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 2008

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 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Revenue	4	**2,967**	18,689
Cost of finished goods sold		**(2,051)**	(1,075)
Construction contract costs		**(451)**	(19,542)
Gross profit/(loss)		**465**	(1,928)
Other income	6	**1,185**	5,734
Staff costs		**(10,400)**	(5,489)
Depreciation and amortisation expenses		**(4,518)**	(3,044)
Other expenses		**(21,925)**	(16,209)
Impairment loss on goodwill		**–**	(8,875)
Impairment loss on other intangible assets		**(5,879)**	(11,745)
Finance costs	7	**–**	(34)
Loss before tax		**(41,072)**	(41,590)
Income tax expense	8	**(1,106)**	(544)
Loss for the year attributable to equity holders of the Company	9	**(42,178)**	(42,134)
Loss per share – Basic	11	**12.28 cents**	12.30 cents

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

At 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-Current Assets			
Property, plant and equipment		**25,333**	21,006
Goodwill		**–**	–
Other intangible assets		**5,042**	12,608
		30,375	33,614
Current Assets			
Inventories	12	**950**	1,438
Amounts due from customers for contract works	13	**–**	7,050
Trade receivables	14	**89**	3,545
Prepayments, deposits and other receivables		**1,561**	2,219
Bank balances and cash		**49,320**	79,068
		51,920	93,320
Current Liabilities			
Trade payables	15	**1,748**	3,879
Accruals and other payables		**2,791**	7,169
Tax payable		**2,932**	4,016
		7,471	15,064
Net Current Assets		**44,449**	78,256
Total Assets less Current Liabilities		**74,824**	111,870
Capital and Reserves			
Share capital		**34,358**	34,358
Share premium and reserves		**40,466**	77,512
Total Equity		**74,824**	111,870

NOTES

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Always New Limited, a company incorporated in British Virgin Islands, is the parent and the directors consider that New Zealand Professional Trustee Limited, a company incorporated in New Zealand, is the ultimate holding company of the Company.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

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

In the current year, the Group has applied the following amendments to Hong Kong Accounting Standards ("HKAS") and new Hong Kong (IFRIC) Interpretations ("HK(IFRIC)–Int") (collectively the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[7]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009

3 Effective for annual periods beginning on or after 1 July 2009

4 Effective for annual periods ending on or after 30 June 2009

5 Effective for annual periods beginning on or after 1 July 2008

6 Effective for annual periods beginning on or after 1 October 2008

7 Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting treatment for business combinations for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared under the historical cost basis.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance.

4. **REVENUE**

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

	2008	2007
	HK$'000	*HK$'000*
Revenue from construction contracts	**107**	16,496
Trading of bio-cleaning materials	**1,363**	320
Trading of generators	**785**	–
Trading of recyclable plastic materials	**652**	1,873
Trading of waste construction materials	**60**	–
	2,967	18,689

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS**

Business segments

The Group comprises 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, generators, recyclable plastic materials and waste construction materials
Waste recycling	–	Provision of waste recycling and management

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS – continued**

Business segments – continued

Segment information about these businesses is presented below:

2008

	Year ended 31 December 2008				
	Construction contracts *HK$'000*	**Distributions and trading** *HK$'000*	**Waste recycling** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
REVENUE					
External sales	**107**	**2,860**	**–**	**–**	**2,967**
Inter-segment sales	**–**	**7**	**–**	**(7)**	**–**
	107	**2,867**	**–**	**(7)**	**2,967**
RESULTS					
Segment results	**(3,601)**	**(23,397)**	**–**	**–**	**(26,998)**
Other income					**469**
Unallocated corporate expenses					**(14,543)**
Finance costs					**–**
Loss before tax					**(41,072)**
Income tax expense					**(1,106)**
Loss for the year					**(42,178)**

BALANCE SHEET

	At 31 December 2008			
	Construction contracts *HK$'000*	**Distributions and trading** *HK$'000*	**Waste recycling** *HK$'000*	**Consolidated** *HK$'000*
ASSETS				
Segment assets	**30**	**30,542**	**–**	**30,572**
Unallocated corporate assets				**51,723**
Consolidated total assets				**82,295**
LIABILITIES				
Segment liabilities	**1,020**	**961**	**–**	**1,981**
Unallocated corporate liabilities				**5,490**
Consolidated total liabilities				**7,471**

