when the Group decided to set up a warehouse and re-compressing services for the plastic material in Hong Kong, such structuring will be finalised within the second quarter of 2008. As a result, the revenue of this business only contributed HK$1,873,000 (2006: Nil) to the Group's revenue.

The Group set up two German subsidiaries in February 2007 with a view to undertaking waste recycling and management business in Germany. Several parcels of land and certain equipment were acquired during the year under review. These subsidiaries act as agents of the Group to purchase recyclable plastic materials from Germany and then resell to the Hong Kong subsidiary througout the year under review. During FY2007, the intra-company transactions amounted to HK$2,059,000, resulting in an inventory of HK$887,000 at year-end.

During FY2007 the Group recorded a net loss of HK$42.1 million as against a net loss of HK$29.0 million for FY2006. The net loss of HK$42.1 million included impairment loss on goodwill and other intangible assets of the subsidiaries which comprised of approximately HK$20.6 million, an allowance for doubtful debts of HK$1.9 million, and amortisation of distribution right HK$2.0 million. Excluding such loss, the Group had incurred a loss of approximately HK17.6 million in FY2007.

Construction contract costs comprised of direct material, subcontracting costs and government tax other than income tax for construction projects. The total construction contract costs decreased by 63.3% from approximately HK$53.1 million in FY2006 to HK$19.5 million in FY2007, which have similar percentage decreased in revenue.

General and administrative expenses, which included staff costs, legal and professional fees, amortisation and general administrative expenses increased by 15.8% from approximately HK$39.2 million in FY2006 to HK$45.4 million in FY2007.

After excluding the implementation of the mandatory conditional cash offer and additional general and administration cost on newly acquired subsidiaries, in particular share-based payment of approximately HK$27.6 million in FY2006 and excluding the impairment loss on goodwill and other intangible assets of approximately HK$20.6 million in FY2007, the general and administrative expenses has been increased by 113.8% in FY2007 compared with FY2006. Such increment expenses mainly due to the operating cost for newly incorporated subsidiaries in FY2007.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007 the Group had total current assets of approximately HK$93.3 million (As at 31 December 2006: 145.6 million) while total current liabilities were HK$15.1 million (As at 31 December 2006: 23.7 million). The current ratio of the Group was 617.9% (As at 31 December 2006: 614.3%). The Group has sufficient fund to settle its debts.

As at 31 December 2007 the Group had total assets of approximately HK$126.9 million (As at 31 December 2006: HK$175.0 million). The gearing ratio, calculated by dividing the total debts over its total assets were 11.9% (As at 31 December 2006: 13.5%).

The carrying amount of the Group's monetary assets and monetary liabilities are denominated in Hong Kong dollars, hence, there is no significant foreign currency exposure, and there is no financial instrument for hedging purpose.

BUSINESS REVIEW

Construction contractor

In FY2007 the main sources of income of the Group continued to derive from construction project in the Guangdong Province, PRC where the Group had developed over the last few years. However, in view of the Group's new business direction and in anticipations of the adverse impact of the austerity measures adopted by the authorities of the PRC to curb overheating of the economy, and the Board has reduced our emphasis in the construction sector and expand its business in the recycling and waste-to-energy projects. It is expected that less revenue will be generated from this business segment in the coming year.

Trading of recyclable plastic materials

In FY2007 the Group has developed a new business in the trading of recyclable plastic materials, such as PET, LDPE, PP and used washed X-ray flakes. Such goods will be imported from Europe, America and Canada for resale to the PRC and other Asian territories where the demands for such materials remain strong.

Trading of bio-cleaning products

In FY2007 the turnover of this business is not very satisfactory, but it has made significant improvement in the succeeding year. More and more customers recognize the advantage of our products. The property and facility managements in Hong Kong have become increasingly concerned at the requirement to undertake maintenance with cleaning agents that are recognized or certified as more environmental preferable such as our products to which green labels have been awarded by Green Council. The revenue is expected to multiply in the succeeding year.

MATERIAL ACQUISITION

There was no material acquisition or disposal of the Company's subsidiaries and associated companies during the year ended 31 December 2007.

