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 FINANCIAL YEAR ENDED 31 DECEMBER 2014

The directors (the "Directors") 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 2014 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000* (Re-presented)
Continuing operations			
Revenue	4	**2,357**	1,642
Changes in inventories of finished goods		**(472)**	(442)
Other income	5	**571**	2,262
Staff costs		**(5,889)**	(6,078)
Depreciation		**(1,804)**	(2,475)
Other expenses		**(25,002)**	(6,320)
Impairment loss on other receivables		**–**	(230)
Bad debts written off		**–**	(28)
Reversal of write-down/(Write-down) of inventories to net realisable value		**52**	(61)
Finance costs	6	**(1,610)**	–
Loss before income tax	7	**(31,797)**	(11,730)
Income tax credit/(expense)	9	**965**	(837)
Loss for the year from continuing operations		**(30,832)**	(12,567)

	Notes	**2014**	2013
		HK$'000	*HK$'000*
			(Re-presented)
Discontinued operations			
Loss for the year from discontinued operations	8	**(5,366)**	(3,349)
Loss for the year		**(36,198)**	(15,916)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**4,168**	(1,389)
Other comprehensive income for the year		**4,168**	(1,389)
Total comprehensive income for the year		**(32,030)**	(17,305)
		HK cents	*HK cents*
Loss per share from continuing and discontinued operations			
– Basic and diluted	11	**(7.29)**	(3.50)
		HK cents	*HK cents*
Loss per share from continuing operations			
– Basic and diluted	11	**(6.21)**	(2.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,237**	7,680
Intangible assets		**–**	–
Deposit for acquisition of investment		**2,500**	–
Deposit for acquisition of property, plant and equipment		**5,655**	5,256
		13,392	12,936
Current assets			
Inventories		**362**	360
Trade receivables	12	**135**	25
Prepayments, deposits and other receivables		**5,543**	1,858
Cash and cash equivalents		**25,505**	3,966
		31,545	6,209
Current liabilities			
Accruals and other payables		**2,188**	2,089
Provision for income tax		**853**	1,838
		3,041	3,927
Net current assets		**28,504**	2,282
Total assets less current liabilities/Net assets		**41,896**	15,218
EQUITY			
Share capital		**57,175**	45,500
Reserves		**(15,279)**	(30,282)
Total equity		**41,896**	15,218

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) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

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

(a) Adoption of new/revised HKFRSs – first effective on 1 January 2014

In the current year, the Group has applied for the first time the following new standards and amendments issued by the Hong Kong Certified Public Accountants, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2014:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets

The adoption of these amendments 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.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1 July 2014

2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

3 Effective for annual periods beginning on or after 1 January 2016

4 Effective for annual periods beginning on or after 1 January 2017

5 Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes 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.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the 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.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

Step 1:	Identify the contract(s) with a customer
Step 2:	Identify the performance obligations in the contract
Step 3:	Determine the transaction price
Step 4:	Allocate the transaction price to each performance obligation
Step 5:	Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

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
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 operations

Generators	–	Trading of generators (discontinued during the year (Note 8)) and the relevant information are re-presented accordingly)
Recyclable plastic materials and relevant services	–	Trading of recyclable plastic materials and provision of relevant services (discontinued during 2013 (Note 8))

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, finance costs 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 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
2014

	Continuing operations				Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE								
Sales to external customers	75	2,282	–	2,357	–	–	–	2,357
RESULTS								
Segment results	(172)	(73)	(3,384)	(3,629)	(5,393)	–	(5,393)	(9,022)
Unallocated corporate expenses								(17,738)
Share-based payments to non-employee participants								(9,391)
Finance costs								(1,610)
Other income								598
Loss before income tax								(37,163)

2013

	Continuing operations				Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'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	2	1,644
RESULTS								
Segment results	(295)	(3,611)	(3,550)	(7,456)	(2,394)	(955)	(3,349)	(10,805)
Unallocated corporate expenses								(6,536)
Other income								2,262
Loss before income tax								(15,079)

Segment assets, segment liabilities and other segment information

2014

	Continuing operations				Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS								
Segment assets	453	7,178	9,495	17,126	–	–	–	17,126
Unallocated cash and cash equivalents								23,093
Loan receivable								2,500
Unallocated corporate assets								2,218
Consolidated total assets								44,937
LIABILITIES								
Segment liabilities	–	148	1	149	–	–	–	149
Unallocated corporate liabilities								2,039
Tax liabilities								853
Consolidated total liabilities								3,041

