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)

2012 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 2012 (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 2012

		For the six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	3	**338**	1,436
Other revenue	3	**508**	329
Cost of goods sold		**(44)**	(774)
Reduction in an impairment loss due to substantial recovery of a deposit		**24,007**	–
Staff costs		**(3,390)**	(3,353)
Depreciation and amortisation expenses		**(1,437)**	(1,502)
Exchange differences		**(847)**	1,830
Other operating expenses		**(3,998)**	(3,297)
Profit/(loss) before income tax	4	**15,137**	(5,331)

	Notes	For the six months ended 30 June **2012** **(Unaudited)** ***HK$'000***	2011 (Unaudited) *HK$'000*
Income tax	5	**–**	–
Profit/(loss) for the period		**15,137**	(5,331)
Other Comprehensive Income			
Exchange differences on translation of financial statements of foreign operations		**454**	(918)
Total comprehensive income for the period		**15,591**	(6,249)
Profit/(loss) attributable to:			
Owners of the Company		**15,137**	(5,331)
Total comprehensive income attributable to:			
Owners of the Company		**15,591**	(6,249)
Dividend	6	**–**	–
Profit/(loss) per share			
– Basic (cents)	7	**3.38**	(1.20)
– Diluted (cents)	7	**3.30**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	**As at 30 June 2012 (Unaudited)** ***HK$'000***	As at 31 December 2011 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**14,337**	16,026
Biological assets		**4,324**	4,272
		18,661	20,298
Current assets			
Inventories	8	**394**	413
Trade receivables	9	**157**	77
Prepayments, deposits and other receivables	10	**2,074**	2,031
Loan receivable	11	**183**	251
Cash and cash equivalents		**31,515**	10,941
		34,323	13,713
Current liabilities			
Trade payables	12	**526**	531
Accruals and other payables		**1,357**	2,279
Provision for income tax		**987**	987
		2,870	3,797
Net current assets		**31,453**	9,916
Total assets less current liabilities/Net assets		**50,114**	30,214
EQUITY			
Equity attributable to the owners of the Company			
Share capital	13	**45,500**	44,303
Reserves		**4,614**	(14,089)
Total equity		**50,114**	30,214

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 2011. 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 2011. 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 renewable energy, trading of bio-cleaning materials, trading of recyclable plastic materials and relevant services, trading of waste construction materials and waste processing provision.

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover	**338**	1,436
Other revenue		
Interest income	**507**	321
Others	**1**	8
	508	329
Total revenue	**846**	1,765

Segment revenue and results

For the six months ended 30 June 2012

	Renewable energy (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*
REVENUE						
Sales to external customers	–	56	–	90	192	338
Results						
Segment results	(1,721)	(126)	(853)	(728)	(980)	(4,408)
Unallocated expenses						(4,970)
Reduction in an impairment loss due to substantial recovery of a deposit						24,007
Other revenue						508
Profit before income tax						15,137

For the six months ended 30 June 2011

	Renewable energy (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*
REVENUE						
Sales to external customers	23	112	–	935	366	1,436
Results						
Segment results	(1,654)	(95)	(1,045)	(602)	(1,213)	(4,609)
Unallocated expenses						(1,051)
Reduction in an impairment loss due to substantial recovery of a deposit						–
Other revenue						329
Loss before income tax						(5,331)

The following table presents assets and liabilities by segment of the Group as at 30 June 2012 and 31 December 2011:

As at 30 June 2012

	Renewable energy (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	**13,131**	**325**	**301**	**215**	**6,280**	**20,252**
Unallocated corporate assets						**32,732**
Consolidated total assets						**52,984**
LIABILITIES						
Segment liabilities	**–**	**–**	**40**	**–**	**56**	**96**
Unallocated corporate liabilities						**1,787**
Tax liabilities						**987**
Consolidated total liabilities						**2,870**

As at 31 December 2011

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

4. PROFIT/(LOSS) BEFORE INCOME TAX

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit/(loss) before income tax has been arrived at after charging (crediting) the following items:		
Depreciation and amortisation expenses	**1,437**	1,502
Staff costs	**3,390**	3,353
Exchange differences	**847**	(1,830)
Interest income	**(507)**	(321)

5. 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 2012 and 2011.

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.

6. DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the period and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings/(loss) per share amounts is based on the profit/(loss) attributable to the owners of the Company for the period. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

Diluted loss per share for the period ended 30 June 2011 have not been disclosed, as the share options outstanding during that period had an anti-dilutive effect on the basic loss per share.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Profit/(loss) for the period, used in the basic earnings/(loss) per share calculations	**15,137**	(5,331)

	Number of shares	
	30 June	30 June
	2012	2011
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculations	**448,080,637**	443,032,176
Effect of dilution - weighted average number of ordinary shares:		
Share options	**10,642,364**	N/A
	458,723,001	N/A

8. INVENTORIES

	As at	As at
	30 June	31 December
	2012	2011
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Bio-fuel materials	**209**	216
Bio-cleaning materials	**185**	197
	394	413

9. TRADE RECEIVABLES

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 ended of the reporting period:

	As at 30 June 2012 (Unaudited) *HK$'000*	As at 31 December 2011 (Audited) *HK$'000*
0 – 90 days	**151**	74
180 – 365 days	**3**	–
Over 365 days	**3**	3
	157	77

