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 2011

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 2011 together with comparative figures for last year as follows:

* *For identification only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Revenue	4	**3,508**	2,223
Changes in inventories of finished goods		**(975)**	(749)
Other income	5	**1,253**	1,991
(Loss)/Gain arising from changes in fair value of biological assets less costs to sell		**(722)**	923
Staff costs		**(10,918)**	(7,521)
Depreciation		**(3,048)**	(3,211)
Other expenses		**(13,835)**	(10,825)
Impairment loss on a deposit paid for a business acquisition and interest thereon	11	**(30,727)**	–
Impairment loss on property, plant and equipment		**(749)**	(711)
Loss before income tax	6	**(56,213)**	(17,880)
Income tax expense	7	**–**	–
Loss for the year		**(56,213)**	(17,880)
Other comprehensive income:			
Exchange differences on translation of financial statements of foreign operations		**1,261**	1,056
Other comprehensive income for the year		**1,261**	1,056
Total comprehensive income for the year		**(54,952)**	(16,824)
Loss per share – Basic and diluted (HK cents per share)	9	**(12.69)**	(4.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**16,026**	19,805
Biological assets		**4,272**	4,457
Intangible assets	10	**–**	–
Deposit for a business acquisition	11	**–**	30,000
		20,298	54,262
Current assets			
Inventories	12	**413**	1,151
Trade receivables	13	**77**	4
Prepayments, deposits and other receivables		**2,031**	1,796
Loan receivables		**251**	16,260
Cash and cash equivalents		**10,941**	6,906
		13,713	26,117
Current liabilities			
Trade payables	14	**531**	528
Accruals and other payables		**2,279**	2,182
Provision for income tax		**987**	987
		3,797	3,697
Net current assets		**9,916**	22,420
Total assets less current liabilities/Net assets		**30,214**	76,682
EQUITY			
Share capital		**44,303**	44,303
Reserves		**(14,089)**	32,379
Total equity		**30,214**	76,682

NOTES:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (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$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

2. ADOPTION OF NEW OR REVISED HKFRSs

(a) New HKFRSs – effective 1 January 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of the above new/revised standards and interpretations has no material impact on the financial statements of the Group.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has revised its accounting policy for the identification of its related parties and has reassessed counterparties of transactions in accordance with the revised definition. The reassessment did not result in new related parties being identified. Related parties identified in prior years remain unchanged under the new accounting policy and the Group concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous years.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(b) New/Revised HKFRSs – issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets [1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities [3]
Amendments to HKFRS 1 (Revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income [2]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities [4]
HKFRS 9	Financial Instruments [5]
HKFRS 10	Consolidated Financial Statements [3]
HKFRS 12	Disclosure of Interests in Other Entities [3]
HKFRS 13	Fair Value Measurement [3]
HKAS 27 (2011)	Separate Financial Statements [3]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 July 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2014
[5] Effective for annual periods beginning on or after 1 January 2015

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

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the 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.

Amendments to HKAS 1 (Revised) – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, and entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current de-recognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option. For these fair value option liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the fair value option are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

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. 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:

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 services	–	Trading of waste construction materials and provision of waste processing services
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 interest income and corporate income and expenses from the Group's 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 for each of them is different.

Segment assets include all assets with the exception of corporate assets, including cash and cash equivalents 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

2011

	Bio-cleaning materials	Generators	Recyclable plastic materials and relevant services	Waste construction materials and waste processing services	Renewable energy	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
Sales to external customers	**292**	**13**	**977**	**2,208**	**18**	**3,508**
RESULTS						
Segment results	**(163)**	**(7,927)**	**(1,423)**	**(2,607)**	**(5,174)**	**(17,294)**
Impairment loss on a deposit paid for a business acquisition and interest thereon						**(30,727)**
Unallocated corporate expenses						**(9,445)**
Other income						**1,253**
Loss before income tax						**(56,213)**

2010

	Bio-cleaning materials	Generators	Recyclable plastic materials and relevant services	Waste construction materials and waste processing services	Renewable energy	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'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						1,991
Loss before income tax						(17,880)

