GREEN ENERGY GROUP LIMITED
綠色能源科技集團有限公司*

(Incorporated in the Bermuda with limited liability)
(Stock Code: 979)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The directors (the "Director") 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 2010 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Revenue	3	**2,223**	4,299
Changes in inventories of finished goods		**(749)**	(1,140)
Other income and gains	5	**1,991**	436
Gain arising from changes in fair value of biological assets less costs to sell		**923**	–
Gain on deregistration of a subsidiary		**–**	2,677
Staff costs		**(7,521)**	(10,661)
Depreciation and amortisation		**(3,211)**	(4,674)
Other expenses		**(10,825)**	(14,159)
Impairment loss on other intangible assets		**–**	(4,020)
Impairment loss on property, plant and equipment		**(711)**	(9,951)
Loss before income tax	6	**(17,880)**	(37,193)
Income tax expense	7	**–**	–
Loss for the year attributable to the owners of the Company		**(17,880)**	(37,193)

* *For identification only*

	Notes	2010 HK$'000	2009 HK$'000
Other comprehensive income:			
Exchange differences on translation of financial statements of foreign operations		**1,056**	(156)
Release of exchange reserve upon deregistration of a subsidiary		**–**	259
Other comprehensive income for the year		**1,056**	103
Total comprehensive income for the year attributable to the owners of the Company		**(16,824)**	(37,090)
Loss per share – Basic	9	**HK4.13 cents**	HK10.81 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**19,805**	17,740
Biological assets		**4,457**	2,965
Goodwill		**–**	–
Other intangible assets		**–**	–
Deposit for a business acquisition		**30,000**	–
		54,262	20,705
Current assets			
Inventories	10	**1,151**	945
Trade receivables	11	**4**	89
Prepayments, deposits and other receivables		**1,796**	18,739
Loan receivables		**16,260**	–
Bank balances and cash		**6,906**	19,649
		26,117	39,422
Current liabilities			
Trade payables	12	**528**	871
Accruals and other payables		**2,182**	2,047
Provision for income tax		**987**	987
		3,697	3,905
Net current assets		**22,420**	35,517
Total assets less current liabilities/Net assets		**76,682**	56,222
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**44,303**	37,438
Reserves		**32,379**	18,784
Total equity		**76,682**	56,222

NOTES:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collectively includes all applicable individual Hong Kong Financial Reporting Standard, Hong Kong Accounting Standard ("HKAS") and Interpretation ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(b) Basis of measurement

The financial statements have been prepared under historical cost convention except for the biological assets which are carried at fair value less cost to sell.

(c) Functional and presentation currency

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2010

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2010:

HKFRSs (Amendments)	Improvements to HKFRSs 2009
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations

The adoption of the above new/revised standards and interpretations has no material impact on how the results and financial positions of the Group have been prepared and presented for the current and prior periods. Accordingly, no prior period adjustment is required.

(b) New/Revised HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, the following new/revised HKFRSs have been published, but are not yet effective, and have not been adopted early by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[2&3]
Amendments to HKAS 32	Classification of Rights Issues[1]
HKAS 24 (Revised)	Related Party Disclosures[3]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[5]

[1] Effective for annual periods beginning on or after 1 February 2010

[2] Effective for annual periods beginning on or after 1 July 2010

[3] Effective for annual periods beginning on or after 1 January 2011

[4] Effective for annual periods beginning on or after 1 July 2011

[5] Effective for annual periods beginning on or after 1 January 2013

Further information about those changes that may have impact to the Group is as follows:

The HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 7, HKAS 1 and HKAS 34 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

3. REVENUE

Revenue derived from the principal activities of the Group, which is also the turnover, is recognised during the year as follows:

	2010	2009
	HK$'000	HK$'000
Trading of bio-cleaning materials	**293**	703
Trading of generators	**–**	16
Trading of recyclable plastic materials	**231**	679
Trading of waste construction materials	**640**	286
Provision of relevant services in respect of recyclable plastic materials	**500**	1,704
Provision of waste processing services	**559**	911
	2,223	4,299

4. SEGMENT INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker (i.e. most senior executive management) for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments. In prior years, segment information reported internally was analysed solely on the basis of: a) construction contracts and b) distributions, trading and service provision. In consistence with the Group's policy in advocating the development of business in renewable energy, information reported to the most senior executive management during the year ended 31 December 2010 has been changed. Essentially information on distribution, trading and service provision is further detailed and management has focused more on the category of products/services offered in the environmental protection and recycling business as well as the renewable energy business. Comparatives figures have been re-presented to conform with the current year's presentation.