	Continuing operations					Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Corporate	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION									
Additions to non-current assets	–	2,508	399	246	3,153	335	–	335	3,488
Depreciation	1	374	1,064	365	1,804	85	–	85	1,889
Reversal of write-down of inventories to net realisable value	–	–	52	–	52	–	–	–	52
Loss on disposal of property, plant and equipment	–	–	–	274	274	5	–	5	279
Share-based payments	–	–	–	9,391	9,391	3,301	–	3,301	12,692

2013

	Continuing operations				Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS								
Segment assets	371	4,381	8,303	13,055	602	–	602	13,657
Unallocated cash and cash equivalents								1,680
Unallocated corporate assets								3,808
Consolidated total assets								19,145
LIABILITIES								
Segment liabilities	–	179	24	203	205	–	205	408
Unallocated corporate liabilities								1,681
Tax liabilities								1,838
Consolidated total liabilities								3,927

	Continuing operations					Discontinued operations			
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Corporate	Sub-total	Generators	Recyclable plastic materials and relevant services	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION									
Additions to non-current assets	2	–	3,915	494	4,411	–	36	36	4,447
Depreciation	2	1,018	1,088	367	2,475	128	16	144	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)	(235)	(51)
Impairment loss on other receivables	–	–	230	–	230	–	–	–	230
Bad debts written off	–	–	–	28	28	49	–	49	77

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("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	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**75**	355	**7,063**	7,474
The PRC (excluding Hong Kong)	**–**	–	**367**	1,110
Germany	**2,282**	1,289	**5,962**	4,352
	2,357	1,644	**13,392**	12,936

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:

	2014	2013
	HK$'000	*HK$'000*
Customer A#	**NA**[1]	249
Customer B^	**NA**[1]	201
Customer C^	**417**	162
Customer D^	**936**[2]	NA
	1,353	612

1 Customer A and B individually contribute less than 10% of total revenue of the Group in 2014.

2 Customer D contributed less than 10% of total revenue of the Group in 2013.

\# 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:

	2014	2013
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Trading of bio-cleaning materials	**75**	104
Trading of waste construction materials	**1,746**	668
Trading of biodiesel	**–**	249
Provision of waste processing services	**536**	621
	2,357	1,642
Discontinued operation		
Provision of relevant services in respect of recyclable plastic materials *(note 8)*	**–**	2
	2,357	1,644

5. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Interest income	**16**	–
Write off of long outstanding payables	**–**	615
Net exchange gain	**–**	1,647
Sub-leasing income	**544**	–
Sundry income	**11**	–
	571	2,262
Discontinued operations *(note 8)*		
Interest income	**–**	2
Gain on disposal of property, plant and equipment	**–**	235
Sundry income	**27**	–
	27	237
	598	2,499

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Interest expenses on convertible redeemable bonds *(note 14)*	**1,610**	–

7. LOSS BEFORE INCOME TAX

	2014	2013
	HK$'000	*HK$'000*
Loss before income tax for continuing and discontinued operations has been arrived at after charging/(crediting):		
Depreciation for property, plant and equipment *(note (i))*	**1,889**	2,619
Auditor's remuneration *(note (ii))*	**628**	632
Minimum lease payments for operating leases in respect of land and buildings *(note (iii))*	**1,783**	1,833
Research and development expenditure	**23**	132
Loss/(Gain) on disposal of property, plant and equipment	**279**	(51)
Bad debts written off	**–**	77
Net exchange loss/(gain)	**5,258**	(1,647)
Staff costs including Directors' remuneration *(note(iv))*		
Salaries and allowances	**6,553**	7,171
Retirement benefit – defined contribution scheme	**398**	324
Equity-settled share-based payments to employees	**3,301**	–
	10,252	7,495

Notes:

(i) The balance includes depreciation incurred by the discontinued operations of HK$85,000 (2013: HK$144,000) (note 8).

(ii) The balance includes auditor's remuneration incurred by the discontinued operations of HK$13,000 (2013: HK$9,000) (note 8).

(iii) The balance included minimum lease payments for operating leases in respect of land and buildings incurred by the discontinued operations of HK$98,000 (2013: HK$628,000) (note 8).

(iv) The balance includes staff costs incurred by the discontinued operations of HK$4,363,000 (2013: HK$1,417,000) (note 8).

