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 2013

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 2013 together with comparative figures for the previous year as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000* (Re-presented)
Continuing operations			
Revenue	4	**1,642**	854
Changes in inventories of finished goods		**(442)**	(317)
Other income	5	**2,264**	1,060
Staff costs		**(7,036)**	(6,535)
Depreciation		**(2,603)**	(2,822)
Other expenses		**(7,581)**	(8,236)
Impairment loss on other receivables		**(230)**	–
Bad debts written off		**(77)**	–
Write-down of inventories to net realisable value		**(61)**	–
Reversal of impairment loss on deposit paid for a business acquisition and interest thereon		**–**	24,007
Write off of biological assets		**–**	(4,456)
Impairment loss on property, plant and equipment		**–**	(3,436)

* *For identification only*

	Notes	**2013**	2012
		HK$'000	*HK$'000*
			(Re-presented)
(Loss)/Profit before income tax	6	**(14,124)**	119
Income tax expense	8	**(837)**	–
(Loss)/Profit for the year from continuing operations		**(14,961)**	119
Discontinued operation			
Loss for the year from discontinued operation	7	**(955)**	(1,533)
Loss for the year		**(15,916)**	(1,414)
Other comprehensive income:			
Item that may be reclassified subsequent to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(1,389)**	(586)
Other comprehensive income for the year		**(1,389)**	(586)
Total comprehensive income for the year		**(17,305)**	(2,000)
		HK cents	*HK cents*
Loss per share from continuing and discontinued operations			
– Basic and diluted	10	**(3.50)**	(0.31)
		HK cents	*HK cents*
(Loss)/Earnings per share from continuing operations			
– Basic and diluted	10	**(3.29)**	0.03

Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**7,680**	9,737
Intangible assets		**–**	–
Deposit for acquisition of property, plant and equipment		**5,256**	1,367
		12,936	11,104
Current assets			
Inventories		**360**	701
Trade receivables	11	**25**	89
Prepayments, deposits and other receivables		**1,858**	2,348
Cash and cash equivalents		**3,966**	22,150
		6,209	25,288
Current liabilities			
Trade payables	12	**–**	545
Accruals and other payables		**2,089**	2,337
Provision for income tax		**1,838**	987
		3,927	3,869
Net current assets		**2,282**	21,419
Net assets		**15,218**	32,523
EQUITY			
Share capital		**45,500**	45,500
Reserves		**(30,282)**	(12,977)
Total equity		**15,218**	32,523

NOTES:

1. BASIS OF PREPARATION OF 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 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").

The financial statements have been prepared under historical cost convention.

(b) Going concern assumption

The Group incurred a loss for the year of HK$15,916,000 and generated negative cashflows from operating activities of HK$14,058,000 for the year ended 31 December 2013. Moreover, the Group had cash and cash equivalents of HK$3,966,000 only and yet the Group has committed to acquire property, plant and equipment amounting to HK$2,213,000 as at 31 December 2013. This situation indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

With due regard to the above situations, the Directors have implemented the following measures:

(i) The Group has obtained a standby unsecured loan facility from an independent third party entity in Hong Kong and pursuant to the loan facility, a maximum loan amount of HK$30,000,000 can be drawn down by the Group for the period of two years from 5 March 2014. The loan drawn down is interest bearing at the best lending rate for HK$ from time to time announced by a bank in Hong Kong and is repayable on 4 March 2017. The Directors intend to utilise the loan to improve the Group's working capital should the need arise.

(ii) The Directors have strengthened the cost-saving measure to streamline the Group's existing operations and to strengthen its financial control.

In the opinion of the Directors, in light of the implementation of the above measures, the Group will have sufficient working capital for its current requirements and the Directors expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reclassify non-current assets to current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities which might arise. The effects of these potential adjustments have not been reflected in the financial statements.

(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 ("HKFRSs")

(a) Adoption of new/revised HKFRSs – first effective on 1 January 2013

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements

The adoption of these new/revised HKFRSs has no material impact on the financial statements of the Group.

(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 HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9	Financial Instruments
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2014

[2] Effective for annual periods beginning on or after 1 July 2014

[3] Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKFRS 9 – Financial Instruments

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

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent charges to a number of standards where they are currently unclear. Among them HKAS 16 Property, Plant and Equipment has been amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

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:

Continuing operations

Bio-cleaning materials	–	Trading of bio-cleaning materials
Generators	–	Trading of generators
Waste construction materials and waste processing services	–	Trading of waste construction materials and provision of waste processing services
Renewable energy	–	Production and trading of biodiesel

Discontinued operation

Recyclable plastic materials and relevant services	–	Trading of recyclable plastic materials and provision of relevant services (discontinued during the year (note 7) and the relevant segment information is re-presented accordingly)

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 profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

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

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

Segment information about these businesses is presented below:

Segment revenue and results
2013

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE							
Sales to external customers	104	–	1,289	249	1,642	2	1,644
RESULTS							
Segment results	(295)	(2,394)	(3,611)	(3,550)	(9,850)	(955)	(10,805)
Unallocated corporate expenses							(6,538)
Other income							2,264
Loss before income tax							(15,079)

2012

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE							
Sales to external customers	70	–	778	6	854	123	977
RESULTS							
Segment results	(303)	(1,904)	(4,543)	(11,522)	(18,272)	(1,533)	(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)

Segment assets, segment liabilities and other segment information

2013

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS							
Segment assets	371	602	4,381	8,303	13,657	–	13,657
Unallocated cash and cash equivalents							1,680
Unallocated corporate assets							3,808
Consolidated total assets							19,145
LIABILITIES							
Segment liabilities	–	205	179	24	408	–	408
Unallocated corporate liabilities							1,681
Tax liabilities							1,838
Consolidated total liabilities							3,927

	Continuing operations						Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Corporate	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION								
Additions to non-current assets	2	–	–	26	494	522	36	558
Depreciation	2	128	1,018	1,088	367	2,603	16	2,619
Write-down of inventories to net realisable value	–	–	–	61	–	61	–	61
Loss/(gain) on disposal of property, plant and equipment	–	–	112	72	–	184	(235)	(51)
Impairment loss on other receivables	–	–	–	230	–	230	–	230
Bad debts written off	–	49	–	–	28	77	–	77

2012

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS							
Segment assets	446	600	5,377	6,502	12,925	167	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	–	571
Unallocated corporate liabilities							2,311
Tax liabilities							987
Consolidated total liabilities							3,869

	Continuing operations						Discontinued operation	
	Bio-cleaning materials	Generators	Waste construction materials and waste processing services	Renewable energy	Corporate	Total	Recyclable plastic materials and relevant services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION								
Additions to non-current assets	–	10	5	61	–	76	–	76
Depreciation	5	131	1,325	1,285	276	3,022	–	3,022
Reversal of impairment loss on deposit paid for a business acquisition and interest thereon	–	–	–	–	(24,007)	(24,007)	–	(24,007)
Impairment loss on property, plant and equipment	–	–	–	3,426	10	3,436	–	3,436
Write off of biological assets	–	–	–	4,456	–	4,456	–	4,456

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	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**355**	199	**7,474**	4,669
The PRC (excluding Hong Kong)	**–**	–	**1,110**	1,164
Germany	**1,289**	778	**4,352**	5,271
	1,644	977	**12,936**	11,104

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:

	2013	2012
	HK$'000	*HK$'000*
Customer A[#]	**249**	–[1]
Customer B^	**201**	–[1]
Customer C^	**162**	324
	612	324

[1] Revenue from Customer A and B contribute less than 10% of total revenue of the Group in 2012.

[#] Included in the segment of renewable energy and is located in Hong Kong.

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

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Trading of bio-cleaning materials	**104**	70
Trading of waste construction materials	**668**	306
Trading of biodiesel	**249**	6
Provision of waste processing services	**621**	472
	1,642	854
Discontinued operation		
Provision of relevant services in respect of recyclable plastic materials *(note 7)*	**2**	123
	1,644	977

5. OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**2**	14
Interest income on deposit paid for a business acquisition	**–**	498
Write off of long outstanding payables	**615**	–
Net exchange gain	**1,647**	547
Sundry income	**–**	1
	2,264	1,060
Discontinued operation		
Gain on disposal of property, plant and equipment *(note 7)*	**235**	–
	2,499	1,060

6. (LOSS)/PROFIT BEFORE INCOME TAX

	2013	2012
	HK$'000	*HK$'000*
(Loss)/Profit before income tax for continuing and discontinued operations has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment	**2,619**	3,022
Less: amount capitalised in biological assets	**–**	(200)
Depreciation charged to profit or loss *(note (i))*	**2,619**	2,822
Auditor's remuneration	**632**	633
Minimum lease payments for operating leases in respect of land and buildings *(note (ii))*	**1,833**	1,629
Research and development expenditure	**132**	121
Write-down of inventories to net realisable value^	**61**	–
Gain on disposal of property, plant and equipment *(note (iii))*	**(51)**	–
Impairment loss on other receivables	**230**	–
Bad debts written off	**77**	–
Staff costs including Directors' remuneration *(note(iv))*		
Salaries and allowances	**7,171**	7,020
Retirement benefit-defined contribution scheme	**324**	305
	7,495	7,325

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

Notes:

(i) The balance includes depreciation incurred by the discontinued operation during the period up to 30 June 2013 of HK$16,000 (2012: Nil) (note 7).

(ii) The balance included minimum lease payments for operating leases in respect of land and buildings incurred by the discontinued operation during the period up to 30 June 2013 of HK$530,000 (2012: HK$792,000) (note 7).