Construction contracts	–	Provision of construction works
Bio-cleaning materials	–	Trading of bio-cleaning materials
Generators	–	Trading of generators
Recyclable plastic materials and relevant services	–	Trading of recyclable plastic materials and provision of relevant services
Waste construction materials and waste processing provision	–	Trading of waste construction materials and waste processing provision
Renewable energy	–	Jatropha plantation and production and trading of biodiesel

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Reportable segment results exclude corporate income and expenses from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of corporate assets, including bank balances and cash and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade payables, accruals and other payables and other liabilities directly attributable to the business activities of operating segments, and exclude corporate liabilities and tax liabilities.

Segment information about these businesses is presented below:

Segment revenue and results

2010

	Construction contracts *HK$'000*	Bio-cleaning materials *HK$'000*	Generators *HK$'000*	Recyclable plastic materials and relevant services *HK$'000*	Waste construction materials and waste processing provision *HK$'000*	Renewable energy *HK$'000*	Total *HK$'000*
REVENUE							
Sales to external customers	**–**	**293**	**–**	**731**	**1,199**	**–**	**2,223**
RESULTS							
Segment results	**–**	**(322)**	**(2,712)**	**(3,097)**	**(3,907)**	**(2,748)**	**(12,786)**
Unallocated corporate expenses							**(7,085)**
Other income and gains							**1,991**
Loss before income tax							**(17,880)**

2009

	Construction contracts *HK$'000*	Bio-cleaning materials *HK$'000* (Restated)	Generators *HK$'000* (Restated)	Recyclable plastic materials and relevant services *HK$'000* (Restated)	Waste construction materials and waste processing provision *HK$'000* (Restated)	Renewable energy *HK$'000* (Restated)	Eliminations *HK$'000*	Total *HK$'000*
REVENUE								
Sales to external customers	–	703	16	2,383	1,197	–	–	4,299
Inter-segment sales	–	–	–	255	–	–	(255)	–
RESULTS								
Segment results	(516)	(4,846)	(10,648)	(3,187)	(10,172)	(3,480)		(32,849)
Unallocated corporate expenses								(7,457)
Gain on deregistration of a subsidiary								2,677
Other income and gains								436
Loss before income tax								(37,193)

Segment assets, segment liabilities and other segment information

2010

	Construction contracts	Bio-cleaning materials	Generators	Recyclable plastic materials and relevant services	Waste construction materials and waste processing provision	Renewable energy	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS							
Segment assets	–	369	305	746	8,218	14,988	24,626
Unallocated corporate assets							55,753
Consolidated total assets							80,379
LIABILITIES							
Segment liabilities	–	–	50	2	179	33	264
Unallocated corporate liabilities							2,446
Tax liabilities							987
Consolidated total liabilities							3,697

	Construction contracts	Bio-cleaning materials	Generators	Recyclable plastic materials and relevant services	Waste construction materials and waste processing provision	Renewable energy	Corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION								
Addition to non-current assets	–	–	14	78	–	6,747	30,226	37,065
Depreciation	–	80	120	1,017	1,429	141	424	3,211
Inventories write-off	–	–	354	–	–	–	–	354
Impairment loss on property, plant and equipment	–	–	–	711	–	–	–	711
Allowance for doubtful debts	–	–	–	–	–	–	23	23
Gain arising from changes in fair value of biological assets less costs to sell	–	–	–	–	–	(923)	–	(923)
Loss on disposals of property, plant and equipment	–	–	15	–	–	–	–	15

Segment assets, segment liabilities and other segment information

2009

	Construction contracts HK$'000	Bio-cleaning materials HK$'000 (Restated)	Generators HK$'000 (Restated)	Recyclable plastic materials and relevant services HK$'000 (Restated)	Waste construction materials and waste processing provision HK$'000 (Restated)	Renewable energy HK$'000 (Restated)	Total HK$'000
ASSETS							
Segment assets	–	652	1,411	2,040	10,493	7,532	22,128
Unallocated corporate assets							37,999
Consolidated total assets							60,127
LIABILITIES							
Segment liabilities	–	2	123	129	305	176	735
Unallocated corporate liabilities							2,183
Tax liabilities							987
Consolidated total liabilities							3,905

