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 2012

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 2012 together with comparative figures for the previous year as follows:

* *For identification only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Revenue	4	**977**	3,508
Changes in inventories of finished goods		**(320)**	(975)
Other income	5	**1,060**	1,253
Loss arising from changes in fair value of biological assets less costs to sell	13	**–**	(722)
Staff costs		**(7,325)**	(10,918)
Depreciation		**(2,822)**	(3,048)
Other expenses		**(9,099)**	(13,835)
Reversal of impairment loss/(impairment loss) on deposit paid for a business acquisition and interest thereon	12	**24,007**	(30,727)
Write off of biological assets	13	**(4,456)**	–
Impairment loss on property, plant and equipment	13	**(3,436)**	(749)
Loss before income tax	6	**(1,414)**	(56,213)
Income tax expense	7	**–**	–
Loss for the year		**(1,414)**	(56,213)
Other comprehensive income:			
Exchange differences on translation of financial statements of foreign operations		**(586)**	1,261
Other comprehensive income for the year		**(586)**	1,261
Total comprehensive income for the year		**(2,000)**	(54,952)
		HK cents	HK cents
Loss per share – Basic and diluted	9	**0.31**	12.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**9,737**	16,026
Biological assets	13	**–**	4,272
Intangible assets	14	**–**	–
Deposit for a business acquisition	12	**–**	–
Deposit for acquisition of property, plant and equipment	15	**1,367**	–
		11,104	20,298
Current assets			
Inventories		**701**	413
Trade receivables	10	**89**	77
Prepayments, deposits and other receivables		**2,348**	2,031
Loan receivable		**–**	251
Cash and cash equivalents		**22,150**	10,941
		25,288	13,713
Current liabilities			
Trade payables	11	**545**	531
Accruals and other payables		**2,337**	2,279
Provision for income tax		**987**	987
		3,869	3,797
Net current assets		**21,419**	9,916
Total assets less current liabilities/Net assets		**32,523**	30,214
EQUITY			
Share capital		**45,500**	44,303
Reserves		**(12,977)**	(14,089)
Total equity		**32,523**	30,214

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 ("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.

(d) Critical accounting estimates and judgements

It should be noted that accounting estimates and assumptions are used in preparation of these financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions.

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

(a) Adoption of amendments to HKFRSs – first effective on 1 January 2012

In the current year, the Group has applied for the first time the following new amendment issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2012:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets

The adoption of the amendment has no material impact on the financial statements of the Group.

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

The Group has not early adopted any new and revised HKFRSs. which have been issued but are net yet effective for the current year. The Group is in the process of making an assessment of the potential impact of these new pronouncements. The directors so far concluded that the application of these new pronouncements 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 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

2012

	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*
REVENUE						
Sales to external customers	**70**	**–**	**123**	**778**	**6**	**977**
RESULTS						
Segment results	**(303)**	**(1,904)**	**(1,533)**	**(4,543)**	**(11,522)**	**(19,805)**
Reversal of impairment loss on deposit paid for a business acquisition and interest thereon						**24,007**
Unallocated corporate expenses						**(6,676)**
Other income						**1,060**
Loss before income tax						**(1,414)**

2011

	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*
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 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)

Segment assets, segment liabilities and other segment information

2012

	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	**446**	**600**	**167**	**5,377**	**6,502**	**13,092**
Unallocated cash and cash equivalents						**17,553**
Unallocated corporate assets						**5,747**
Consolidated total assets						**36,392**
LIABILITIES						
Segment liabilities	**–**	**181**	**–**	**153**	**237**	**571**
Unallocated corporate liabilities						**2,311**
Tax liabilities						**987**
Consolidated total liabilities						**3,869**

	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	–	10	–	5	61	–	76
Depreciation	5	131	–	1,325	1,285	276	3,022
Reversal of impairment loss on deposit paid for a business acquisition and interest thereon	–	–	–	–	–	(24,007)	(24,007)
Impairment loss on property, plant and equipment	–	–	–	–	3,426	10	3,436
Write off of biological assets	–	–	–	–	4,456	–	4,456