(iii) The balance included gain on disposal of property, plant and equipment generated by the discontinued operation during the period up to 30 June 2013 of HK$235,000 (2012: Nil) (note 7).

(iv) The balance includes staff costs incurred by the discontinued operation during the period up to 30 June 2013 of HK$459,000 (2012: HK$790,000) (note 7).

7. DISCONTINUED OPERATION

During the year, due to unsatisfactory performance of recyclable plastic material and services business for the past years, and that the Directors considered it is unlikely there will be significant improvement in this business sector as a result of stringent government policy for import of recyclable plastic materials to the PRC from Hong Kong, the Directors discontinued the business upon expiry of the lease of land used for the business on 30 June 2013. The results of this business segment up to 30 June 2013 are as follows:

	Notes	**2013** **HK$'000**	2012 HK$'000
Revenue	4	**2**	123
Changes in inventories of finished goods		**–**	(3)
Other income	5	**235**	–
Staff costs		**(459)**	(790)
Depreciation		**(16)**	–
Other operating expenses		**(717)**	(863)
Loss before income tax	6	**(955)**	(1,533)
Income tax		**–**	–
Loss for the year from discontinued operation		**(955)**	(1,533)
Operating cash flows		**(1,471)**	116
Investing cash flows		**(36)**	–
Financing cash flows		**–**	–
Total cash flows		**(1,507)**	116

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 operations discontinued during the year had been discontinued at the beginning of the comparative period.

8. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2013 **HK$'000**	2012 HK$'000
Current tax		
Overprovision in previous years – Hong Kong	**(134)**	–
Provision for the year – the PRC	**971**	–
Income tax expense	**837**	–

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 is calculated at 25% (2012: 25%) on the estimated assessable profits for the year.

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.

9. DIVIDEND

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

10. (LOSS)/EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of basic loss per share from continuing and discontinued operations is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss for the year	**(15,916)**	(1,414)

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**455,002**	451,560

For continuing operations

The calculation of basic (loss)/earnings per share from continuing operations is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
(Loss)/Earnings		
(Loss)/Profit from continuing operations	**(14,961)**	119

The denominator is the weighted average number of ordinary shares used for the calculation of basic (loss)/earnings per share for continuing and discontinued operations as detailed above.

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

For discontinued operation

Basic loss per share for the discontinued operation is HK cent 0.21 (2012: HK cent 0.34) per share, based on loss for the year from the discontinued operation of HK$955,000 (2012: HK$1,533,000) and the denominator in the weighted average number of ordinary shares used for the calculation of basic loss per share for continuing and discontinued operations as detailed above.

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

11. TRADE RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**25**	89

The Group allows a credit period of 90 days (2012: 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:

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**22**	83
Over 365 days	**3**	6
	25	89

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.

12. TRADE PAYABLES

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

	2013	2012
	HK$'000	*HK$'000*
91 – 180 days	**–**	20
181 – 365 days	**–**	9
Over 365 days	**–**	516
	–	545

Average credit period on purchase of goods is 60 days (2012: 60 days).

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

13. CAPITAL COMMITMENT

The Group had the following outstanding capital commitments at the end of the reporting period:

	2013	2012
	HK$'000	HK$'000
Contracted but not provided for, in respect of:		
– Acquisition of property, plant and equipment	**2,213**	–

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is the extract of the "opinion" and "emphasis of matter" paragraphs in the independent auditor's report on the financial statements of the Group for the year ended 31 December 2013.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 3.1(b) to the financial statements which indicates that the Group incurred a loss for the year of HK$15,916,000 and generated negative cash flows from operating activities of HK$14,058,000 for the year ended 31 December 2013. Moreover, the Group had cash and cash equivalents of HK$3,966,000 only and has committed for acquisition of property, plant and equipment of HK$2,213,000 as at 31 December 2013. These conditions, along with other matters as set forth in note 3.1(b), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

During the year, the Group has engaged in the trading of (a) bio-cleaning materials, (b) waste construction materials and provision of waste processing services, (c) generators, (d) renewable energy and (e) recyclable plastic materials and provision of relevant services. The Group's total revenue for the year ended 31 December 2013 ("FY2013") was approximately HK$1.6 million (FY2012: approximately HK$1.0 million) representing an increase of approximately 60.0% as compared with that for the year ended 31 December 2012 ("FY2012").

CONTINUING OPERATIONS

(a) Bio-cleaning Products

The revenue arising from activities of bio-cleaning sector for the FY2013 was approximately HK$0.10 million (FY2012: approximately HK$0.07 million) representing an increasing of approximately 42.9% as compared with that for FY2012.

(b) Waste Construction Materials

The revenue arising from waste construction material sector for FY2013 was approximately HK$1.29 million (FY2012: approximately HK$0.79 million) representing an increasing of approximately 63.3% as compared with that for FY2012.

