*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# 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)

## 2010 INTERIM RESULT 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 2010 (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 2010*

| | | For the six months ended 30 June | |
|---|---|---|---|
| | | **2010** | 2009 |
| | | **(Unaudited)** | (Unaudited) |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| **Turnover** | 3 | **1,322** | 1,795 |
| Other revenue | 3 | **2,862** | 97 |
| Cost of goods sold | | **(207)** | (414) |
| Staff costs | | **(3,820)** | (3,820) |
| Depreciation and amortisation expenses | | **(1,758)** | (2,588) |
| Other operating expenses | | **(8,866)** | (5,136) |
| Operating loss | 5 | **(10,467)** | (10,066) |
| Finance cost | 4 | **–** | – |
| **Loss before income tax** | | **(10,467)** | (10,066) |
| Income tax | 6 | **–** | – |
| **Loss for the period** | | **(10,467)** | (10,066) |
| **Other Comprehensive Income** | | | |
| Exchange differences on translating foreign operations | | **1,597** | (170) |
| **Total comprehensive income for the period** | | **(8,870)** | (10,236) |

| | Notes | For the six months ended 30 June | |
|---|---|---|---|
| | | **2010** | 2009 |
| | | **(Unaudited)** | (Unaudited) |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| **Loss attributable to:** | | | |
| **Equity holders of the Company** | | **(10,467)** | (10,066) |
| **Total comprehensive income attributable to:** | | | |
| **Equity holders of the Company** | | **(8,870)** | (10,236) |
| **Dividend** | 7 | **–** | – |
| Loss per share | | | |
| – Basic | 8 | **(2.37) cents** | (2.93) cents |
| – Diluted | | **N/A** | N/A |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*At 30 June 2010*

| | Notes | At 30 June 2010 (Unaudited) HK$'000 | At 31 December 2009 (Audited) HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **14,782** | 17,740 |
| Goodwill | | **–** | – |
| Biological assets | | **3,112** | 2,965 |
| Other intangible assets | | **–** | – |
| | | **17,894** | 20,705 |
| **Current assets** | | | |
| Inventories | 9 | **1,103** | 945 |
| Trade receivables | 10 | **628** | 89 |
| Prepayments, deposits and other receivables | 11 | **21,562** | 18,739 |
| Loan receivables | 12 | **30,241** | – |
| Bank balances and cash | | **14,424** | 19,649 |
| | | **67,958** | 39,422 |
| **Current liabilities** | | | |
| Trade payables | 13 | **44** | 871 |
| Accruals and other payables | | **378** | 2,047 |
| Tax payable | | **188** | 987 |
| | | **610** | 3,905 |
| **Net current assets** | | **67,348** | 35,517 |
| **Total assets less current liabilities** | | **85,242** | 56,222 |
| **Capital and reserves** | | | |
| Share capital | 14 | **44,303** | 37,438 |
| Reserves | | **40,939** | 18,784 |
| **Total equity** | | **85,242** | 56,222 |

# 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

These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2009. They have been prepared on the historical cost basis.

The accounting policies and methods of computation applied in preparation of these interim financial statements are consistent with those applied in preparing the Group's financial statements for the year ended 31 December 2009. The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA that are relevant to the Group and effective from the current Period, did not have any significant effect on the financial position or performance of the Group.

The Group has not early adopted any new and revised HKFRS that have been issued but are not yet effective for the current Period. The Group has already commenced an assessment of the impact of these new and revised HKFRS but is not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

## 3. REVENUE AND SEGMENT INFORMATION

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

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2010** | 2009 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Turnover | **1,322** | 1,795 |
| Other revenue | | |
| Interest income | **551** | 67 |
| Gain on discontinued a subsidiary | **2,251** | – |
| Others | **60** | 30 |
| | **2,862** | 97 |
| Total revenue | **4,184** | 1,892 |

**Segment revenue and results**
***For the six months ended 30 June 2010***

| | Construction contracts (Unaudited) *HK$'000* | Bio-cleaning materials (Unaudited) *HK$'000* | Generators (Unaudited) *HK$'000* | Recyclable plastic materials and relevant services (Unaudited) *HK$'000* | Waste construction materials and waste processing provision (Unaudited) *HK$'000* | Eliminations (Unaudited) *HK$'000* | Consolidated (Unaudited) *HK$'000* |
|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | |
| Sales to external customers | – | 121 | – | 385 | 816 | – | 1,322 |
| Intersegment sales | – | – | – | – | – | – | – |
| | – | 121 | – | 385 | 816 | – | 1,322 |
| **Results** | | | | | | | |
| Segment results | – | (225) | (1,311) | (1,109) | (4,581) | | (7,226) |
| Unallocated expenses | | | | | | | (6,103) |
| Other revenue | | | | | | | 2,862 |
| | | | | | | | (10,467) |
| Finance cost | | | | | | | – |
| Loss before income tax | | | | | | | (10,467) |

*For the six months ended 30 June 2009*

| | Construction contracts (Unaudited) *HK$'000* | Bio-cleaning materials (Unaudited) *HK$'000* | Generators (Unaudited) *HK$'000* | Recyclable plastic materials and relevant services (Unaudited) *HK$'000* | Waste construction materials and waste processing provision (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) |