8. DISCONTINUED OPERATIONS

During the year, due to the unsatisfactory performance of the business of generators and that the commencial viability of this business is not promising, the Directors discontinued the business on 31 December 2014. During last year, due to the unsatisfactory performance of the business of recycle plastic material and relevant services, and that the Directors considered it was unlikely there will be improvement in that business sector as a result of stringent government policy for import of recyclable plastic materials to the PRC from Hong Kong, the Directors discontinued that business on 30 June 2013. The results of the above-mentioned business segments are as follows:

	Generators		Recyclable plastic materials and relevant services		Total discontinued operations	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* (Re-presented)
Revenue	**–**	–	**–**	2	**–**	2
Other income	**27**	2	**–**	235	**27**	237
Staff costs	**(4,363)**	(958)	**–**	(459)	**(4,363)**	(1,417)
Depreciation	**(85)**	(128)	**–**	(16)	**(85)**	(144)
Bad debts written off	**–**	(49)	**–**	–	**–**	(49)
Other operating expenses	**(945)**	(1,261)	**–**	(717)	**(945)**	(1,978)
Loss before income tax	**(5,366)**	(2,394)	**–**	(955)	**(5,366)**	(3,349)
Income tax	**–**	–	**–**	–	**–**	–
Loss for the year from discontinued operations	**(5,366)**	(2,394)	**–**	(955)	**(5,366)**	(3,349)
Operating cash flows					**(1,861)**	(3,505)
Investing cash flows					**49**	(361)
Financing cash flows					**2,077**	45
Total cash inflows/(outflows)					**265**	(3,821)

For the purpose of presenting the discontinued operation of generators, 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. As the business of recyclable plastic material and relevant services was discontinued on 30 June 2013, the comparative consolidated statement of comprehensive income and related notes included the results from the business of generators for the year ended 31 December 2013 and the results from the business of recyclable plastic material and relevant services for the period from 1 January 2013 to 30 June 2013.

9. INCOME TAX CREDIT/(EXPENSE)

The amount of income tax credit/(expense) in the consolidated statement of comprehensive income represents:

	2014	2013
	HK$'000	*HK$'000*
Current tax		
– Hong Kong profits tax		
Over-provision in previous years	**–**	(134)
– PRC enterprise income tax		
Provision for the year	**–**	971
Over-provision in previous years	**(965)**	–
Income tax (credit)/expense	**(965)**	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 enterprise income tax is calculated at 25% (2013: 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.

10. DIVIDEND

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

11. LOSS 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:

	2014	2013
	HK$'000	*HK$'000*
Loss		
Loss for the year	**(36,198)**	(15,916)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**496,477**	455,002

For continuing operations

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

	2014	2013
	HK$'000	*HK$'000*
		(Re-presented)
Loss		
Loss from continuing operations	**(30,832)**	(12,567)

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

For discontinued operations

Basic loss per share for the discontinued operations is HK cents 1.08 (2013: HK cents 0.74) per share, based on loss for the year from the discontinued operations of HK$5,366,000 (2013: HK$3,349,000) and the denominator being 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 basic loss per share as the share options and convertible redeemable bonds outstanding during the year had an anti-dilutive effect on the basic loss per share for both years.

12. TRADE RECEIVABLES

	Group 2014 HK$'000	Group 2013 HK$'000
Trade receivables	**135**	25

The Group allows a credit period of 14 days (2013: 14 days) to certain of its trade customers. The following is an ageing analysis of trade receivables based on invoice date at the end of the reporting period:

	Group 2014 HK$'000	Group 2013 HK$'000
Based on invoice date		
0 – 90 days	**134**	22
Over 365 days	**1**	3
	135	25

The following is an ageing analysis of trade receivables based on due date which are past due but not impaired at the end of the reporting period:

	Group 2014 HK$'000	Group 2013 HK$'000
Based on due date		
Not yet past due	**24**	22
0 – 90 days past due	**110**	–
Over 365 days past due	**1**	3
	135	25

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.