(c) Generators

There was no revenue arising from trading of generator for FY2013 (FY2012: nil) as the Group is still waiting for the results of the tender.

(d) Renewable Energy

The Company has ceased all activities in Jatropha plantation and begun to focus its resources on the production of biodiesel. Revenue for FY2013 was approximately HK$249,000 (FY2012: approximately HK$6,000) which was a significant increase compared with FY2012.

DISCONTINUED OPERATION

(e) Recyclable Plastic Materials And Relevant Services

Since the trading of recyclable plastic material and relevant service sectors was discontinued on 30 June 2013, there was only approximately HK$2,000 revenue from this sector (FY2012: approximately HK$123,000).

EXPENDITURE

In FY2013, total operating expenditures were recorded at HK$18.8 million (FY2012: HK$27.2 million).

In FY2013, the Group had bad debts written off and impairment loss on other receivables totaling approximately HK$0.3 million (FY2012: Nil). These expenses were related to debtors who had difficulties in repayment.

On the other hand, in FY2012, included in total operating expenditures were impairment loss on property, plant and equipment and write off of biological assets amounted to approximately HK$3.4 million and HK$4.5 million respectively, which were non-recurring in nature. These impairment losses were made pursuant to current accounting policy adopted by the Group.

The general and administrative expenses in FY2013 relating to staff costs, depreciation, write-down of inventories to net realisable value and other expenses have decreased by 4.2% from FY2012.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group had total current assets of approximately HK$6.2 million (as at 31 December 2012: approximately HK$25.3 million) while total current liabilities were approximately HK$3.9 million (as at 31 December 2012: approximately HK$3.9 million).

As at 31 December 2013, the Group had total assets of approximately HK$19.1 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 20.4% (as at 31 December 2012: approximately 10.7%).

YEAR IN REVIEW AND OUTLOOK

CONTINUING OPERATIONS

(a) Bio-Cleaning Products

As in the previous financial years, all revenue in FY2013 from this sector was contributed by sales made in Hong Kong. The Group will continue to grow its business in Hong Kong and will also promote and broaden its sales to overseas markets. Plans to sell and gain market access to overseas customers have also been put in place and the Group will continue to explore business opportunities outside of Hong Kong.

(b) Waste Construction Materials

The performance in this segment has improved in FY2013 because one of the major crushing and recycling equipment had sustained a very serious damage resulting in temporary suspension of recycling activities in FY2012. The equipment was fully repaired in second half year of 2012. No significant growth is expected in this segment in the coming year as the Group is still in the process of building up its customer's base.

(c) Generators

The Group's 15KW liquid propane powered generator equipped with an advanced electronic control unit was ready for launch in the market in FY2012. The Group had already submitted a tender to a telecom company in the PRC. The Group is still waiting for the result of the tender.

(d) Renewable energy

The Group has ceased all activities in Jatropha plantation and begun to focus its resources on the production of biodiesel using a different type of feedstock. An order was placed with a reputable Portuguese supplier for the fabrication and supply of a new biodiesel processing plant to be delivered to the Group. It is expected that the new plant will enhance business growth and opportunities of the Group in this sector.

DISCONTINUED OPERATION

Recyclable plastic materials and relevant services

In 2007 the Group leased a piece of land for the operation of the recyclable plastic material and relevant services. The lease expired on 30 June 2013. Following the expiry of the lease and assessment on the commercial viability of the project, the Group has decided to discontinue the operations and services in the business of recycling plastic materials and the provision of other services ancillary thereto. The main reason for the discontinuation is because of the stringent control imposed by the Chinese authorities over the importation of recyclable plastic materials from Hong Kong into the PRC. The Board and the management consider that the control and measures put in place by relevant Chinese authorities are not likely to be lifted or varied in the near future.

FUTURE PROSPECTS

The Group will continue the existing business activities and exercise prudent control over expenditures. Efforts will also be made to explore new business opportunities locally and overseas. The Directors believe that the 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 investment opportunities with a view to generating positive cash flow and earnings for the Group.

MATERIAL ACQUISITION

There was no material acquisition or disposal of the Company's subsidiaries and associated companies for the FY2013.

CAPITAL COMMITMENT

As at 31 December 2013, the Group had capital commitment of HK$2,213,000 (FY2012: Nil).

CONTINGENT LIABILITIES

As at 31 December 2013 the Group did not have any material contingent liabilities (FY 2012: Nil)

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2013 the Group had 25 employees (2012: 25 employees) in Hong Kong, the PRC and Germany.

The Group offered competitive remuneration package as an incentive to staff for improvement. 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 as at the report date. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2013.

WORK ON 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 2013 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 2013 containing all the information required by the Listing Rules will also be available at the Company's and the Stock Exchange's website and 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 2014

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.