Segment assets, segment liabilities and other segment information

2011

	Bio-cleaning materials	**Generators**	**Recyclable plastic materials and relevant services**	**Waste construction materials and waste processing services**	**Renewable energy**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
ASSETS						
Segment assets	**306**	**315**	**168**	**6,815**	**14,402**	**22,006**
Unallocated corporate assets						**12,005**
Consolidated total assets						**34,011**
LIABILITIES						
Segment liabilities	**–**	**136**	**2**	**163**	**74**	**375**
Unallocated corporate liabilities						**2,435**
Tax liabilities						**987**
Consolidated total liabilities						**3,797**

	Bio-cleaning materials HK$'000	Generators HK$'000	Recyclable plastic materials and relevant services HK$'000	Waste construction materials and waste processing services HK$'000	Renewable energy HK$'000	Corporate HK$'000	Total HK$'000
OTHER INFORMATION							
Additions to non-current assets	**1**	**3**	**–**	**10**	**448**	**154**	**616**
Depreciation	**29**	**35**	**–**	**1,466**	**1,632**	**131**	**3,293**
Write-down of inventories to net realisable value	**–**	**–**	**–**	**–**	**117**	**–**	**117**
Equity-settled share-based payment expenses	**–**	**3,062**	**–**	**–**	**230**	**5,192**	**8,484**
Impairment loss on a deposit paid for a business acquisition and interest thereon	**–**	**–**	**–**	**–**	**–**	**30,727**	**30,727**
Impairment loss on property, plant and equipment	**–**	**–**	**–**	**–**	**749**	**–**	**749**
Loss arising from changes in fair value of biological assets less costs to sell	**–**	**–**	**–**	**–**	**722**	**–**	**722**
(Gain)/Loss on disposals of property, plant and equipment	**–**	**–**	**(60)**	**75**	**–**	**–**	**15**

2010

	Bio-cleaning materials HK$'000	Generators HK$'000	Recyclable plastic materials and relevant services HK$'000	Waste construction materials and waste processing services HK$'000	Renewable energy HK$'000	Total HK$'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

	Bio-cleaning materials *HK$'000*	Generators *HK$'000*	Recyclable plastic materials and relevant services *HK$'000*	Waste construction materials and waste processing services *HK$'000*	Renewable energy *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
OTHER INFORMATION							
Additions to non-current assets	–	14	78	–	6,747	30,226	37,065
Depreciation	80	120	1,017	1,429	328	424	3,398
Write-down of inventories to net realisable value	–	354	–	–	–	–	354
Allowance for doubtful debts	–	–	–	–	–	23	23
Impairment loss on property, plant and equipment	–	–	711	–	–	–	711
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

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, 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**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,300**	1,024	**4,575**	5,828
The PRC (excluding Hong Kong)	**–**	–	**9,229**	10,257
Germany	**2,208**	1,199	**6,494**	8,177
	3,508	2,223	**20,298**	24,262

Information about major customers

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

	2011	2010
	HK$'000	*HK$'000*
Customer A^	**1,075**	354
Customer B^	**632**	288
Customer C^	**–**[1]	260
	1,707	902

[1] Revenue from Customer C contributes less than 10% of total revenue of the Group in 2011.

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

4. REVENUE

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

	2011	2010
	HK$'000	*HK$'000*
Trading of bio-cleaning materials	**292**	293
Trading of recyclable plastic materials	**858**	231
Trading of waste construction materials	**536**	640
Trading of biodiesel	**18**	–
Trading of generators	**13**	–
Provision of relevant services in respect of recyclable plastic materials	**119**	500
Provision of waste processing services	**1,672**	559
	3,508	2,223

5. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Bank interest income	**22**	12
Interest income on a deposit paid for a business acquisition	**727**	–
Interest income arising from loans and advances	**478**	1,146
Sundry income	**26**	833
	1,253	1,991

6. LOSS BEFORE INCOME TAX

	2011	2010
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment	**3,293**	3,398
Less: amount capitalised in biological assets	**(245)**	(187)
Depreciation charged to profit or loss	**3,048**	3,211
Auditor's remuneration	**540**	520
Minimum lease payments for operating leases in respect of land and buildings	**1,572**	1,637
Research and development expenditure	**2**	145
Net exchange losses	**1,031**	1,206
Allowance for doubtful debts	**–**	23
Write-down of inventories to net realisable value^	**117**	354
Staff costs including directors' remuneration		
Salaries and allowances	**6,718**	7,163
Retirement benefit – defined contribution scheme	**321**	358
Equity-settled share-based payment to directors and employees	**3,879**	–
	10,918	7,521
Equity-settled share-based payment to non-employees	**4,605**	–
Losses on disposals of property, plant and equipment	**15**	15

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

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 losses 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 losses for taxation purposes for both years.