2011

	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	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
Share-based payment expenses	–	3,062	–	–	230	5,192	8,484
Impairment loss on 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

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 which is determined based on the location of customers, and information about its non-current assets by geographical location which is determined based on the location of the assets, are detailed below:

	Revenue from external customers		**Non-current assets**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**199**	1,300	**4,669**	4,575
The PRC (excluding Hong Kong)	**–**	–	**1,164**	9,229
Germany	**778**	2,208	**5,271**	6,494
	977	3,508	**11,104**	20,298

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:

	2012	2011
	HK$'000	*HK$'000*
Customer A^	**324**	1,075
Customer B^	**–[1]**	632
	324	1,707

1 Revenue from Customer B contributes less than 10% of total revenue of the Group in 2012.

^ Included in the segment of waste construction materials and waste processing provision and is 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:

	2012	2011
	HK$'000	*HK$'000*
Trading of bio-cleaning materials	**70**	292
Trading of recyclable plastic materials	**–**	858
Trading of waste construction materials	**306**	536
Trading of biodiesel	**6**	18
Trading of generators	**–**	13
Provision of relevant services in respect of recyclable plastic materials	**123**	119
Provision of waste processing services	**472**	1,672
	977	3,508

5. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Bank interest income	**14**	22
Interest income on deposit paid for a business acquisition *(note 12)*	**498**	727
Interest income arising from loans and advances	**–**	478
Net exchange gain	**547**	–
Sundry income	**1**	26
	1,060	1,253

6. LOSS BEFORE INCOME TAX

	2012	2011
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment	**3,022**	3,293
Less: amount capitalised in biological assets	**(200)**	(245)
Depreciation charged to profit or loss	**2,822**	3,048
Auditor's remuneration	**633**	540
Minimum lease payments for operating leases in respect of land and buildings	**1,629**	1,572
Research and development expenditure	**121**	2
Net exchange (gain)/losses	**(547)**	1,031
Write-down of inventories to net realisable value^	**–**	117
Staff costs including directors' remuneration		
Salaries and allowances	**7,020**	6,718
Retirement benefit-defined contribution scheme	**305**	321
Share-based payment to Directors and employees	**–**	3,879
	7,325	10,918
Share-based payment to non-employees	**–**	4,605
Losses on disposals of property, plant and equipment	**–**	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 for both years as the Group and the relevant group companies either had no estimated assessable profits arising in or derived from Hong Kong or had unused tax losses brought forward to offset against relevant year's assessable profits in Hong Kong.

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:

	2012	2011
	HK$'000	*HK$'000*
Loss		
Loss for the year	**1,414**	56,213

	2012	2011
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**451,560**	443,032

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. TRADE RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**89**	77

The Group allows a credit period of 90 days (2011: 90 days) to its trade customers. The following is an ageing analysis (based on due date) of trade receivables at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
0 – 90 days	**83**	74
Over 365 days	**6**	3
	89	77

Certain trade receivables are past due at the reporting date but not provided for impairment as the Directors are of the opinion that there has not been a significant change in credit quality of the debtors and the balances are still considered fully recoverable.

11. TRADE PAYABLES

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

	2012	2011
	HK$'000	*HK$'000*
0 – 90 days	–	4
91 – 180 days	**20**	–
181 – 365 days	**9**	–
Over 365 days	**516**	527
	545	531

Average credit period on purchase of goods is 60 days (2011: 60 days).

The Group's trade payables as at 31 December 2012 and 2011 included retention payables to suppliers in respect of construction contracts amounting to HK$516,000.

12. DEPOSIT FOR A BUSINESS ACQUISITION

	2012	2011
	HK$'000	*HK$'000*
Deposit for a business acquisition	–	30,000
Less: Provision for impairment	–	(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"). 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 of 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 do not complete by the long stop date, the deposit becomes interest-bearing at 5% per annum since the five business day after long stop date. Interest accrued since the long stop date up to 31 December 2011 amounted to 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 management in March 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 had failed to return the deposit up to the date of the financial statements for the year ended 31 December 2011. In addition, there was 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 considered the deposit paid amounting to HK$30,000,000 and interest accrued thereon amounting to HK$727,000 up to 31 December 2011 were fully impaired. Accordingly, provision for impairment loss of HK$30,727,000 was made in full in the financial statements for the year ended 31 December 2011.

