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)

2008 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 2008 (the "Period") with comparative figures for the corresponding period in last year as set out below.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2008	2007
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover	3	**1,930**	14,288
Other revenue	3	**1,734**	1,835
Construction contract costs		**(470)**	(11,924)
Cost of goods sold		**(1,368)**	(1,472)
Staff costs		**(4,748)**	(2,231)
Depreciation and amortisation expenses		**(2,037)**	(1,208)
Other operating expenses		**(6,793)**	(5,462)
Operating loss		**(11,752)**	(6,174)
Finance costs	4	**(93)**	(33)
Loss before income tax	5	**(11,845)**	(6,207)
Income tax	6	**(678)**	(69)
Loss for the period		**(12,523)**	(6,276)
Attributable to:			
Equity holders of the Company		**(12,523)**	(6,276)
Dividend	7	**–**	–
Loss per share			
– Basic	8	**(3.64) cents**	(1.84) cents
– Diluted		**N/A**	N/A

* *For identification purposes only*

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**At 30 June 2008 (Unaudited)** *HK$'000*	At 31 December 2007 (Audited) *HK$'000*
Non-current assets			
Land		**7,791**	7,393
Property, plant and equipment		**14,374**	13,613
Other intangible asset		**11,765**	12,608
		33,930	33,614
Current assets			
Inventories	9	**1,340**	1,438
Amounts due from customers for contract works	10	**141**	7,050
Accounts receivable	11	**1,196**	3,545
Prepayments, deposits and other receivables		**3,806**	2,219
Bank and cash balances		**67,363**	79,068
		73,846	93,320
Less: Current liabilities			
Accounts payable	12	**1,734**	3,879
Accruals and other payables		**4,392**	7,169
Tax payable		**2,565**	4,016
		8,691	15,064
Net current assets		**65,155**	78,256
Total assets less current liabilities		**99,085**	111,870
Capital and reserves			
Share capital	13	**34,358**	34,358
Reserves		**64,727**	77,512
TOTAL EQUITY		**99,085**	111,870

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2008

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 adopted in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2007, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") that affect the Group and are adopted for the first time for the current period's financial statements.

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangement

The adoption of the above new and revised standards and interpretations has had no material effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statement.

3. REVENUE AND SEGMENT INFORMATION

In the six months ended 30 June 2007, the Group was organised into two operating divisions, construction contracts and trading of bio-cleaning materials. In the second half of 2007, following the expansion of the Group's distribution and trading of recyclable plastic materials and waste recycling and management operations. The Group recognised 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, recyclable plastic materials and generators
Waste recycling	–	Provision of waste recycling and management

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover	**1,930**	14,288
Other revenue		
Interest income on bank deposits	**387**	1,809
Others	**1,347**	26
	1,734	1,835
Total revenue	**3,664**	16,123

Primary reporting format – business segments

	Turnover		Segment results	
	For the six months ended 30 June			
	2008	2007	**2008**	2007
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Construction contracts	**106**	12,753	**(2,538)**	701
Distributions and trading	**1,824**	1,535	**(4,326)**	(2,639)
Waste recycling	**–**	–	**(1,475)**	(759)
	1,930	14,288		
Total segment results			**(8,339)**	(2,697)
Unallocated costs			**(5,147)**	(5,312)
Other revenue			**1,734**	1,835
			(11,752)	(6,174)
Finance costs			**(93)**	(33)
Loss before income tax			**(11,845)**	(6,207)
Income tax			**(678)**	(69)
Loss for the period attributable to equity holders of the Company			**(12,523)**	(6,276)

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
	2008	2007	**2008**	2007	**2008**	2007
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,824**	1,535	**17,680**	10,027	**2,294**	11,851
The People's Republic of China ("PRC")	**106**	12,753	**1,386**	10,782	**2**	–
Germany	**–**	–	**16,066**	15,686	**65**	15,874
	1,930	14,288	**35,132**	36,495	**2,361**	27,725

4. FINANCE COSTS

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans	**93**	33

5. LOSS BEFORE INCOME TAX

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging/(crediting) the following items:	**(11,845)**	(6,207)
Depreciation and amortisation expenses	**2,037**	1,208
Staff costs	**4,748**	2,231
Interest income	**(387)**	(1,809)

6. INCOME TAX

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PRC income tax	**678**	69
	678	69

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

PRC income tax is calculated at tax rate applicable in the PRC in which 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 2008 (2007: 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$12,523,000 (six months ended 30 June 2007: HK$6,276,000) and on the weighted average number of 343,576,176 (six months ended 30 June 2007: 341,908,176) ordinary shares in issue during the Period.

9. INVENTORIES

	At 30 June	At 31 December
	2008	2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Bio-cleaning materials	**500**	887
Generators	**105**	–
Recyclable plastics materials	**735**	551
	1,340	1,438

10. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS

	At 30 June 2008 (Unaudited) ***HK$'000***	At 31 December 2007 (Audited) *HK$'000*
Costs incurred plus attributable profit less foreseeable losses	**124**	102,403
Less: Progress billings	**–**	(95,353)
	124	7,050

11. ACCOUNTS RECEIVABLE

The Group allows a credit period of 90 days to its trade creditors. The ageing analysis is as follows:

	At 30 June 2008 (Unaudited) ***HK$'000***	At 31 December 2007 (Audited) *HK$'000*
Not yet due	**–**	2,349
0 to 90 days	**54**	183
91 to 180 days	**–**	–
more than 180 days	**1,142**	1,013
	1,196	3,545

12. ACCOUNTS PAYABLE

The ageing analysis is as follows:

	At 30 June 2008 (Unaudited) ***HK$'000***	At 31 December 2007 (Audited) *HK$'000*
Not yet due	**–**	2,713
0 to 90 days	**179**	770
91 to 180 days	**269**	–
more than 180 days	**1,286**	396
	1,734	3,879

13. SHARE CAPITAL

	At 30 June 2008 (Unaudited) *HK$'000*	At 31 December 2007 (Audited) *HK$'000*
Authorised:		
4,000,000,000 Ordinary shares of HK$0.10 each	**4,000,000**	4,000,000

	At 30 June 2008 (Unaudited)		At 31 December 2007 (Audited)	
	No. of Shares *'000*	***HK$'000***	***No. of Shares*** *'000*	*HK$'000*
Issued and fully paid:				
At beginning of period/year	**343,576**	**34,358**	341,908	34,191
Exercise of share option	**–**	**–**	1,668	167
At the end of period/year	**343,576**	**34,358**	343,576	34,358

14. LEASE COMMITMENTS

	At 30 June 2008 (Unaudited) *HK$'000*	At 31 December 2007 (Audited) *HK$'000*
Within one year	**1,764**	1,229
In the second to fifth years inclusive	**1,361**	1,410
	3,125	2,639

BUSINESS REVIEW

Operating results

The turnover of the Group for the Period was approximately HK$1.9 million (2007: HK$14.3 million) representing a decrease of 86.7% as compared with the corresponding period in 2007.

The net loss for the Period was approximately HK$12.5 million (2007: HK$6.3 million) representing an increase of 98.4%.

Contract works

In view of the Group's new business direction and in anticipation of the adverse impact of austerity measures adopted by the PRC authorities to curb overheating of the economy, and the tight controlling policies implemented by the PRC government in property sector, the Board has decided to shift its business focus from the construction sector and to a business in the recycling and waste-to-energy projects.

The turnover attributable to the construction sector for the Period was approximately HK$106,000, a decreased of 99.2% in turnover compared with the corresponding period in 2007.

Trading of bio-cleaning materials

The turnover of this sector has increased 286.9% from approximately HK$244,000 to approximately HK$944,000 in the Period. Such significant improvement indicates that more and more customers begin to recognize the advantage of our products. It is anticipated that sales will continue to grow as our product image and advantage are made known to the customers.

Trading of recyclable plastic materials

This business began in March 2007, and it slowed down when the Group decided to set up a warehouse and re-compressing services for the plastic material in Hong Kong. The restructuring has been finalized in the second quarter of 2008. As a result, the turnover arising from this sector only contributed approximately HK$212,000 (2007: HK$1,291,000) to the Group's revenue during the Period. The re-compressing services is now in full operation and begins to generate revenue in the third quarter of 2008.

Trading of generators

On 5 November, 2007 a distribution agreement was entered into with a Chongqing manufacturer of power generators and other equipment. During the Period, the turnover arising from this sector was approximately HK$668,000.

The Group has set up an assembly facility in Dongguan, PRC, with a view to re-engineering conventional gas generators such that they are equipped with intelligent microprocessor control device. It is proposed that our multi-fuel/gas power generators be launched in the market in the last quarter of 2008. It is expected that the activities arising from this sector will become our main source of income.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008 the Group had total current assets of approximately HK$73.8 million (As at 31 December 2007: HK$93.3 million) and total current liabilities approximately HK$8.7 million (As at 31 December 2007: HK$15.1 million). The current ratio of the Group was 8.48 (As at 31 December 2007: 6.18). The Group has sufficient fund to settle its debts.

As at 30 June 2008 the Group had total assets of approximately HK$107.8 million (As at 31 December 2007: HK$126.9 million). The gearing ratio, calculated by dividing the total liabilities over its total assets was 8.1% (As at 31 December 2007: 11.9%).

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.

CAPITAL COMMITMENTS

During the Period, the Group had commitments on capital expenditure in respect of acquisition of property, plant and equipment of approximately HK$106,577,000 (2007: Nil) of which approximately HK$663,000 (2007: Nil) was contracted for but not provided in the condensed consolidated financial statement.

CONTINGENT LIABILITIES

As at 30 June 2008 the Group did not have any material contingent liabilities.

FUTURE PROSPECTS

The Directors will put more effort on the new businesses sectors, such as trading of bio-cleaning materials, recyclable plastic materials and generators.

The Group has set up a generator assembly company in Dongguan, PRC and this company will focus on the state-of-the-arts power generators equipped with Electronic Fuel Injection (FEI), Computer Controlled Carburetion, Digital Inverter and Multi-Fuel capacity. These microprocessor controlled intelligent multi-fuel generators can overcome the general deficiencies of conventional gas generators – loss of power and difficult to start.

The market response to our own product has been very positive when the Company introduced them to the potential buyers in South Africa, Pakistan, India.

It is expected that the new company will commence business in the last quarter of this year. The Board expects such new innovative and powerful products can generate attractive income to the Group.

EMPLOYEE

As at 30 June 2008 the Group had 30 employees (2007: 41 employees) in Hong Kong, the PRC and Germany.

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 professions and the prevailing market practice.

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.

On 16 June 2008, the Company terminated the service contract entered into with the then chief executive officer of the Company who was appointed on 23 November 2007. During the Period, after 16 June 2008, 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 listed 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

The interim report will be published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.greenenergy.hk).

On behalf of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 19 September 2008

As at the date hereof, the executive director of the Company is Mr. Yip Wai Leung Jerry; and the independent non-executive directors of the Company are Mr. Chan Kai Yung Ronney, Mr. So Yin Wai and Ms. Zhu You Chun.