	Construction contracts HK$'000	Bio-cleaning materials HK$'000 (Restated)	Generators HK$'000 (Restated)	Recyclable plastic materials and relevant services HK$'000 (Restated)	Waste construction materials and waste processing provision HK$'000 (Restated)	Renewable energy HK$'000 (Restated)	Corporate HK$'000	Total HK$'000
OTHER INFORMATION								
Addition to non-current assets	–	6	884	401	9	7,363	229	8,892
Depreciation and amortisation	2	1,043	615	973	1,543	161	337	4,674
Reversal of write-down of inventories	(246)	–	–	–	–	–	–	(246)
Share-based payment expenses	–	–	1,012	–	–	–	5,195	6,207
Bad debts written off	26	–	–	–	–	–	–	26
Allowance for doubtful debts	–	–	–	–	–	–	24	24
Impairment loss on other intangible assets	–	3,124	896	–	–	–	–	4,020
Impairment loss on property, plant and equipment	–	–	2,316	1,571	5,293	–	771	9,951
Gain on deregistration of a subsidiary	(2,677)	–	–	–	–	–	–	(2,677)
Loss on disposals of property, plant and equipment	1	–	–	11	118	–	–	130

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC"), excluding Hong Kong and Germany. The Group's revenue from external customers by geographical markets, determined based on the location of customers, operations, and information about its non-current assets by geographical location, determined based on the location of the assets, are detailed below:

	Revenue from external customers		**Non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,024**	3,102	**35,828**	2,744
The PRC, excluding Hong Kong	**–**	–	**10,257**	7,663
Germany	**1,199**	1,197	**8,177**	10,298
	2,223	4,299	**54,262**	20,705

Information about major customers

Revenue from the major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follows:

	2010	2009
	HK$'000	*HK$'000*
Customer A*	**–[1]**	1,227
Customer B^	**354**	837
Customer C^	**288**	–[1]
Customer D^	**260**	–[1]
	902	2,064

1 The corresponding revenue contribute less than 10% of total revenue of the Group.

* Included in the segment of recyclable plastic materials and relevant services and is located in Hong Kong.

^ Included in the segment of waste construction materials and waste processing provision and is located in Germany.

5. OTHER INCOME AND GAINS

	2010	2009
	HK$'000	*HK$'000*
Bank interest income	**12**	95
Other interest income arising from loans and advances	**1,146**	–
Net exchange gain	**–**	279
Sundry income	**833**	62
	1,991	436

6. LOSS BEFORE INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment	**3,398**	3,652
Less: amount capitalised in biological assets	**(187)**	–
Depreciation charged to profit or loss	**3,211**	3,652
Amortisation of other intangible assets	**–**	1,022
Total depreciation and amortisation expense	**3,211**	4,674
Auditors' remuneration	**520**	520
Minimum lease payments for operating leases in respect of land and buildings	**1,637**	1,663
Research and development expenditure	**145**	240
Net exchange loss/(gain)	**1,206**	(279)
Allowance for doubtful debts	**23**	24
Bad debts written off	**–**	26
Inventories write-off/(Reversal of write-down of inventories)^	**354**	(246)
Staff costs including directors' remuneration		
Salaries and allowances	**7,163**	7,573
Retirement benefit scheme contributions#	**358**	685
Share-based payment to employees	**–**	2,403
	7,521	10,661
Share-based payment to non-employees	**–**	3,804
Losses on disposals of property, plant and equipment	**15**	130

^ included in "changes in inventories of finished goods" in the consolidated statement of comprehensive income

defined contribution schemes

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising in or derived from Hong Kong for both years.

PRC foreign enterprise income tax has not been provided as the PRC subsidiaries incurred a loss for taxation purposes for both years.

No provision for corporate income tax has been made for the subsidiaries operated in Germany as these subsidiaries incurred a loss for taxation purposes for both years.

8. DIVIDEND

For both years, no dividend was paid or proposed, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to the owners of the Company	**17,880**	37,193

	2010	2009
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**432,644**	344,145

Diluted per share amount for the years ended 31 December 2010 and 2009 have not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for both years.

10. INVENTORIES

	2010	2009
	HK$'000	*HK$'000*
Recyclable plastic materials	**510**	120
Bio-cleaning materials	**264**	390
Bio-fuel materials	**377**	–
Generators	**–**	435
	1,151	945

For the year ended 31 December 2009, the Group reversed inventory previously written-down amounting to HK$246,000 as the Group sold the inventories to third parties.