Reconciliation between income tax expense and accounting loss at applicable tax rates is as follows:

	2011	2010
	HK$'000	*HK$'000*
Loss before income tax	**(56,213)**	(17,880)
Tax on loss at the rates applicable to the jurisdictions concerned	**(9,581)**	(3,034)
Tax effect of non-deductible expenses	**7,283**	2,466
Tax effect of non-taxable income	**(4)**	(769)
Tax effect of tax losses not recognised	**2,565**	1,756
Tax effect of other temporary differences not recognised	**(263)**	(419)
Income tax expense	**–**	–

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:

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss for the year	**(56,213)**	(17,880)

	2011	2010
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**443,032**	432,644

No adjustment has been made to the basic loss per share as the outstanding share options had an anti-dilutive effect on the basic loss per share for both years.

10. INTANGIBLE ASSETS

The Group holds two exclusive distribution rights granted from third parties to distribute those third parties' cleaning materials in specific Asian countries and generators in countries other than the PRC (excluding Hong Kong) for a period of twelve years commencing from 1 January 2005 and a period of ten years commencing from 5 November 2007 respectively.

The Directors reviewed the carrying amounts of the Group's exclusive distribution rights and considered that it is uncertain whether future economic benefits will be derived and therefore, the distribution rights were fully impaired in previous years.

11. DEPOSIT FOR A BUSINESS ACQUISITION

	2011	2010
	HK$'000	*HK$'000*
Deposit for a business acquisition	**30,000**	30,000
Less: provision for impairment	**(30,000)**	–
	–	30,000

On 30 November 2010, the Group entered into a conditional sale and purchase agreement (the "Acquisition Agreement") with independent third parties (the "Vendors") for an acquisition (the "Proposed Acquisition") of the entire issued shares in, and the entire shareholders' loan due from, Gioberto Limited ("Gioberto"). As at 31 December 2010, an amount of HK$30,000,000 was paid by the Group as a deposit for the Proposed Acquisition.

Gioberto, through its wholly-owned subsidiary, namely Altamina Exploration & Resources Incorporated ("Altamina") (together with Gioberto referred to as "the Target Group") which is incorporated in the Republic of the Philippines (the "Philippines") and is principally engaged in the exploration of magnetite sand/iron ore in the Phillippines, has been awarded a Financial or Technical Assistance Agreement ("FTAA") by the Government of the Philippines to enable it to undertake large-scale exploration, development and utilisation of minerals covering an area of approximately 9,588 hectares located in the Provinces of Ilocos Sur, Ilocos Norte and Pangasinan in the Philippines.

Notwithstanding the expiry of the long stop date on 30 June 2011 as prescribed by the Acquisition Agreement, and the announcement made by the Company confirming expiry of long stop date on 22 August 2011, the Group continued to negotiate with the Vendors in respect of the Proposed Acquisition.

In accordance with the Acquisition Agreement, when the Proposed Acquisition could not be completed by the long stop date, the deposit becomes interest-bearing at 5% per annum starting from the five business day after long stop date. Interest accrued since the long stop date up to 31 December 2011 amounted to approximately HK$727,000.

The deposit is secured by a first fixed legal charge over the entire issued share capital of Gioberto.

Having investigated the assets owned by Gioberto by the management in 2012, the Company decided to discontinue the negotiation with the Vendors in relation to the Proposed Acquisition and would take steps in enforcing the security constituted by the charge in share of Gioberto.

The Vendors have failed to return the deposit up to the date of these financial statements. In addition, there is significant uncertainty as to the financial ability of the Vendors in repaying the deposit plus interest accrued thereon. As a result, having considered the value of the security underlying the deposit, the directors consider the deposit paid amounting to HK$30,000,000 and interest accrued thereon amounting to approximately HK$727,000 up to 31 December 2011 have been fully impaired. Accordingly, provision for impairment loss of approximately HK$30,727,000 has been made in the financial statements for the year ended 31 December 2011.