Subsequently in 2012, the Company has recovered a significant part of the deposit amounting to US$3,000,000 (approximately HK$23,280,000) and the interest on the deposit for the period up to 31 December 2011 amounting to HK$727,000 and the period from 1 January 2012 to 30 April 2012 amounting to HK$498,000. The Directors of the Company are taking necessary steps to recover the remaining outstanding balance of the deposit amounting to approximately HK$6,720,000 and interest thereon. However, the recoverability of which is uncertain.

As a result of recovering the amounts as mentioned above, the impairment provision made in last year has been reversed by HK$23,280,000 relating to the deposit and HK$727,000 relating to the interest accrued up to 31 December 2011, or HK$24,007,000 in aggregate.

13. BIOLOGICAL ASSETS

The biological assets of the Group represent saplings of Jatropha which are stated at fair value less costs to sell. After harvest, the seeds of Jatropha can be used in the production of biofuel and other bio-chemical bi-products.

Movements in the carrying amount of the Group's biological assets are summarised as follows:

	2012	2011
	HK$'000	*HK$'000*
At 1 January	**4,272**	4,457
Increase due to plantation	**200**	353
Loss arising from changes in fair value less costs to sell	**–**	(722)
Write off	**(4,456)**	–
Exchange realignment	**(16)**	184
At 31 December	**–**	4,272

During the year, the Group tried to harvest the Jatropha and extracted the seeds of Jatropha for trial production of biofuel. However, the harvest was unexpectedly poor and the quality and content of the biodiesel produced from the seedlings of those matured Jatopha are commercially not sustainable. As assessed by the Directors, it is unlikely that the Japtropha plantation will derive future economic benefits to the Group. Therefore, the Directors fully write off the carrying amount of the Jatropha amounting to HK$4,456,000 during the year, as well as to write off the farmland infrastructure and equipment relating to the plantation of Jatropha amounting to HK$3,436,000 in aggregate, which are classified as property, plant and equipment.

14. 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.

15. EVENT AFTER THE REPORTING DATE

On 11 March 2013, a subsidiary of the Company entered into a purchase agreement with an engineer firm incorporated in Portugal to purchase a plant that seeks to produce biodiesel in compliance with the European standard from grease trap oil collected from wastewater treatment plants and waste grease collectors. The total consideration for the plant is Euro690,000 (approximately HK$6,987,000). As at 31 December 2012, a down payment of Euro135,000 (approximately HK$1,367,000) has been paid to the engineer firm.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's total revenue for the year ended 31 December 2012 ("FY2012") was approximately HK$1.0 million (FY2011: approximately HK$3.5 million) representing a decrease of approximately 71.4% as compared with that for the year ended 31 December 2011 ("FY2011").

The revenue arising from the activities of bio-cleaning sector for the FY2012 was approximately HK$0.1 million (FY2011: approximately HK$0.3 million) representing a decrease of approximately 66.7% as compared with that for FY2011.

The revenue arising from trading of recyclable plastic material and relevant service sectors for FY2012 was approximately HK$0.1 million (FY2011: approximately HK$1.0 million) representing a decrease of approximately 90.0% as compared with that for FY2011. The revenue for FY2011 mainly came from trading of recyclable plastic material, approximately HK$0.9 million, and the Company had stopped purchasing this recyclable material since 2011. Comparing the re-compressing and other related services sector, in FY2012, all revenue came from this sector (FY2011: approximately HK$0.1 million).

The revenue arising from waste construction material sector for FY2012 was approximately HK$0.8 million (FY2011: approximately HK$2.2 million) representing a decrease of 63.6% as compared with that for FY2011.

There was no revenue arising from trading of generator for FY2012 (FY2011: approximately HK$13,000). The only developed 15KW generator was ready for launch in the market and was waiting for the tender.