11. TRADE RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**4**	720
Less: allowance for doubtful debts	**–**	(631)
	4	89

The Group allows a credit period of 90 days to its trade customers. The following is an ageing analysis (based on due date) of trade receivables net of allowance for doubtful debts at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
0 – 90 days	**1**	89
91-180 days	**3**	–
	4	89

The movement in the allowance for doubtful debts is as follows:

	2010	2009
	HK$'000	*HK$'000*
At 1 January	**631**	2,053
Uncollectible amounts written off	**(631)**	(1,422)
At 31 December	**–**	631

12. TRADE PAYABLES

The following is an ageing analysis (based on invoice date) of the Group's trade payables at the reporting date:

	2010	2009
	HK$'000	*HK$'000*
0 – 90 days	**3**	321
91 – 180 days	**–**	34
181 – 365 days	**9**	–
Over 365 days	**516**	516
	528	871

The average credit period on purchase of goods is 60 days (2009: 60 days).

The Group's trade payables as at 31 December 2010 and 2009 included retention payables to suppliers in respect of construction contracts amounting to HK$516,000.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's total revenue for the year ended 31 December 2010 ("FY2010") was approximately HK$2.2 million (FY2009: HK$4.3 million) representing an decrease of 48.8% as compared with that for the year ended 31 December 2009 ("FY2009").

The revenue arsing from the activities of bio-cleaning sector for the FY2010 was approximately HK$0.3 million (FY2009: HK$0.7 million) representing a decrease of 57.1% as compared with that for FY2009.

The revenue arising from trading of recyclable plastic material and relevant service sectors for FY2010 was approximately HK$0.7 million (FY2009: HK$2.4 million) representing a decrease of 70.8% as compared with that for FY2009. The revenue from this sector comprised approximately HK$0.2 million (2009: HK$0.7 million) from trading of recyclable plastic material, while re-compressing and other related services have achieved a revenue of approximately HK$0.5 million (2009: HK$1.7 million).

The revenue arising from waste construction materials and waste processing services sector for FY2010 was approximately HK$1.2 million (2009: HK$1.2 million).

There was no trading of generators for FY2010 (FY2009: HK$0.02 million), as the Group had shifted its business focus on the research and development of electronic control devices. A new research team was set up in FY2010, but no new product is available.

General and administrative expenses, which included staff costs, legal and professional fees, amortisation and general administrative expenses, decreased by 48.7% from approximately HK$43.5 million in FY2009 to HK$22.3 million in FY2010.

During FY2010 the Group recorded a net loss of approximately HK$17.9 million as against a net loss of approximately HK$37.2 million for FY2009. The net loss of approximately HK$17.9 million included impairment loss on property and equipment of approximately HK$0.7 million, and gain arising from changes in fair value less costs to sell of biological assets of approximately HK$0.9 million. Excluding such gain and loss, the Group had incurred a loss of approximately HK$18.1 million in FY2010 (FY2009: HK$17 million). After excluding these non-cash expenses the general and administrative expenses has been decreased by 6.5% in FY2010 as compared with FY2009. Such decrease in expenses is mainly due to the tight control overhead.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010 the Group had total current assets of approximately HK$26.1 million (As at 31 December 2009: 39.4 million) while total current liabilities were approximately HK$3.7 million (As at 31 December 2009: HK$3.9 million). The current ratio of the Group was 705% (As at 31 December 2009: 1,010%). The Group has sufficient fund to settle its debts.

As at 31 December 2010 the Group had total assets of approximately HK$80.4 million (As at 31 December 2009: HK$60.1 million). The gearing ratio, calculated by dividing the total debts over its total assets were 4.6% (As at 31 December 2009: 6.5%).

BUSINESS REVIEW

Construction contractor

The Group has ceased all activities in this business sector since the second half year of FY2009.

Recyclable materials and relevant services

Although a trading subsidiary of the Group received an official licence of registration for overseas supplier enterprise of imported solid wastes as raw materials issued by the General Administration of Quality Supervision Inspection and Quarantine of the People's Republic of China ("AQSIQ") and consequently was able to engage in business activities of trading recyclable materials with the mainland Chinese recyclers, it subsequently transpired that Chinese customers preferred to use their own channels for the importation of recyclable plastic materials into the Chinese territories, rather than through the medium of AQSIQ. As a result, the Group was unable to generate any income by taking advantage of the licence issued by AQSIQ, although the Group continued to engage in local trading activities. In addition, the Group continued to deploy existing machines and equipment for the provision of re-compressing and other ancillary services to local customers and, for this reason, the Group does not anticipate any significant change in the near future.

