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)

2013 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 2013 (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 2013

		For the six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
			(Restated)
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	3	**773**	248
Other revenue	3	**2**	508
Cost of goods sold		**(324)**	(42)
Reversal of an impairment loss on deposit paid for a business acquisition and interest thereon		**–**	24,007
Provision for prepayment and deposit		**(1,125)**	–
Staff costs		**(3,107)**	(3,003)
Depreciation and amortisation expenses		**(1,354)**	(1,437)
Exchange differences		**(318)**	(847)
Other operating expenses		**(3,690)**	(3,569)
(Loss)/profit before income tax from continuing operations	4(a)	**(9,143)**	15,865
Income tax	5	**–**	–

	Notes	For the six months ended 30 June **2013** **(Unaudited)** ***HK$'000***	2012 (Unaudited) (Restated) *HK$'000*
(Loss)/profit for the period from continuing operations		**(9,143)**	15,865
Discontinued operation			
Loss for the period from discontinued operation	4(b)	**(956)**	(728)
(Loss)/profit for the period		**(10,099)**	15,137
Other Comprehensive Income			
Exchange differences on translation of financial statements of foreign operations		**305**	454
Total comprehensive income for the period		**(9,794)**	15,591
(Loss)/profit attributable to:			
Owners of the Company			
– continuing operations		**(9,143)**	15,865
– discontinued operation		**(956)**	(728)
Total comprehensive income attributable to:			
Owners of the Company			
– continuing operations		**(8,838)**	16,319
– discontinued operation		**(956)**	(728)
Dividend	6	**–**	–
(Loss)/profit per share from continuing operations and discontinued operation			
– Basic (cents)	7	**(2.22)**	3.38
– Diluted (cents)	7	**N/A**	3.30
(Loss)/profit per share from continuing operations			
– Basic (cents)		**(2.01)**	3.54
– Diluted (cents)		**N/A**	3.46

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	**As at 30 June 2013 (Unaudited) *HK$'000***	As at 31 December 2012 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,690**	9,737
Deposit for acquisition of property, plant and equipment		**3,493**	1,367
		12,183	11,104
Current assets			
Inventories	8	**426**	701
Trade receivables	9	**175**	89
Prepayments, deposits and other receivables	10	**1,089**	2,348
Cash and cash equivalents		**11,623**	22,150
		13,313	25,288
Current liabilities			
Trade payables	11	**525**	545
Accruals and other payables		**1,255**	2,337
Provision for income tax		**987**	987
		2,767	3,869
Net current assets		**10,546**	21,419
Total assets less current liabilities/net assets		**22,729**	32,523
EQUITY			
Equity attributable to the owners of the Company			
Share capital	12	**45,500**	45,500
Reserves		**(22,771)**	(12,977)
Total equity		**22,729**	32,523

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 2012. 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 2012. 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	
	2013	2012
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Continuing operations		
Turnover	**773**	248
Other revenue		
Interest income	**2**	507
Others	**–**	1
	2	508
Total continuing operations revenue	**775**	756
Discontinued operation		
Recyclable plastic materials and relevant services		
Turnover	**2**	90
Other revenue	**235**	–
Total discontinued operation revenue	**237**	90
	1,012	846

Segment revenue and results

For the six months ended 30 June 2013

	Continuing operations					Discontinued operation	
	Renewable energy (Unaudited) *HK$'000*	**Bio-cleaning materials (Unaudited)** *HK$'000*	**Generators (Unaudited)** *HK$'000*	**Waste construction materials and waste processing provision (Unaudited)** *HK$'000*	**Consolidated continuing operations (Unaudited)** *HK$'000*	**Recyclable plastic materials and relevant services (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
REVENUE							
Sales to external customers	**249**	**101**	**–**	**423**	**773**	**2**	**775**
Results							
Segment results	**(2,716)**	**(179)**	**(995)**	**(732)**	**(4,622)**	**(956)**	**(5,578)**
Unallocated expenses							**(4,758)**
Reversal of an impairment loss due to substantial recovery of a deposit and interest thereon							**–**
Other revenue							**237**
Loss before income tax							**(10,099)**

For the six months ended 30 June 2012

	Continuing operations					Discontinued operation	
	Renewable energy (Unaudited) *HK$'000*	Bio-cleaning materials (Unaudited) *HK$'000*	Generators (Unaudited) *HK$'000*	Waste construction materials and waste processing provision (Unaudited) *HK$'000*	Consolidated continuing operations (Unaudited) *HK$'000*	Recyclable plastic materials and relevant services (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
REVENUE							
Sales to external customers	–	56	–	192	248	90	338
Results							
Segment results	(1,721)	(126)	(853)	(980)	(3,680)	(728)	(4,408)
Unallocated expenses							(4,970)
Reversal of an impairment loss due to substantial recovery of a deposit and interest thereon							24,007
Other revenue							508
Profit before income tax							15,137

The following table presents assets and liabilities by segment of the Group as at 30 June 2013 and 31 December 2012:

As at 30 June 2013

	Continuing operations					Discontinued operation	
	Renewable energy (Unaudited) *HK$'000*	**Bio-cleaning materials (Unaudited) *HK$'000***	**Generators (Unaudited) *HK$'000***	**Waste construction materials and waste processing provision (Unaudited) *HK$'000***	**Consolidated continuing operations (Unaudited) *HK$'000***	**Recyclable plastic materials and relevant services (Unaudited) *HK$'000***	**Total (Unaudited) *HK$'000***
ASSETS							
Segment assets	**6,728**	**386**	**535**	**4,719**	**12,368**	**719**	**13,087**
Unallocated corporate assets							**12,409**
Consolidated total assets							**25,496**
LIABILITIES							
Segment liabilities	**–**	**–**	**40**	**77**	**117**	**–**	**117**
Unallocated corporate liabilities							**1,663**
Tax liabilities							**987**
Consolidated total liabilities							**2,767**

As at 31 December 2012

	Continuing operations					Discontinued operation	
	Renewable energy (Audited) *HK$'000*	Bio-cleaning materials (Audited) *HK$'000*	Generators (Audited) *HK$'000*	Waste construction materials and waste processing provision (Audited) *HK$'000*	Consolidated continuing operations (Audited) *HK$'000*	Recyclable plastic materials and relevant services (Audited) *HK$'000*	Total (Audited) *HK$'000*
ASSETS							
Segment assets	6,502	446	600	5,377	12,925	167	13,092
Unallocated cash and cash equivalents							17,553
Unallocated corporate assets							5,747
Unallocated cash and cash equivalents							
Consolidated total assets							36,392
LIABILITIES							
Segment liabilities	237	_	181	153	571	–	571
Unallocated corporate liabilities							2,311
Tax liabilities							987
Consolidated total liabilities							3,869

4. (LOSS)/PROFIT BEFORE INCOME TAX

(a) Continuing Operations

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
(Loss)/profit before income tax has been arrived at after charging (crediting) the following items:		
Depreciation and amortisation expenses	**1,354**	1,437
Staff costs	**3,107**	3,003
Exchange differences	**318**	847
Interest income	**(2)**	(507)

(b) Discontinued operation

On 30 June 2013, due to the expiry of the lease land, the Company could not find a suitable place to continue this recyclable material and relevant services business, and the board and management consider there will be no significant change or improvement in this sector, and agreed it is not worth to put further money and resource in this sector after the expiry of the lease land. The Company decides to discontinue this segment.

	For the six months ended 30 June 2013	For the six months ended 30 June 2012
	(Unaudited)	(Unaudited)
		(Restated)
	HK$'000	*HK$'000*
Turnover	**2**	90
Cost of goods sold	**(1)**	(2)
Staff costs	**(459)**	(387)
Depreciation and amortisation expenses	**(16)**	–
Other operation expenses	**(717)**	(429)
Loss before tax	**(1,191)**	(728)
Income tax expense	**–**	–
	(1,191)	(728)
Gain on disposal of plant and equipment	**235**	–
Loss for the period from discontinued operations	**(956)**	(728)

For the purpose of presenting discontinued operation, the comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

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 2013 and 2012.

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 2013 (six months ended 30 June 2012: Nil).

7. (LOSS) PER SHARE/EARNINGS

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

The calculation of diluted (loss)/earnings per share is based on the (loss)/profit 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 (loss)/earnings 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 2013 has not been disclosed, as the share options outstanding during that period have an anti-dilutive effect on the basic loss per share.

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

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit		
(Loss)/profit for the period used in the basic (loss)/earnings per share calculations from continuing operations and discontinued operation	**(10,099)**	15,137
(Loss)/profit for the period used in the basic (loss)/earnings per share calculations from continuing operations	**(9,143)**	15,865

	Number of shares	
	30 June 2013 (Unaudited)	30 June 2012 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculations	**455,002,176**	448,080,637
Effect of dilution - weighted average number of ordinary shares:		
Share options	**N/A**	10,642,364
	N/A	458,723,001

8. INVENTORIES

	As at 30 June 2013 (Unaudited) HK$'000	As at 31 December 2012 (Audited) HK$'000
Bio-fuel materials	**110**	361
Bio-cleaning materials	**316**	340
	426	701

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 end of the reporting period:

	As at 30 June 2013 (Unaudited) HK$'000	As at 31 December 2012 (Audited) HK$'000
0 – 90 days	**172**	83
180 – 365 days	**–**	–
Over 365 days	**3**	6
	175	89

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2013 (Unaudited) ***HK$'000***	As at 31 December 2012 (Audited) *HK$'000*
Prepayments	**–**	240
Deposits and other receivables	**2,214**	2,108
Less: Provision for prepayment and deposit *(Note)*	**(1,125)**	–
	1,089	2,348

Note: Provision for prepayment and deposit includes a) a refundable deposit of approximately HK$845,000 paid to Green Fuels Limited in 2011 for a pre-treatment plant that the Company has decided not to order and b) a prepayment of HK$280,000 paid in 2011 to Onsmart Investments Limited by way of partial payment of commission for a transaction that was aborted by the Company. For this reason the aforesaid deposit and prepayment became refundable to the Company. Despite repeated demands, both debtors have failed to make any repayment, The Company has therefore decided, as a matter of prudence, to make full provision against the aforesaid deposit and prepayment and, if necessary, will take legal action for their recovery.