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2012 (Unaudited) *HK$'000*	As at 31 December 2011 (Audited) *HK$'000*
Prepayments	**4**	321
Deposits and other receivables	**2,070**	1,710
	2,074	2,031

11. LOAN RECEIVABLE

	As at 30 June 2012 (Unaudited) *HK$'000*	As at 31 December 2011 (Audited) *HK$'000*
Loan receivable	**183**	251
	183	251

The loan receivable from other is an amount of HK$183,000 which is unsecured and interest-bearing at a fixed rate of 6% per annum. The loan is past due at the reporting date but has not been provided for impairment as the Directors are of the opinion that there has not been a significant change in credit quality of the borrower and the balance is still considered fully recoverable.

12. TRADE PAYABLES

The following is an ageing analysis of trade payables (based on invoice date) at the balance sheet date:

	As at 30 June 2012 (Unaudited)	As at 31 December 2011 (Audited)
	HK$'000	*HK$'000*
0 to 90 days	**1**	4
Over 365 days	**525**	527
	526	531

13. SHARE CAPITAL

	Number of shares	**Nominal value**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.10 each at 31 December 2011 and 30 June 2012	4,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 1 January 2012	443,032	44,303
Exercise of share option	11,970	1,197
Ordinary shares of HK$0.10 each at 30 June 2012	455,002	45,500

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating results

The turnover of the Group for the six months ended 30 June 2012 (the "Period") was approximately HK$0.34 million (six months ended 30 June 2011: approximately HK$1.44 million) representing a decrease of approximately 76.4% as compared with the corresponding period in 2011.

The net profit for the Period was approximately HK$15.14 million (six months ended 30 June 2011: net loss of approximately HK$5.33 million). In the financial year ended 31 December 2010, the Company paid approximately HK$30 million for a proposed business acquisition. However the proposed acquisition did not materialise and impairment loss of approximately HK$30.73 million (principal amount and interest thereon) was made during the financial year ended 31 December 2011. In May 2012 a sum of approximately HK$24.01 million was recovered and thereby resulting in a significant reduction of the loss arising on impairment. Apart from such recovery, the Group has sustained a net loss of approximately HK$8.87 million for the Period representing an increase in net loss of approximately 66.4%.

Renewable energy

As before, the Group continues to maintain its business focus on the development of business in 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 the 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, but progress in this area has been rather slow and no contractual commitments have been made by the Group.

Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials has declined from approximately HK$112,000 for the six months ended 30 June 2011 to approximately HK$56,000 for the Period representing a reduction of approximately 50.0%. 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$90,000 (six months ended 30 June 2011: approximately HK$935,000), as to which the trading of recyclable plastic materials came to a complete halt (six months ended 30 June 2011: approximately HK$846,000), while the re-compressing and other related services achieved a turnover of approximately HK$90,000 (six months ended 30 June 2011: approximately HK$89,000). The decrease in turnover arose mainly because the Group had sold all existing recyclable plastic materials purchased and collected in previous years and did not wish to pursue any trading activities in recyclable plastic materials. The turnover of re-compressing and other relevant services has increased slightly.

Generators

The Group has completed the Research and Development phase in this business section and begins to focus on marketing generators in the telecom industry, although no firm order has been received during the Period.

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 sale of recycled construction materials. The turnover arising from this sector has declined from approximately HK$366,000 for the six months ended 30 June 2011 to approximately HK$192,000 for the Period representing a reduction of approximately 47.5%. The reduction arose because the major equipment had sustained very serious damage and thereby resulting in a temporary suspension of recycling activities. Such damage has now been completely addressed.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2012 the Group had total current assets of approximately HK$34.32 million (As at 31 December 2011: approximately HK$13.71 million) and the total current liabilities were approximately HK$2.87 million (As at 31 December 2011: approximately HK$3.80 million). The current ratio calculated by dividing the total current assets over its total current liabilities was approximately 11.96 (As at 31 December 2011: approximately 3.61). The Group has sufficient fund to settle its debts.

As at 30 June 2012 the Group had total assets of approximately HK$52.98 million (as at 31 December 2011: approximately HK$34.01 million). The gearing ratio, calculated by dividing the total debts over its total assets was approximately 5.4% (As at 31 December 2011: approximately 11.2%).

CONTINGENT LIABILITIES

As at 30 June 2012 the Group did not have any material contingent liabilities (As at 30 June 2011: Nil).

FUTURE PROSPECTS

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

The recoverability of the outstanding amount of the deposit referred to above is rather remote, although the Group will continue to take all necessary steps to maximize recovery.

EMPLOYEES

As at 30 June 2012 the Group had 26 employees (six months ended 30 June 2011: 25 employees) in Hong Kong, the PRC and Germany.

The Group offered competitive remuneration package as an incentive to staff for career advancement and improvements. The Company has in place a share option scheme 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.

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.

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.

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, 31 August 2012

As at the date of this announcement, the Company has one executive Director, Mr. Yip Wai Leung Jerry and three independent non-executive Directors, namely Ms. Li Kit Chi Fiona, Mr. So Yin Wai and Mr. Tam Chun Wa.

* *For identification purpose only*