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)

2009 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 2009 (the "Period") with comparative figures for the corresponding period in last year as set out below.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

		For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	3	**1,795**	1,930
Other revenue	3	**97**	1,734
Construction contract costs		**–**	(470)
Cost of goods sold		**(414)**	(1,368)
Staff costs		**(3,820)**	(4,748)
Depreciation and amortisation expenses		**(2,588)**	(2,037)
Other operating expenses		**(5,136)**	(6,793)
Operating loss	5	**(10,066)**	(11,752)
Finance costs	4	**–**	(93)
Loss before income tax		**(10,066)**	(11,845)
Income tax	6	**–**	(678)
Loss for the period		**(10,066)**	(12,523)
Other Comprehensive Income			
Exchange differences on translating foreign operations		**(170)**	(262)
Total comprehensive income for the period		**(10,236)**	(12,785)

	Notes	For the six months ended 30 June **2009** **(Unaudited)** ***HK$'000***	 2008 (Unaudited) *HK$'000*
Loss attributable to:			
Equity holders of the Company		**(10,066)**	(12,523)
Total comprehensive income attributable to:			
Equity holders of the Company		**(10,236)**	(12,785)
Dividend	7	**–**	–
Loss per share			
– Basic	8	**(2.93) cents**	(3.64) cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

	Notes	At 30 June 2009 (Unaudited) HK$'000	At 31 December 2008 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**24,731**	25,333
Other intangible assets		**4,199**	5,042
		28,930	30,375
Current assets			
Inventories	9	**926**	950
Trade receivables	10	**540**	89
Prepayments, deposits and other receivables		**2,940**	1,561
Bank and cash balances		**37,215**	49,320
		41,621	51,920
Less: **Current liabilities**			
Trade payables	11	**1,041**	1,748
Accruals and other payables		**1,999**	2,791
Tax payable		**2,923**	2,932
		5,963	7,471
Net current assets		**35,658**	44,449
Total assets less current liabilites		**64,588**	74,824
Capital and reserves			
Share capital	12	**34,358**	34,358
Reserves		**30,230**	40,466
Total equity		**64,588**	74,824

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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. 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 2008.

In the current interim period, the Group has applied, for the first time, the following amendments and interpretations ("New HKFRSs") issued by the HKICPA, which are effective from 1 January 2009.

HKFRS 8 Operating Segments

HKFRS 8 requires segmental information to be disclosed on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

HKAS 1 (revised) Presentation of Financial Statements

The revised HKAS 1 introduces a number of changes to the presentation of the accounts, including a requirement for those exchange differences in translating foreign operations to be presented in a statement of comprehensive income.

The following amendments and interpretations issued by HKICPA which are or have become effective and did not have any material impact on the accounting policies of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs
HKAS 23	Borrowing Cost
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosure about Financial Statements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company are in the process of assessing the potential impact of these new or revised standards, amendments or interpretations and so far anticipate that the application of these new or revised standards, amendments or interpretations will have no material financial impact on the results and the financial position of the Group.

HKAS 27 (Revised)	Consolidate and Separate Financial Statements[1]
HKFRS 3 (Revised)	Business Combinations[1]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[2]

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

2 Effective for transfer of assets from customers received on or after 1 July 2009

3. REVENUE AND SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and rewards that are different from those of the other operating segments. A summary of the operating segments is as follows:

Construction contracts	–	Provision of construction works
Bio-cleaning materials	–	Trading of bio-cleaning materials
Generators	–	Trading of generators
Recyclable plastic materials	–	Trading of recyclable plastic materials and re-compressing services
Waste construction materials	–	Trading of crushed and screened waste construction materials

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover	**1,795**	1,930
Other revenue		
Interest income on bank deposits	**67**	387
Others	**30**	1,347
	97	1,734
Total revenue	**1,892**	3,664

Primary reporting format – business segments

For the six months ended 30 June 2009

	Construction contracts (Unaudited) *HK$'000*	Bio-cleaning materials (Unaudited) *HK$'000*	Generators (Unaudited) *HK$'000*	Recyclable plastic materials (Unaudited) *HK$'000*	Waste construction materials (Unaudited) *HK$'000*	Eliminations (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
REVENUE							
Sales to external customers	–	258	5	1,070	462	–	1,795
Intersegment sales	–	–	–	–	82	(82)	–
	–	258	5	1,070	544	(82)	1,795
Results							
Segment results	(146)	(931)	(2,843)	(780)	(2,499)		(7,199)
Unallocated expenses							(2,964)
Other revenue							97
							(10,066)
Finance cost							–
Loss before income tax							(10,066)