11. TRADE PAYABLES

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

	As at 30 June 2013 (Unaudited) ***HK$'000***	As at 31 December 2012 (Audited) *HK$'000*
0 to 90 days	**–**	–
91 – 180 days	**–**	20
180 – 365 days	**–**	9
Over 365 days	**525**	516
	525	545

12. SHARE CAPITAL

	Number of shares *'000*	Nominal value *HK$'000*
Authorised:		
Ordinary shares of HK$0.10 each at 31 December 2012 and 30 June 2013	4,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 31 December 2012 and 30 June 2013	455,002	45,500

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating results

The turnover of the Group for the six months ended 30 June 2013 (the "Period") was approximately HK$0.78 million (six months ended 30 June 2012: approximately HK$0.34 million) representing an increase of approximately 129.4% as compared with the corresponding period in 2012.

The net loss for the Period was approximately HK$10.0 million (six months ended 30 June 2012: the net profit was approximately HK$15.1 million). However, after excluding the recovery of impairment loss on deposit paid for a business acquisition and interest thereon, the Group has sustained a net loss of approximately HK$8.9 million for the period ended 30 June 2012. The net loss for the Period was increased by 12.4%.

Continuing Operations

Renewable energy

The Group has ceased all its activities in Jatropha plantation and decided to focus its resources on the production of biodiesel outside Hong Kong. In March 2013 a processing plant was ordered from an engineering firm in Portugal. Such plant seeks to combine both acid esterification and transesterification processes in the conversion of oil feedstock into as fatty acid methyl esters or biodiesel with an annual production capacity of 8,000 metric tons. The plant is being built in Portugal and is expected to be delivered nearer the end of this year. The Group anticipates that this plant will begin a new chapter for the production of biodiesel outside Hong Kong.

Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials has increased from approximately HK$56,000 for the six months ended 30 June 2012 to approximately HK$101,000 for the Period representing an increment of approximately 80.4%. There is no significant change in the Company's customers list, and the Group will try and maintain the quality of the products and reputation. The Group will continue to put its efforts in promoting and marketing these environmental products and to minimize operating expenses.

Generators

The development of 15KW liquid propane-powered generator has been completed, but the Company is still awaiting the tender result from the target customer and for this reason there has been no turnover for this sector.

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 increased from approximately HK$192,000 for the six months ended 30 June 2012 to approximately HK$423,000 for the Period representing an increment of approximately 120.3%. The increment arose because the previous damage to the major equipment has been fixed and hence normal operation has resumed in the later part of 2012. Compared with the turnover in 2011 when the major equipment was working properly, the turnover for the Period has raised by 15.6%.

Discontinued Operation

Recyclable plastic materials and relevant services

On 30 June 2013, after the expiry of the lease, the Company has discontinued the recyclable material and relevant services business. The main reason for the discontinuation is because of the stringent control asserted by Chinese authorities over the importation of recyclable plastic materials into the PRC. The board and management consider there will be no significant change or improvement in this sector, and the continuing commercial viability of this business section is considered to be somewhat negative and, for this reason, the Company has decided to discontinue this segment upon expiration of the lease that took place on 30 June, 2013.

During the Period, the total turnover arising from the activities of this sector was approximately HK$1,800 (six months ended 30 June 2012: approximately HK$90,000).

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2013 the Group had total current assets of approximately HK$13.3 million (As at 31 December 2012: approximately HK$25.3 million) and the total current liabilities were approximately HK$2.8 million (As at 31 December 2012: approximately HK$3.9 million). The current ratio of the Group was approximately 4.75 (As at 31 December 2012: approximately 6.5). The Group has sufficient fund to settle its debts.

As at 30 June 2013 the Group had total assets of approximately HK$25.5 million (as at 31 December 2012: approximately HK$36.4 million). The gearing ratio, calculated by dividing the total debts over its total assets, was approximately 11.0% (As at 31 December 2012: approximately 10.7%).

CAPITAL COMMITMENTS

At 11 March 2013, the Group has entered into an agreement to buy a plant and machinery for the sum of Euro690,000. As at 30 June 2013 an amount of Euro345,000 is still outstanding but not yet due (As at 30 June 2012: No significant capital commitment).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any material contingent liabilities (As at 30 June 2012: Nil).

FUTURE PROSPECTS

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

EMPLOYEES

As at 30 June 2013 the Group had 23 employees (As at 30 June 2012: 26 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, 16 August 2013

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 Mr. So Yin Wai, Mr. Tam Chun Wa and Ms. Li Kit Chi Fiona.

* *For identification purposes only*