12. INVENTORIES

	2011	2010
	HK$'000	*HK$'000*
Recyclable plastic materials	**–**	510
Bio-cleaning materials	**197**	264
Bio-fuel materials	**216**	377
	413	1,151

13. TRADE RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**77**	4
Less: allowance for doubtful debts	**–**	–
	77	4

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:

	2011	2010
	HK$'000	*HK$'000*
0 – 90 days	**74**	1
91-180 days	**–**	3
Over 365 days	**3**	–
	77	4

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

	2011	2010
	HK$'000	*HK$'000*
At 1 January	**–**	631
Uncollectible amounts written off	**–**	(631)
At 31 December	**–**	–

14. TRADE PAYABLES

Ageing analysis (based on invoice date) of the Group's trade payables at the reporting date is as follows:

	2011	2010
	HK$'000	*HK$'000*
0 – 90 days	**4**	3
181 – 365 days	**–**	9
Over 365 days	**527**	516
	531	528

Average credit period on purchase of goods is 60 days (2010: 60 days).

The Group's trade payables as at 31 December 2011 and 2010 included retention payables to suppliers in respect of construction contracts amounting to approximately HK$516,000.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's total revenue for the year ended 31 December 2011 ("FY2011") was approximately HK$3.5 million (FY2010: approximately HK$2.2 million) representing an increase of approximately 59.1% as compared with that for the year ended 31 December 2010 ("FY2010").

The revenue arising from the activities of bio-cleaning materials sector for the FY2011 remained steady and was approximately HK$0.3 million (FY2010: approximately HK$0.3 million).

The revenue arising from trading of recyclable plastic materials and relevant services sector for FY2011 was approximately HK$1.0 million (FY2010: approximately HK$0.7 million) representing an increase of approximately 42.9% as compared with that for FY2010. The revenue from this sector comprised approximately HK$0.9 million (FY2010: approximately HK$0.2 million) from trading of recyclable plastic materials, while re-compressing and other related services have achieved a revenue of approximately HK$0.1 million (FY2010: approximately HK$0.5 million).

The revenue arising from waste construction materials and waste processing services sector for FY2011 was approximately HK$2.2 million (FY2010: approximately HK$1.2 million) representing an increasing of approximately 83.3% as compared with that for FY2010.

The revenue arising from trading of generators for FY2011 was approximately HK$13,000 (FY2010: Nil). Such revenue only arised from selling parts of the self developed generator. A new research and development team has been set up and has finalized one model near the end of this year, and it is expected that this model will be released to the market in 2012.

General and administrative expenses, which included staff costs, legal and professional fees, impairment loss, depreciation and general administrative expenses, increased by approximately 165.9% from approximately HK$22.3 million in FY2010 to approximately HK$59.3 million in FY2011.

During FY2011 the Group recorded a net loss of approximately HK$56.2 million as against a net loss of approximately HK$17.9 million for FY2010. The net loss of approximately HK$56.2 million for FY2011 included impairment loss on a deposit paid for a business acquisition and interest thereon of approximately HK$30.7 million, impairment loss on property, plant and equipment of approximately HK$0.7 million and equity-settled share-based payment expenses of approximately HK$8.5 million and loss arising from changes in fair value of biological assets less costs to sell of approximately HK$0.7 million. Excluded those mentioned above, the Group had incurred a loss of approximately HK$15.6 million in FY2011 (FY2010: HK$18.1 million). After excluding above non-cash expenses, the general and administrative expenses have been decreased by approximately 13.8% in FY2011 as compared with FY2010. Such decrease in expenses is mainly due to the tight control over the cost exercised by the management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011 the Group had total current assets of approximately HK$13.7 million (As at 31 December 2010: approximately HK$26.1 million) while total current liabilities were approximately HK$3.8 million (As at 31 December 2010: approximately HK$3.7 million). The current ratio of the Group was approximately 361% (As at 31 December 2010: approximately 705%). The Group has sufficient fund to settle its debts.

As at 31 December 2011 the Group had total assets of approximately HK$34.0 million (As at 31 December 2010: approximately HK$80.4 million). The gearing ratio, calculated by dividing the total debts over its total assets were approximately 11.2% (As at 31 December 2010: approximately 4.6%).