For the six months ended 30 June 2008

	Construction contracts (Unaudited) *HK$'000*	Bio-cleaning materials (Unaudited) *HK$'000*	Generators (Unaudited) *HK$'000*	Recyclable plastic materials (Unaudited) *HK$'000*	Waste construction materials (Unaudited) *HK$'000*	Eliminations (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
REVENUE							
Sales to external customers	106	944	668	212	–	–	1,930
Intersegment sales	–	–	–	–	–	–	–
	106	944	668	212	–	–	1,930
Results							
Segment results	(2,538)	(1,196)	(1,631)	(1,499)	(1,475)		(8,339)
Unallocated expenses							(5,147)
Other revenue							1,734
							(11,752)
Finance cost							(93)
Loss before income tax							(11,845)

The following table presents assets and liabilities by segment of the Group as at 30 June 2009 and 31 December 2008:

At 30 June 2009

	Construction contracts (Unaudited) ***HK$'000***	**Bio-cleaning materials (Unaudited)** ***HK$'000***	**Generators (Unaudited)** ***HK$'000***	**Recyclable plastic materials (Unaudited)** ***HK$'000***	**Waste construction materials (Unaudited)** ***HK$'000***	**Consolidated (Unaudited)** ***HK$'000***
ASSETS						
Segment assets	**29**	**4,476**	**4,226**	**4,300**	**16,673**	**29,704**
Unallocated corporate assets						**40,847**
Consolidated total assets						**70,551**
LIABILITIES						
Segment liabilities	**1,001**	**6**	**24**	**3**	**413**	**1,447**
Unallocated corporate liabilities						**4,516**
Consolidated total liabilities						**5,963**

At 31 December 2008

	Construction contracts (Audited) *HK$'000*	Bio-cleaning materials (Audited) *HK$'000*	Generators (Audited) *HK$'000*	Recyclable plastic materials (Audited) *HK$'000*	Waste construction materials (Audited) *HK$'000*	Consolidated (Audited) *HK$'000*
ASSETS						
Segment assets	30	4,873	3,965	4,400	17,304	30,572
Unallocated corporate assets						51,723
Consolidated total assets						82,295
LIABILITIES						
Segment liabilities	1,020	–	630	2	329	1,981
Unallocated corporate liabilities						5,490
Consolidated total liabilities						7,471

Secondary reporting format – geographical segments

	Revenue For the six months ended 30 June		**Non-current assets**	
	2009 (Unaudited) *HK$'000*	2008 (Unaudited) *HK$'000*	**At 30 June 2009 (Unaudited) *HK$'000***	At 31 December 2008 (Audited) *HK$'000*
Hong Kong	**1,333**	1,824	**9,823**	11,157
The People's Republic of China ("PRC")	**–**	106	**2,883**	2,191
Germany	**462**	–	**16,224**	17,027
	1,795	1,930	**28,930**	30,375

4. FINANCE COSTS

	For the six months ended 30 June	
	2009 (Unaudited) *HK$'000*	2008 (Unaudited) *HK$'000*
Interest on bank loans and overdraft	**–**	93

5. LOSS BEFORE INCOME TAX

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging (crediting) the following items:		
Depreciation and amortisation expenses	**2,588**	2,037
Staff costs	**3,820**	4,748
Interest income	**(67)**	(387)

6. INCOME TAX

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PRC income tax	**–**	678
	–	678

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 2009 (six months ended 30 June 2008: 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$10,066,000 (six months ended 30 June 2008: HK$12,523,000) and on the weighted average number of 343,576,176 (six months ended 30 June 2008: 343,576,176) ordinary shares in issue during the Period.

9. INVENTORIES

	At 30 June 2009 (Unaudited)	At 31 December 2008 (Audited)
	HK$'000	*HK$'000*
Bio-cleaning materials	**447**	467
Generators	**244**	165
Recyclable plastic materials	**235**	318
	926	950

10. TRADE RECEIVABLES

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

	At 30 June 2009 (Unaudited)	At 31 December 2008 (Audited)
	HK$'000	*HK$'000*
0 to 90 days	**540**	89
	540	89

11. TRADE PAYABLES

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

	At 30 June 2009 (Unaudited)	At 31 December 2008 (Audited)
	HK$'000	*HK$'000*
0 to 90 days	**302**	690
91 to 180 days	**–**	68
more than 180 days	**739**	990
	1,041	1,748

12. SHARE CAPITAL

	Number of shares *'000*	Par value *HK$'000*
Authorised:		
Ordinary shares of HK$0.10 each at 31 December 2008 and 30 June 2009	4,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 31 December 2008 and 30 June 2009	343,576	34,358

13. LEASE COMMITMENTS

	At 30 June 2009 (Unaudited) ***HK$'000***	At 31 December 2008 (Audited) *HK$'000*
Within one year	**1,464**	1,665
In the second to fifth years inclusive	**184**	666
	1,648	2,331

BUSINESS REVIEW

Operating results

The turnover of the Group for the six months ended 30 June 2009 (the "Period") was approximately HK$1.8 million (six months ended 30 June 2008: HK$1.9 million) representing a decrease of 5.3% as compared with the corresponding period in 2008.