FUTURE PROSPECTS

The Group will continue to seek attractive business opportunities, in particular, in the areas of environmental protection and recycling in Hong Kong, the PRC and around the world with a view to generating positive cash flow and earnings for the Group.

In FY2007 the Company has acquired a distribution right from a manufacturer in Chongqing, PRC. The manufacturer mainly produces conventional gasoline generators, engines and other power equipment, and the Group has been appointed as the exclusive distributor of such products in all areas outside the PRC.

The Group is in the process of setting up a research and development team with a view to launching state-of-the-arts power generators equipped with Electronic Fuel Injection (EFI), Computer Controlled Carburetion, Digital Inverter and Multi-Fuel capability.

The result from the Dubai tradeshow held in February 2008 and Canton Trade Fair in April 2008, in which the Group participated, demonstrates that there is an exceptionally high demand for Natural Gas or Liquid Propane Gas (LPG) driven generators in South Africa, Pakistan, India, Bangladesh, and Middle East countries, where the supply of electricity has been very unstable.

The microprocessor controlled intelligent multi-fuel generators that we seek to launch in the market deliver outstanding air/fuel ratio for complete combustion to achieve maximum output power and least emissions. It overcomes the general deficiencies of conventional gas generators – loss of power and difficult to start. Some countries are experienced in the shortage of supply of electric power and natural gas at different time of the day. The intelligent generators will satisfy their requirements to run gasoline in the morning, LPG in the afternoon, and natural gas in the evening, all in one unit.

The Group has commissioned an independent team to develop an air conditioning system that is powered or driven by natural gas. This microprocessor controlled system is targeted for the Middle East market where natural gas is abundant at very low price and gasoline price is very high. This is an exciting and unique product for many areas in the Middle East.

CAPITAL COMMITMENTS

At the balance sheet date, the Group had commitments on capital expenditure in respect of acquisition of property, plant and equipment of HK$106,577,000 (2006: Nil) of which HK$663,000 (2006: Nil) was contracted for but not provided in the consolidated financial statement.

CONTINGENT LIABILITIES

As at 31 December 2007 the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2007 the Group had 36 employees (2006: 45 employees) in Hong Kong, the PRC and Germany. The decrease in the number of employees was due to the restructuring of business and subsidiaries in the PRC.

The Group offered competitive remuneration package as an incentive to staff for improvements. The Company has a share option scheme in place as a mean to encourage and reward the eligible employees' (including directors of the Company) contributions to the Group's results and business development based on their individual performance.

The employees' remuneration, promotion and salary are assessed by reference to work performance, working experiences and professional qualifications and the prevailing market practice.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the year under review. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the year under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rule"). The Company conducts regular reviews of its corporate governance practices to ensure compliance with the CG Code. During the year under review, the Company has complied itself with all the CG Code except the following:

Code Provision A.2.1 stipulated that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has appointed a chief executive officer on 23 November 2007.

Code Provision A.4.1 stipulated that non-executive directors should be appointed for a specific term. However, all non-executive directors 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 Bye-laws and the shareholders right to the re-elect retiring Directors serves to safeguard the long term interest of the Company, and such provisions are not less exacting that those in the CG Code.

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") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquired of all Directors, that they have fully complied with the required standard set out in the Model Code throughout the year under review.

AUDIT COMMITTEE

The audit committee comprises all three independent non-executive directors namely, Mr. So Yin Wai, Mr. Chan Kai Yung Ronney and Ms. Zhu You Chun. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2007.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2007 containing all the information required by the Listing Rules also be available at the Company's and the Stock Exchange's website will be dispatched to the Company's shareholders in due course.

The results announcement is published on Company's website (www.greenenergy.hk) and the Stock Exchange's website.

By order of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 25 April 2008

As at the date of this announcement, the Company has one executive director, namely Mr. Yip Wai Leung Jerry (Chairman) and three independent non-executive directors, namely Mr. So Yin Wai, Mr. Chan Kai Yung Ronney and Ms. Zhu You Chun.