**Segment revenue and results**

The following table presents assets and liabilities by segment of the Group as at 30 June 2010 and 31 December 2009:

***At 30 June 2010***

| | **Construction contracts (Unaudited)** *HK$'000* | **Bio-cleaning materials (Unaudited)** *HK$'000* | **Generators (Unaudited)** *HK$'000* | **Recyclable plastic materials and relevant services (Unaudited)** *HK$'000* | **Waste construction materials and waste processing provision (Unaudited)** *HK$'000* | **Consolidated (Unaudited)** *HK$'000* |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Segment assets | **–** | **515** | **905** | **1,769** | **7,681** | **10,870** |
| Unallocated corporate assets | | | | | | **74,982** |
| Consolidated total assets | | | | | | **85,852** |
| **LIABILITIES** | | | | | | |
| Segment liabilities | **–** | **–** | **26** | **2** | **180** | **208** |
| Unallocated corporate liabilities | | | | | | **402** |
| Consolidated total liabilities | | | | | | **610** |

*At 31 December 2009*

| | Construction contracts (Unaudited) *HK$'000* | Bio-cleaning materials (Unaudited) *HK$'000* | Generators (Unaudited) *HK$'000* | Recyclable plastic materials and relevant services (Unaudited) *HK$'000* | Waste construction materials and waste processing provision (Unaudited) *HK$'000* | Consolidated (Audited) *HK$'000* |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Segment assets | – | 652 | 1,411 | 2,040 | 10,494 | 14,597 |
| Unallocated corporate assets | | | | | | 45,530 |
| Consolidated total assets | | | | | | 60,127 |
| **LIABILITIES** | | | | | | |
| Segment liabilities | – | 129 | 123 | 2 | 305 | 559 |
| Unallocated corporate liabilities | | | | | | 3,346 |
| Consolidated total liabilities | | | | | | 3,905 |

## 4. FINANCE COST

| | For the six months ended 30 June | |
|---|---|---|
| | **2010** | 2009 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Interest on bank loans and overdraft | **–** | – |

## 5. LOSS BEFORE INCOME TAX

| | For the six months ended 30 June | |
|---|---|---|
| | **2010** | 2009 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Loss before income tax has been arrived at after charging (crediting) the following items: | | |
| Depreciation and amortisation expenses | **1,758** | 2,588 |
| Staff costs | **3,820** | 3,820 |
| Interest income | **(551)** | (67) |

## 6. INCOME TAX

No provision for Hong Kong profits tax is required since the Group has no assessable profit in Hong Kong for the six months ended 30 June 2010 and 2009.

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 2010 (six months ended 30 June 2009: 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$10,467,000 (six months ended 30 June 2009: HK$10,066,000) and on the weighted average number of 442,081,370 (six months ended 30 June 2009: 343,576,176) ordinary shares in issue during the Period.

## 9. INVENTORIES

| | At 30 June 2010 (Unaudited) *HK$'000* | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| Bio-cleaning materials | **340** | 390 |
| Generators | **370** | 435 |
| Recyclable plastic materials | **393** | 120 |
| | **1,103** | 945 |

## 10. TRADE RECEIVABLES

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

| | At 30 June 2010 (Unaudited) *HK$'000* | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| Trade receivables | **1,259** | 720 |
| Less: Allowance for doubtful debts | **(631)** | (631) |
| | **628** | 89 |

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 ended of the reporting period:

| | At 30 June 2010 (Unaudited) *HK$'000* | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| 0 – 90 days | **628** | 89 |

## 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | **At 30 June 2010 (Unaudited)** *HK$'000* | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| Prepayments | **23** | 456 |
| Deposits and other receivables | **21,539** | 18,283 |
| | **21,562** | 18,739 |

Deposits and other receivables at 30 June 2010 includes a refundable deposit of HK$17 million (31 December 2009: HK$17 million) paid to Myleader Limited ("The Vendor") in respect of the acquisition of shares of Global Emerging Resources Limited ("the Target company") and all loans due from the Vendor. Detail can be found in the announcement dated 24 December 2009 which posted in the Company and the Stock Exchange websites.

In the event that a sale and purchase agreement is not signed by the parties thereto within the exclusivity period on 22 January 2010, and which was extended to 22 July 2010, the deposit (without interest) shall be returned to the Company immediately after the expiry of the exclusivity period. Such deposit was further extended to 22 September 2010 with an extension fee HK$750,000 on 20 July 2010.

## 12. LOAN RECEIVABLES

| | **At 30 June 2010 (Unaudited)** *HK$'000* | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| | **30,241** | – |

Loan receivable at 30 June 2010 includes a loan of HK$30 million (31 December 2009: Nil) advanced to Gioberto Limited by way of expressing the Company's interest in the proposed acquisition of Gioberto Limited. Details of the Loan can be found in (i) the announcements of the Company date 18 February 2010 and 1 June 2010 and the circular of the Company dated 31 March 2010 in relation to the Facility Agreement; and (ii) the announcements of the Company dated 22 July 2010 and 9 August 2010 and the circular of the Company dated 24 August 2010 in relation to, among other matters, the extension of the Original Maturity Date that remain posted on the websites maintained by the Company and Stock Exchange.