13. CAPITAL COMMITMENT

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

	2014 HK$'000	2013 HK$'000
Contracted but not provided for, in respect of:		
– Acquisition of property, plant and equipment	**1,408**	2,213
– Acquisition of the entire equity interest of a company	**6,000**	–

14. CONVERTIBLE REDEEMABLE BONDS

The Company issued one-year 5% convertible redeemable bonds at a total nominal value of HK$30,000,000 on 4 June 2014. The bonds will mature in one year from the issue date on 4 June 2015 and can be converted into ordinary shares of the Company at the holder's option at initial conversion price of HK$0.4 per share after the date of issuance up to and including the maturity date. The maximum number of shares to be converted upon full conversion of the bonds is 75,000,000.

The bonds may be redeemed by the Company during the period commencing on the date immediately following the expiry of restriction period to and including the maturity date at a redemption amount equal to 100% of the principal amount of the outstanding bonds together with all interest accrued thereon. Restriction period is defined as the six months period commencing from the date of issue of the bonds.

The bonds have two components – liability and equity components. On initial recognition, the fair value of the liability component of the convertible redeemable bonds was determined using the prevailing market interest of similar non-convertible bond with the Company's redemption option. The difference between the net issue price of the convertible redeemable bonds and the fair value assigned to the liability component, representing the option for conversion of the convertible redeemable bonds into equity, is included in equity as convertible redeemable bonds equity reserve. The effective interest rate of the liability component is 25.76%.

The net proceeds from the issue of the convertible redeemable bonds after the direct transaction costs of HK$1,350,000 are HK$28,650,000.

Subsequently during the year ended 31 December 2014, the bonds were fully converted at the conversion price of HK$0.4 per share, resulting in the issue of 75,000,000 new shares of HK$0.1 each and the transfer of a sum of HK$3,603,000 and HK$26,657,000 respectively from convertible redeemable bonds equity reserve and convertible redeemable bonds (liability component) to share capital and share premium.

The movements of the liability and equity components of the convertible redeemable bonds are set out as below:

	Liability component	**Equity component**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Value on initial recognition less direct transaction cost	25,047	3,603	28,650
Imputed interest expense recognised *(note 6)*	1,610	–	1,610
Conversion of convertible redeemable bonds	(26,657)	(3,603)	(30,260)
At 31 December 2014	–	–	–

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) renewable energy and (d) generators. The Group's total revenue for the year ended 31 December 2014 ("FY2014") was approximately HK$2.4 million (FY2013: approximately HK$1.6 million) representing an increase of approximately 43.4% as compared with that for the year ended 31 December 2013 ("FY2013").

CONTINUING OPERATIONS

(a) Bio-cleaning Products

The revenue arising from activities of bio-cleaning sector for the FY2014 was approximately HK$75,000 (FY2013: approximately HK$104,000) representing a decrease of approximately 27.9% as compared with that for FY2013.

(b) Waste Construction Materials

The revenue arising from waste construction material sector for FY2014 was approximately HK$2.28 million (FY2013: approximately HK$1.29 million) representing an increase of approximately 77.0% compared with FY2013.

(c) Renewable Energy

The Company has ceased all activities in Jatropha plantation in FY2013 and begun to focus its resources on the production of biodiesel outside Hong Kong using a different type of feedstock. Therefore, no revenue was recorded for the year. However, a new project, with the production capacity of 8,000 metric tons of biodiesel per year is in progress in Portugal. The Group anticipates this project will be a new revenue growth driver in the near future.

DISCONTINUED OPERATION

(d) Generators

Since the trading of generators was discontinued on 31 December 2014 due to the unsatisfactory outcome of the tender for the supply of new orders, no revenue was recorded in FY2014 and FY2013 respectively.

EXPENDITURE

In FY2014, total operating expenditures excluding finance costs were recorded at approximately HK$38.1 million (FY2013: approximately HK$18.8 million).

In FY2014, (i) an equity-settled share-based payments of approximately HK$12.7 million was recognised as two lots of options granted on 12 May 2014 and 16 June 2014 respectively, (ii) exchange loss of approximately HK$5.3 million were recorded due to the translation of balances denominated in foreign currencies, which was mostly attributable to the drastic depreciation of Euro and Renminbi against Hong Kong dollars by the end of year 2014, while a foreign exchange gain of around HK$1.65 million was recorded last year.

On the other hand, in FY2013, included in total operating expenditures were impairment loss on other receivables and bad debts written off approximately HK$307,000 in total. These were related to debtors who had difficulties in repayment.

Finance costs of approximately HK$1.6 million relate to imputed interest of convertible redeemable bonds issued and fully converted during FY2014 (FY2013: Nil).