General and administrative expenses which included staff costs, legal and professional fees, depreciation and general administrative expenses decreased by approximately 31.2% from approximately HK$27.9 million in FY2011 to approximately HK$19.2 million in FY2012.

During FY2012, the Group recorded a net loss of approximately HK$1.4 million against a net loss of approximately HK$56.2 million for FY2011. The net loss of HK$1.4 million included recovery of partial deposit paid for a business acquisition and interest thereon of approximately HK$24.0 million, impairment loss on property, plant and equipment of approximately HK$3.4 million, and write off of biological assets of approximately HK$4.5 million. These three items were considered non-recurring in nature. After excluding them, the Group had incurred a loss of approximately HK$17.5 million in FY2012 (FY2011: approximately HK$24.8 million) representing a decrease of 29.4% in FY2012 as compared with FY2011. Such decrease in expenses was mainly due to the tight control over the cost.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012 the Group had total current assets of approximately HK$25.3 million (as at 31 December 2011: approximately HK$13.7 million) while total current liabilities were approximately HK$3.9 million (as at 31 December 2011: approximately HK$3.8 million). The current ratio of the Group was approximately 6.5 (as at 31 December 2011: approximately 3.6). The Group has sufficient fund to settle its debts.

As at 31 December 2012 the Group had total assets of approximately HK$36.4 million (as at 31 December 2011: approximately HK$34.0 million). The gearing ratio, calculated by dividing the total debts over its total assets was 10.7% (as at 31 December 2011: approximately 11.2%).

BUSINESS REVIEW

Trading of recyclable materials and provision of its relevant services

The revenue from this sector declined significantly due to the cessation of trading of recyclable materials since 2011. Although the provision of recompressing and repacking services contributed a certain amount of gross profit to the Group during the year, the management considers that the future prospect of this sector may not be profitable and therefore will not inject additional resources to this sector.

Trading of waste construction materials

One of the major crushing and recycling equipment was found to have sustained a very serious damage, resulting in a temporary suspension of recycling activities during the year and giving rise to the need for major overhaul and replacement of some critical spare parts. As a result the turnover of this sector significantly decreased. The extension of the railway from Rasstede to the new harbour port in Wilhelmshaven in Germany has now been completed and the Group expects an expansion of business in the following year.

Trading of bio-cleaning products

In FY2011 and in FY2012, all revenues from this business sector arose from sales made in Hong Kong only. The Group will continue to maintain a good commercial relationship with existing customers and to preserve our reputation, and will seek business opportunities outside Hong Kong.

Trading of generators

The development of a 15KW liquid propane-powered generator equipped with an advanced electronic control unit has been completed and is ready for launch in the market. This generator targets the service providers of telecom facilities in the PRC where most installations are sparsely scattered in remote mountains and highway road sides, and also those business entities which are seeking to set up business in villages outside the urban areas.

Renewable energy

The Company has ceased all activities in Jatropha plantation and begin to focus its resources on the production of biodiesel outside Hong Kong.

Proposed Acquisition of Mining Rights in the Philippines

The Company has recovered up to approximately HK$24.0 million from the impairment deposit and interest thereon during the year, and the recoverability of the remaining outstanding amount is still rather remote, but the Company will not give up and will still take all necessary steps to maximize recovery.

FUTURE PROSPECTS

The Group will continue to carry on the existing business activities and impose serious control over expenditures. The Directors believe that 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 2012.

CAPITAL COMMITMENT

As at 31 December 2012 the Group had no significant capital commitment (2011: Nil).

CONTINGENT LIABILITIES

As at 31 December 2012 the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2012 the Group had 25 employees (2011: 26 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.

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.

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 three independent non-executive directors namely, Mr. So Yin Wai, Mr. Tam Chun Wa and Ms. Li Kit Chi Fiona at the report date. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2012.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2012 containing all the information required by the Listing Rules will be available at the Company's and the Stock Exchange's website and also 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.

Yip Wai Leung Jerry
Chairman

Hong Kong, 28 March 2013

As at the date of this announcement, the board of directors of the Company comprises 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.