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS – continued**

Business segments – continued

2008 – continued

	Year ended 31 December 2008				
	Construction contracts *HK$'000*	**Distributions and trading** *HK$'000*	**Waste recycling** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
OTHER INFORMATION					
Capital expenditure	**–**	**10,304**	**–**	**149**	**10,453**
Depreciation and amortisation	**160**	**3,770**	**–**	**588**	**4,518**
Allowance for obsolete inventories	**–**	**246**	**–**	**–**	**246**
Share-based payment expenses	**–**	**2,033**	**–**	**3,378**	**5,411**
Write-off of bad debts	**2,446**	**–**	**–**	**–**	**2,446**
Allowance for doubtful debts	**–**	**80**	**–**	**631**	**711**
Impairment loss on other intangible assets	**–**	**5,879**	**–**	**–**	**5,879**

2007

	Year ended 31 December 2007				
	Construction contracts *HK$'000*	Distributions and trading *HK$'000*	Waste recycling *HK$'000*	Eliminations *HK$'000*	Consolidated *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)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – continued

Business segments – continued

2007 – continued

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 expenditure	–	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 debts	1,422	–	442	–	1,864
Impairment loss on goodwill	–	8,875	–	–	8,875
Impairment loss on other intangible assets	–	11,745	–	–	11,745

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS – continued**

Geographical segments

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

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	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**2,800**	2,193
The PRC	**107**	16,496
Germany	**60**	–
	2,967	18,689

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

	Carrying amount of segment assets		**Capital expenditure**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**10,580**	10,027	**2,863**	11,851
The PRC	**2,688**	10,782	**2,195**	–
Germany	**17,304**	15,686	**5,395**	15,874
	30,572	36,495	**10,453**	27,725

6. **OTHER INCOME**

	2008	2007
	HK$'000	*HK$'000*
Interest income from bank deposits	**414**	3,561
Exchange gain (net)	**–**	1,978
Others	**771**	195
	1,185	5,734

7. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**–**	–
Interest on other borrowings wholly repayable within five years	**–**	34
	–	34

8. INCOME TAX EXPENSE

	2008	2007
	HK$'000	*HK$'000*
PRC Enterprise Income Tax		
Current year	**1,106**	544

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.

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

	2008	2007
	HK$'000	*HK$'000*
Loss before tax	**(41,072)**	(41,590)
Tax at the Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	**(6,777)**	(7,279)
Tax effect of expenses not deductible for tax purpose	**6,976**	5,584
Tax effect of income not taxable for tax purpose	**(2,447)**	(1,099)
Tax effect of temporary differences not recognised	**2**	(14)
Tax effect of tax losses not recognised	**1,652**	1,925
Effect of different tax rates of subsidiaries operated in other jurisdiction	**1,700**	1,427
Tax charge for the year	**1,106**	544

9. LOSS FOR THE YEAR

	2008	2007
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment	**2,831**	1,060
Amortisation of other intangible assets	**1,687**	1,984
	4,518	3,044
Auditors' remuneration	**450**	1,650
Net exchange loss/(gain)	**1,335**	(1,978)
Write-off of bad debts	**2,446**	–
Cost of inventories sold	**1,805**	863
Minimum lease payments for operating leases in respect of rented premises	**1,879**	1,556
Research and development expenditure	**364**	15
Allowance for doubtful debts	**711**	1,864
Write-down of inventories	**–**	212
Allowance for obsolete inventories	**246**	–
Staff costs including directors' emoluments		
Salaries and allowances	**8,066**	5,049
Retirement benefit scheme contributions	**680**	440
Share-based payment expenses to employees	**1,654**	–
	10,400	5,489
Share-based payment expenses to other non-employees	**3,757**	991
Loss on disposal of property, plant and equipment	**1,916**	–

10. DIVIDEND

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

11. 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:

	2008	2007
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic loss per share	**42,178**	42,134

	2008	2007
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**343,576,176**	342,486,269

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.

12. INVENTORIES

	2008	2007
	HK$'000	*HK$'000*
Recyclable plastic materials	**318**	887
Bio-cleaning materials	**467**	551
Generators	**165**	–
Total, net of allowance for inventories	**950**	1,438

13 AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS

	2008	2007
	HK$'000	*HK$'000*
Contract costs incurred plus recognised profits less recognised losses to date	**–**	102,403
Less: Progress billings	**–**	(95,353)
Amounts due from customers for contract works	**–**	7,050

14. TRADE RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**2,142**	4,967
Less: Allowance for doubtful debts	**(2,053)**	(1,422)
	89	3,545

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

	2008	2007
	HK$'000	*HK$'000*
Not yet due	**–**	2,349
0 – 90 days	**89**	183
91 – 180 days	**–**	–
More than 180 days	**–**	1,013
	89	3,545

Ageing of trade receivables which are past due but not impaired:

	2008	2007
	HK$'000	*HK$'000*
91 to 180 days	**–**	–
More than 180 days	**–**	1,013
Total	**–**	1,013

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.