## 13. TRADE PAYABLES

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

| | **At 30 June 2010 (Unaudited)** ***HK$'000*** | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| 0 to 90 days | **36** | 321 |
| 91 to 180 days | **–** | 34 |
| 181 to 365 days | **8** | – |
| Over 365 days | **–** | 516 |
| | **44** | 871 |

## 14. SHARE CAPITAL

| | **Number of shares** *'000* | **Par value** *HK$'000* |
|---|---|---|
| Authorised: | | |
| Ordinary shares of HK$0.10 each at 31 December 2009 and 30 June 2010 | 4,000,000 | 400,000 |
| Issued and fully paid: | | |
| Ordinary shares of HK$0.10 each at 1 January 2010 | 374,376 | 37,438 |
| Exercise of share options | 32,656 | 3,265 |
| Placing of new shares | 36,000 | 3,600 |
| Ordinary shares of HK$0.10 each at 30 June 2010 | 443,032 | 44,303 |

## 15. LEASE COMMITMENTS

| | **At 30 June 2010 (Unaudited)** ***HK$'000*** | At 31 December 2009 (Audited) *HK$'000* |
|---|---|---|
| Within one year | **1,361** | 1,025 |
| In the second to fifth years inclusive | **2,237** | 489 |
| After five years | **475** | 487 |
| | **4,073** | 2,001 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Operating results

The turnover of the Group for the six months ended 30 June 2010 (the "Period") was approximately HK$1.3 million (six months ended 30 June 2009 : HK$1.8 million) representing a decrease of 27.8% as compared with the corresponding period in 2009.

The net loss for the Period was approximately HK$10.5 million (six months ended 30 June 2009: HK$10.1 million) representing a decrease of 4.0%.

### Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials has declined from approximately HK$258,000 for the six months ended 30 June 2009 to approximately HK$121,000 for the Period representing a reduction of 53.1%, primarily due to the loss of a major China customer during the Period. 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

During the Period, the total turnover arising from the activities of this sector was approximately HK$385,000 (six months ended 30 June 2009: HK$1,070,000), of which the trading of recyclable plastic materials accounted for approximately HK$123,000 (six months ended 30 June 2009: HK$297,000), while the re-compressing and other related services have achieved a turnover of approximately HK$262,000 ((six months ended 30 June 2009: HK$773,000). Such significant decreased in turnover mainly due to the down turn of the re-compressing and other relevant services, in which one of the major customers terminated its services with the Company.

### Generators

Members of our technical staff are still engaged in researching and developing power generators equipped with Electronic Fuel Injection, Computer Controlled Carburetion, Digital Inverter and Multi-Fuel capabilities. Such program has not been finalized and/ or ready for commercial launch. The Company has reservation about the continuing commercial viability of our activities in this sector and its ability to generate positive income in the near future.

### Waste construction materials and waste processing provision

The main business focus of this sector involves the collection and recycling of waste construction materials and the provision of waste management services. The turnover arising from this sector was HK$816,000 ((six months ended 30 June 2009: HK$462,000), and the growth is quite promising.

## FINANCIAL REVIEW

### Liquidity and financial resources

At 30 June 2010, the Group had total current assets of approximately HK$68.0 million (31 December 2009: HK$39.4 million) and total current liabilities approximately HK$0.6 million (31 December 2008: HK$3.9 million). The current ratio of the Group was 113.3 (31 December 2009: 10.1). The Group has sufficient fund to settle its debts.

At 30 June 2010, the Group had total assets of approximately HK$85.9 million (31 December 2009: HK$60.1 million). The gearing ratio, calculated by dividing the total debts over its total assets was 0.7% (31 December 2009: 6.5%).

## CAPITAL COMMITMENTS

During the Period, the Group had no significant capital commitment (six months ended 30 June 2009: HK$856,000) was contracted for but not provided in the condensed consolidated financial statements.

## CONTINGENT LIABILITIES

At 30 June 2010, the Group did not have any material contingent liabilities (six months ended 30 June 2009: Nil).

## FUTURE PROSPECTS

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

The company will continue its focus on renewable energy business, such as Jatropha plantation and biodiesel business, as to which the company has started commercial cultivation since last year. The Company will continue to seek co-operation from other interested parties in this field.

During the Period, the Company has negotiated with two separate companies for the purpose of acquiring mining rights in The Philippines. No formal sale and purchase agreement has been signed in respect of such transactions. Details of both transactions appear in the Company's announcements dated 24 December 2009, 22 January 2010, 18 February 2010, 1 June 2010, 22 July 2010, 9 August 2010 and the circular dated 31 March 2010 and 24 August 2010 that remain posted on the websites maintained by the Company and the Stock Exchange.

## EMPLOYEE

As at 30 June 2010, the Group had 28 employees (six months ended 30 June 2010: 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

The interim report is 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, 27 August 2010

*As at the date hereby, the executive directors of the Company are Mr. Yip Wai Leung Jerry and Mr. Fan Xiaomin; 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 purpose only*