BUSINESS REVIEW

Recyclable plastics materials and relevant services

The Group has still been unable to take full advantage of the official licence of registration for overseas supplier enterprises 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 for reasons already explained in my previous statement dated 30 March 2011. That said, however, the Group continued to deploy existing machines and equipment for the provision of recompressing and repacking and other related services to customers and, as before, no significant change in this business sector is expected to take place in the near future.

Waste construction materials and waste processing service

The revenue arising from the activities in recycling waste construction materials has recorded a significant increase due to the fact that major infrastructural developments are taking place in the Wilhelmshaven Germany and, more particularly, the extension the railway network from Rasstede in Germany to the new harbour port in Wilhelmshaven in Germany.

Bio-cleaning materials

In FY2011 all revenues from this business sector arose from sales made in Hong Kong only, although from time to time the group receives product enquiries from other parts of the world. The Group will continue to maintain a good commercial relationship with existing customers and to preserve our reputation.

Research and Development in Electronic Control Units

After 2 years of development, the technical team has delivered a set of totally enclosed 15KW liquid propane powered generator. It starts automatically when the grid power is interrupted. Such generator is equipped with Electronic Fuel Injection system developed by ourselves. It possesses remote control, monitoring and diagnostic capabilities. This generator is targeted to telecom market in Mainland China where most installations are sparsely scattered in the remote mountains and highway road sides.

Renewable energy

As before, the Group will continue to maintain its business focus in the development of renewable energy and, in addition to the commercial cultivation of Jatropha and activities that may lead to the acquisition of existing Jatropha sites in China and other parts of the world, the Group has begun negotiations with Chinese authorities in major cities for the collection of used cooking oil and the establishment of a processing plant with a view to converting such oil into biodiesel and other by-products.

Proposed Acquisition Mining Rights in the Philippines

On 30 November 2010 the Company entered into a conditional agreement with all shareholders of Gioberto Limited with a view to acquiring 100% equity interest in Altamina Exploration & Resources Incorporated ("**Altamina**"), a Philippine company that has been granted exclusive rights to explore, mine, utilize, process and refine minerals and mineral products and other by-products in certain mining areas under a financial or technical assistance agreement made between Altamina and the Republic of the Philippines. The conditional agreement lapsed on 30 June 2011 by reason of non-fulfillment of certain conditions precedent to completion of the proposed acquisition. Norwithstanding this, the Company continued to discuss and negotiate in relation to the proposed acquisition.

In March 2012, the Company decided to discontinue further negotiations in relation to the proposed acquisition, and the Company has made full provision for the amount of the deposit paid for this proposed acquisition. Notwithstanding that full provision will be made for the deposit, the Company will take all necessary steps to recover the deposit. The Company will publish further announcement(s) to update shareholders of the Company and the investing public with the development of the recovery of the deposit as and when the Board considers appropriate.

FUTURE PROSPECTS

The Group will continue to carry on the existing business activities and impose serious control over expenditures. The Directors believe the business performance of the existing sectors will improve over time and it is hoped that future revenue will increase in coming years.

The Group will continue to seek attractive business and investment opportunities with a view to generating positive cash flow and earnings for the Group, including acquisition of mining rights in the Philippines.

MATERIAL ACQUISITION

There was no material acquisition or disposal of the Company's subsidiaries and associated companies during the year ended 31 December 2011.

CONTINGENT LIABILITIES

As at 31 December 2011 the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2011 the Group had 26 employees (2010: 28 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, professional qualifications, and the prevailing market practice.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate 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. 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 of the CG Code stipulates that non-executive directors should be appointed for a specific term subject to re-election. However, the independent non-executive Directors for the year under review 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 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 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 enquiry 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 should comprise three independent non-executive directors, but one of the independent non-executive director, Ms. Zhu You Chun was deceased on 1 March 2012. The Company has yet appointed a new independent non-executive director as at the reported date. As a result, the audit committee comprises only two independent non-executive directors namely, Mr. So Yin Wai and Mr. Tam Chun Wa as at the reported date. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2011.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2011 containing all the information required by the Listing Rules will be available at the Company's and the Stock Exchange's website and will also 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.

Yip Wai Leung Jerry
Chairman

Hong Kong, 30 March 2012

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Yip Wai Leung Jerry and Mr. Fan Xiaomin, and two independent non-executive directors, namely Mr. So Yin Wai and Mr. Tam Chun Wa.