The net loss for the Period was approximately HK$10.1 million (six months ended 30 June 2008: HK$12.5 million) representing a decrease of 19.2%.

Contract works

During the Period, the Group has withdrawn its resources from the construction sector entirely, because such business activities are considered to be incompatible with the Group's main business focus in waste management/recycling and energy related projects. As a result, the turnover attributable to the construction sector for the Period has declined from HK$106,000 for the six months ended 30 June 2008 to zero for the Period.

Bio-cleaning products

The turnover arising from the sale of bio-cleaning products has declined from approximately HK$944,000 for the six months ended 30 June 2008 to approximately HK$258,000 for the Period representing a reduction of 72.7%, primarily due to the onset of the global financial crisis at the beginning of the final quarter of 2008. The Group will continue to put its efforts in promoting and marketing these environmental products and to minimize operating expenses.

Recyclable plastic materials and relevant services

Again, because of the financial turmoil on a worldwide scale as outlined in the preceding paragraph and thereby resulting in an unpredictably downward spiral and fluctuations in the prices of recyclable plastic materials, the Group's activities in trading recyclable plastics has virtually been brought to a complete standstill.

During the Period the total revenue arising from of the activities of this sector was approximately HK$1,070,000 (six months ended 30 June 2008: HK$212,000), of which the trading of recyclable plastic material accounted for approximately HK$297,000 (six months ended 30 June 2008: HK$212,000), while the re-compressing and other related services have achieved a turnover of approximately HK$773,000 (six months ended 30 June 2008: Nil). It is expected that the income arising from such services will continue to grow, because the Group has managed to build up significant business goodwill and reputation in the industry and maintain good working relationship with many loyal customers.

Generators

Our intelligent microprocessor control device generators are still under research and development process. The management is anxious to perfect the technologies associated with the microprocessors prior to launching such on the market. As a result, the turnover arising from this sector was approximately HK$5,000 only.

Waste construction materials

The main business focus of this sector involves the collection and recycling of waste construction materials. The turnover arising from this sector was HK$462,000 (six months ended 30 June 2008: Nil) and it is expected that income arising from such activities will improve in the next six months.

FINANCIAL REVIEW

Liquidity and Financial Resources

At 30 June 2009, the Group had total current assets of approximately HK$41.6 million (At 31 December 2008: HK$51.9 million) and total current liabilities approximately HK$6.0 million (At 31 December 2008: HK$7.5 million). The current ratio of the Group was 693% (At 31 December 2008: 692%). The Group has sufficient fund to settle its debts.

At 30 June 2009, the Group had total assets of approximately HK$70.6 million (At 31 December 2008: HK$82.3 million). The gearing ratio, calculated by dividing the total debts over its total assets was 8.5% (At 31 December 2008: 9.1%).

CAPITAL COMMITMENTS

During the Period, the Group had commitment on capital expenditure approximately HK$856,000 (six months ended 30 June 2008: HK$663,000) which was contracted for but not provided in the condensed consolidated financial statement.

CONTINGENT LIABILITIES

At 30 June 2009, the Group did not have any material contingent liabilities.

FUTURE PROSPECTS

The Directors will continue to carry on the existing business activities and impose serious control over expenditures.

On 24 August, 2009 the Group made an announcement about a new business venture associated with the cultivation of Jatropha and the construction of a pilot plant for the production of biofuel and other biochemical by-products in the PRC. This project involves (1) significant site formation works on the land required for the cultivation of Jatropha (2) the design and construction of a pilot plant for the production of biodiesel from harvested Jatropha fruit and the manufacture of a wide range of biochemical by-products including glycerine (for application in the manufacture of soaps, health supplements and organic fertilizers and (3) marketing of biodiesel and related by-products arising from the extraction and refinery processes.

EMPLOYEE

At 30 June 2009, the Group had 30 employees (six months ended 30 June 2008: 30 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.

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 AND REPORT

This interim results announcements and the interim report are 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, 23 September 2009

As at the date hereby, 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.

* *For identification purposes only*