During FY2014, the Group recorded a net loss of approximately HK$36.2 million against a net loss of approximately HK$15.9 million for FY2013. However, excluding the non-recurring equity-settled share-based payments amounting to approximately HK$12.7 million, the Group has recorded a net loss of approximately HK$23.5 million only as compared with the last year. The share-based payments was a non-cash accounting item and was charged to the profit and loss for the year but has no effect on the cash flow of the Group's operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group had total current assets of approximately HK$31.5 million (As at 31 December 2013: approximately HK$6.2 million) while total current liabilities were approximately HK$3.0 million (As at 31 December 2013: approximately HK$3.9 million). The current ratio, an indicator to demonstrate the ability to meet the short term liabilities, was approximately 10.5 (As at 31 December 2013: approximately 1.6). Improvement in the current ratio indicates that the Group has sufficient fund to meet its liabilities as they fall due.

As at 31 December 2014, the Group had total assets of approximately HK$44.9 million (As at 31 December 2013: approximately HK$19.1 million). The gearing ratio, calculated by dividing the total debts over its total assets was approximately 6.7% (As at 31 December 2013: approximately 20.5%).

YEAR IN REVIEW AND OUTLOOK

CONTINUING OPERATIONS

(a) Bio-Cleaning Products

As in the previous financial years, all revenues in FY2014 from this sector were 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 FY2014. Steady 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 in Germany.

(c) Renewable energy

The Group now focus its resources on the production of biodiesel using a different type of feedstock. An order has been placed with a reputable Portuguese supplier for the fabrication and supply of a new biodiesel processing plant to be delivered to the Group. The facility will employ the most advanced type of the current industry-proven production technologies, that of esterification combined with ultrasonic transecterification. It is expected that the new plant will enhance business growth and opportunities of the Group for further expansion in the near future.

DISCONTINUED OPERATION

Generators

The Group has decided to discontinue the operations and services in the business segment following that the Group has not succeeded in securing a contract with the service providers of telecom facilities in PRC for the supply of 15KW liquid propane-powered generator. The management are of the view that the commercial viability of this business was considered not promising and the market for an advanced electronic control unit is too price competitive.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The limited availability of petrol and its prices volatility have brought about the development of alternative fuels such as biodiesel. The major advantages of biodiesel are that it enhances engine life, and unlike petroleum, it does not pollute the environment. The biodiesel market is slated for a huge potential growth in the next few years not only because of the growing environmental concerns, but also because of the non-renewable sources of energy, especially petroleum. Governments across the globe are encouraging the use of biodiesel; and many countries have initiated blending of conventional diesel with a percentage of biodiesel.

In the coming decades, biofuels will be required for road, air, rail and shipping. An integrated biofuels strategy is required for meeting the competing needs of these different transport types at national and international level. Many governments around the world have now implemented ambitious targets and policies to promote biofuels. For example, the European Union has endorsed a mandatory target of a 20 per cent share of all energy from renewable sources in overall energy consumption by 2020 and a mandatory 10 per cent target (a recent plenary vote in the European Parliament yielded an agreement to cap the contribution of first-generation biofuels at 6 per cent,) to be achieved by all member states for the share of biofuels in the transport sector by 2020.

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 Group 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 new investment opportunities with a view to generating positive cash flow and earnings for the Group. In addition to this, the Group will also seek new opportunities to further enhance its working capital by possible fund raising activities which may involve issue of new shares in and/or debt securities of the Company.

MATERIAL ACQUISITION

In November 2014, the Group entered into a sale and purchase agreement in relation to a proposed acquisition of a business. An announcement has been made to disclose the details of this proposed acquisition on 11 November 2014.

Save for the above, there was no material acquisition or disposal of the Company's subsidiaries and associated companies for the FY2014.

CAPITAL COMMITMENT

As at 31 December 2014 the Group had capital commitment of HK$7,408,000 (As at 31 December 2013: HK$2,213,000).

CONTINGENT LIABILITIES

As at 31 December 2014 the Group did not have any material contingent liabilities (As at 31 December 2013: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2014 the Group had 22 employees (As at 31 December 2013: 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.

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.

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 the reported dated. The audit committee has reviewed the audited consolidated financial statements for the year ended 31 December 2014.

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 2014 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 2014 containing all the information required by the Listing Rules also be available at the Company's and the Stock Exchange's website 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, 30 March 2015

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

* *For identification purposes only*