Waste construction materials

This sector began to generate revenue in the later part of year 2008. There was a significant growth in FY2009 and in FY2010 the level of revenue remained relatively stable. That said, it is believed that through good reputation established and quality of products supplied over the years this sector will continue and result in reasonable return to the Group in the near future.

Bio-cleaning products

In FY2010 PRC customers have ceased to place orders for our products and all revenues from this business sector were generated in Hong Kong only. The overall reaction of customers is that the products are extremely good and effective but too expensive, even though they have been certified to be environmentally safe. For this reason, the management has adopted a sale policy to only target those customers who demonstrate serious environmental concern in the conduct of their business. The management is confident in the efficacy of our products and will continue to promote such in Hong Kong and other regions.

Research and Development in Electronic Control Units

A new technical team has been formed to research and develop a device that enables power generators and comparable machines to be equipped with Electronic Fuel Injection, Computer Controlled Carburetion, Digital Inverter and Multi-Fuel capacities. No revenue is expected during the stage of the research and development.

Renewable energy

The Group continues to maintain its business focus on the development of business in renewable energy and, to that end, has engaged in the cultivation of Jatropha since FY2009. The Group is currently looking for potential strategic business partners with a view to engaging in commercial plantation of Jatropha crops and the production of biodiesel and other by-products in the future.

MATERIAL ACQUISITION

There was no material acquisition or disposal of the Company's subsidiaries and associated companies during the year ended 31 December 2010.

CONTINGENT LIABILITIES

As at 31 December 2010 the Group did not have any material contingent liabilities (2009: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2010 the Group had 28 employees (2009: 36 employees) in Hong Kong, the PRC and Germany. The decrease in the number of employees was due to the restructuring of business and subsidiaries in the PRC.

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

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

FUTURE PROSPECTS

On 30 November 2010 the Company entered into a conditional agreement with all shareholders of Gioberto Limited, whereby the Company agreed to acquire ("Prospoſed Acquisition") the entire issued shares of Gioberto Limited, which is the holding company of 100% equity interest in Altamina Exploration & Resources Incorporated ("**Altamina**"), a Philippine company that has been granted the exclusive rights to explore, mine, utilize, process and refine minerals and mineral products and other by-products in certain mining areas undera financial or technical assistance agreement made between Altamina and the Republic of the Philippines. As at the date of this announcement, the announcement in respect of the Proposed Acquisition has not been published. Please refer to the announcement to be published by The Company for details of the Proposed Acquisition soon.

Regardless of the outcome of the Proposed Acquisition, the Group will continue to expend efforts on its existing businesses and will continue to seek attractive business and investment opportunities with a view to generating positive cash flow and earnings for the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

Code Provision A.2.1 stipulated that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The role of the chief executive officer was performed by Mr. Yip Wai Leung Jerry, who was also the chairman of the Company after Dr. Wong Yun Kuen resigned as the executive director and chairman of the Company on 19 May 2010. 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 stipulated that non-executive directors should be appointed for a specific term. However, all non-executive directors were subject to the retirement and rotation requirements in accordance with the Company's Bye-laws. The Company believes that the fixing of Directors' tenure by Bye-laws and the shareholders right to re-elect retiring Directors serves to safeguard the long term interest of the Company, and such provisions are not less exacting than those in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquired of all Directors, that they have fully complied with the required standard set out in the Model Code throughout the year under review.

AUDIT COMMITTEE

The audit committee comprises all three independent non-executive directors namely, Mr. So Yin Wai, Mr. Chan Kai Yung Ronney and Ms. Zhu You Chun. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2010.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2010 containing all the information required by the Listing Rules also be available at the Company's and the Stock Exchange's website will be dispatched to the Company's shareholders in due course.

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

By order of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 30 March 2011

As at the date of this announcement, the Company has two executive Directors, namely Mr. Yip Wai Leung Jerry and Mr. Fan Xiaomin and three independent non-executive Directors, namely Mr. So Yin Wai, Mr. Chan Kai Yung Ronney and Ms Zhu You Chun.