14. TRADE RECEIVABLES – continued

Movement in the allowance for doubtful debts

	2008	2007
	HK$'000	*HK$'000*
Balance at beginning of the year	**1,422**	–
Impairment loss recognised	**631**	1,422
Balance at end of the year	**2,053**	1,422

The above allowance for doubtful debts represent individually impaired trade receivables with an aggregate balance of HK$2,053,000 (2007: HK$1,422,000) which have been placed in severe financial difficulties. The Group does not had any collateral over these balances.

In addition, an allowance for doubtful debts has been provided for a loan receivable of HK$80,000 (2007: HK$442,000) which has been considered as irrecoverable. The Group does not have any collateral over this balance.

15. TRADE PAYABLES

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

	2008	2007
	HK$'000	*HK$'000*
Not yet due	**–**	2,713
0 – 90 days	**690**	770
91 – 180 days	**68**	–
181 – 365 days	**990**	207
Over 365 days	**–**	189
	1,748	3,879

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 payables balance is retention payables to suppliers in respect of construction contracts of HK$516,000 (2007: HK$2,713,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's total revenue for the year ended 31 December 2008 ("FY2008") was approximately HK$3.0 million (FY2007: HK$18.7 million) representing a decrease of 84.0% as compared with that for the year ended 31 December 2007 ("FY2007").

The construction sector's revenue for FY2008 was approximately HK$0.1 million (FY2007: HK$16.5 million) representing a decrease of 99.4% as compared with that for FY2007. Since the change in management that took place in early 2006, the Group's main business focus has shifted from building and construction activities in the PRC market to waste management/recycling and energy related business activities.

The revenue arising from the activities of the Group's bio-cleaning sector for FY2008 was approximately HK$1.4 million (FY2007: HK$0.3 million) representing an increase of 366.7% as compared with that for FY2007.

The revenue arising from the trading of imported recyclable plastic materials for FY2008 was approximately HK$0.7 million (FY2007: HK$1.9 million) representing a decrease of 63.2% as compared with that for FY2007. The decline arose for two reasons. Firstly, resources were diverted by the Group in the establishment of warehousing and materials re-compressing facilities, which were completed in the second quarter of FY2008. The second reason for the decline in revenue was the sudden and worldwide downward spiral in the prices of recyclable plastic materials at the beginning of the final quarter of FY2008. Incomes arising from re-compressing services rendered to the Group's customers are recorded as other income in the financial statements.

The revenue arising from the trading of power generators for FY2008 was approximately HK$0.8 million (FY2007:Nil). Such revenue mainly derived from sale of conventional gasoline generators.

During FY2008 the Group recorded a net loss of approximately HK$42.2 million as against a net loss of approximately HK$42.1 million for FY2007. The net loss of approximately HK$42.2 million included impairment loss on distribution rights amounting to approximately HK$5.9 million, write-off of bad debts of approximately HK$2.4 million and share option payments amounting to approximately HK$5.4 million. Excluding such non-cash losses, the Group incurred a loss of approximately HK28.5 million in FY2008 (FY2007: HK$17.6 million).

General and administrative expenses, which included staff costs, legal and professional fees, amortisation and general administrative expenses, decreased by 5.9% from approximately HK$45.4 million in FY2007 to approximately HK$42.7 million in FY2008.

MANAGEMENT DISCUSSION AND ANALYSIS – continued

FINANCIAL REVIEW– continued

After excluding the non-cash expenses, such as impairment of distribution rights, write-off of bad debts and shares based payment, the general and administrative expenses increased by 16.9% in FY2008 compared with FY2007. The increase arose mainly due to the rising operating expenses incurred by newly incorporated subsidiaries in FY2008.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008 the Group had total current assets of approximately HK$51.9 million (as at 31 December 2007: HK$93.3 million) while total current liabilities were approximately HK$7.5 million (as at 31 December 2007: HK$15.1 million). The current ratio of the Group was 692% (as at 31 December 2007: 618%). The Group has sufficient funds to settle its debts as and when they fall due.

As at 31 December 2008 the Group had total assets of approximately HK$82.3 million (As at 31 December 2007: HK$126.9 million). The gearing ratio, calculated by dividing the total debts by its total assets were 9.1% (as at 31 December 2007: 11.9%).

BUSINESS REVIEW

Building and Construction Business in the PRC

In FY2008 the Group gradually withdrew its resources from, and substantially wound down, its building and construction activities in the PRC, because such business activities were considered to be incompatible with the Group's main business focus in waste management/recycling and energy related projects. It is expected that considerably less revenue will be generated from the Group's building and construction activities in the coming year.

Trading of Recyclable Materials

In the second quarter of FY2008, the Group completed the establishment of warehousing and material re-compressing facilities at a site located in Fanling, Hong Kong, whereupon the Group resumed the business in the trading of imported recyclable plastic materials. However, the onset of the current financial turmoil on a worldwide scale at the beginning of the forth quarter of FY2008 and thereby resulting in an unpredictably downward spiral and fluctuations in the prices of recyclable plastic materials has virtually brought the Group's recyclable plastics trading business to a complete standstill. With a view to minimising trading risks associated with the continuing fluctuations in the prices of recyclable plastic materials, a decision was taken to suspend trading activities for the time being and to expand its services in re-compressing and warehousing recyclable plastic materials provided by customers, for which adequate facilities were installed by the Group to provide such services.

MANAGEMENT DISCUSSION AND ANALYSIS – continued

BUSINESS REVIEW – continued

Trading of Recyclable Materials – continued

In October 2007 the Company announced its investment strategies in Germany to be implemented in three phases. In FY2008 Phase One was completed and the Group began to receive orders for the treatment and recycling of construction and demolition materials and to resell the recovered and/or recycled materials for a profit. It is expected that, given time and persistent marketing efforts, positive revenues will be generated from the business activities in Germany.

Again, because of the onset of the recent financial turmoil, a decision was taken by the Group to postpone Phase Two investment in Germany relating to the installation of facilities for the treatment and recycling of household waste and used plastic and other materials and also Phase Three investment relating to the installation of facilities for the treatment and recycling of oil refuse and discarded and/or unrecyclable plastic materials.

Trading of Bio-Cleaning Products

In FY2008 the Group recorded a significant improvement in the sale of both waterless concrete cleaners and also bio-cleaning agents. More and more customers began to recognise the advantages of our products, to which green labels were awarded by the Hong Kong Green Council. It is expected that the business in bio-cleaning products will continue to grow in the coming years.

Trading of Generators

In the third quarter of FY2008 a wholly-owned subsidiary was formed in Dongguan for the purpose of carrying on the business of rebuilding conventional power generators and incorporating therein various state-of-the-arts devices, accessories and electronic components designed to equip such power generators with Electronic Fuel Injection, Computer Controlled Carburetion, Digital Inverter and Multi-Fuel capabilities, which are developed and in the process of being perfected by a group of independent engineers commissioned by the Group to undertake the research and development of an electronic system to convert a conventional petrol engine into a closed-loop engine to run on various fuels such as petrol, natural gas, and propane at the flip of a switch. Such converted engine is optimized to produce maximum power output and least emission.

The Group has from time to time received protracted enquiries from foreign distributors and manufacturers of power generators who wish to incorporate our computer controlled multi-fuel technologies into their product line. The Group also intends to launch Electronic CNG (Compressed Natural Gas) Injection generators and bio-gas generators in May 2009. These generators are in high demand from countries with very low natural gas price such as Iran, India and abundant bio-gas plants such as India and China. While the energy crisis is spreading across the world, it is expected that this business will generate positive revenue for years to come.

MATERIAL ACQUISITION

There was no material acquisition or disposal of the Company's subsidiaries and associated companies during the year ended 31 December 2008.

CAPITAL COMMITMENTS

As at 31 December 2008 the Group had no significant capital commitment (2007: HK$663,000).

FUTURE PROSPECTS

We 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 the goal of generating positive cash flow and earnings for the Group.

In addition to the launch of Multi-fuel technologies, the PRC manufacturing operations strive to diversify our products range into other machines and equipment that are powered by renewable energy such as bio-gas. The governments of India, China and many other countries offer grants or subsidies to encourage the utilization of bio-gas and it is the Group's strategies to expand its business in renewable and bio energy related activities.

CONTINGENT LIABILITIES

As at 31 December 2008 the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2008 the Group had 42 employees (2007: 36 employees) in Hong Kong, the PRC and Germany. The increase in the number of employees was due to the restructuring of business and new formation of subsidiary 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") which were in force prior to 1 January 2009. 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 provides that the roles of chairman and chief executive officer must be separated and should not be performed by the same individual. Since the departure of Mr. Robin Chiu as the chief executive officer of the Group on 16 June 2008, the role of the chief executive officer was performed by Mr. Yip Wai Leung Jerry, who was also the chairman of the Company. The board believes that vesting 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.

Code Provision A.4.1 also provides that non-executive directors should be appointed for a specific term. However, all non-executive directors are 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 which were in force prior to 1 January 2009. All Directors have confirmed, following specific enquiries made with 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 2008.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2008 containing all the information required by the Listing Rules also be available at the websites of the Company (www.greenenergy.hk) and the Stock Exchange, and will be dispatched to the Company's shareholders in due course.

By order of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 22 April 2009

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.