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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2015 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Continuing operations			
Revenue	4	**1,211**	2,357
Changes in inventories of finished goods		**(281)**	(472)
(Write-down)/Reversal of write-down of inventories to net realisable value		**(3)**	52
Other income and gains	5	**2,168**	571
Staff costs		**(9,996)**	(5,889)
Depreciation		**(1,230)**	(1,804)
Other expenses		**(29,233)**	(25,002)
Impairment loss on property, plant and equipment		**(240)**	–
Finance costs	6	**(5,544)**	(1,610)

* *For identification purpose only*

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Loss before income tax	7	**(43,148)**	(31,797)
Income tax credit	9	**–**	965
Loss for the year from continuing operations		**(43,148)**	(30,832)
Discontinued operation			
Loss for the year from discontinued operation	8	**–**	(5,366)
Loss for the year		**(43,148)**	(36,198)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**2,830**	4,168
Other comprehensive income for the year		**2,830**	4,168
Total comprehensive income for the year		**(40,318)**	(32,030)
		HK cents	HK cents
Loss per share from continuing and discontinued operations – Basic and diluted	11	**(6.79)**	(7.29)
		HK cents	HK cents
Loss per share from continuing operations – Basic and diluted	11	**(6.79)**	(6.21)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	**9,069**	5,237
Intangible assets		**–**	–
Deposit for acquisition of investment		**–**	2,500
Deposit for acquisition of property, plant and equipment		**5,655**	5,655
		14,724	13,392
Current assets			
Inventories		**256**	362
Trade receivables	13	**107**	135
Prepayments, deposits and other receivables		**8,432**	5,543
Cash and cash equivalents		**58,375**	25,505
		67,170	31,545
Current liabilities			
Accruals and other payables		**2,158**	2,188
Convertible redeemable bonds – liability component	14	**6,611**	–
Provision for income tax		**853**	853
		9,622	3,041
Net current assets		**57,548**	28,504
Total assets less current liabilities/Net assets		**72,272**	41,896
EQUITY			
Share capital		**66,603**	57,175
Reserves		**5,669**	(15,279)
Total equity		**72,272**	41,896

NOTES:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated 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 consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements have been prepared under historical cost convention.

(b) Functional and presentation currency

The consolidated 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 2015

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 consolidated financial statements for the annual period beginning on 1 January 2015:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

The adoption of these amendments has no material impact on the consolidated 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 consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

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

[1] Effective for annual periods beginning on or after 1 January 2016

[2] Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 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 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

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-step 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 HKFRS. 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 consolidated 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 operation

Generators	–	Trading of generators (discontinued during the year 2014 (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, provision for income tax and deferred tax liabilities.

Segment information about these businesses is presented below:

Segment revenue and results

2015

	Continuing operations				Discontinued operation	
	Bio-cleaning materials *HK$'000*	**Waste construction materials and waste processing services** *HK$'000*	**Renewable energy** *HK$'000*	**Sub-total** *HK$'000*	**Generators** *HK$'000*	**Total** *HK$'000*
REVENUE						
Sales to external customers	**129**	**1,082**	**–**	**1,211**	**–**	**1,211**
RESULTS						
Segment results	**(169)**	**(278)**	**(3,062)**	**(3,509)**	**–**	**(3,509)**
Share-based payments						**(14,724)**
Other corporate expenses						**(21,539)**
Finance costs						**(5,544)**
Other income						**2,168**
Loss before income tax						**(43,148)**

2014

	Continuing operations				Discontinued operation	
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Total
	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)	(9,022)
Share-based payments to non-employee participants						(9,391)
Other corporate expenses						(17,738)
Finance costs						(1,610)
Other income						598
Loss before income tax						(37,163)

Segment assets, segment liabilities and other segment information

2015

	Continuing operations				Discontinued operation	
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS						
Segment assets	384	9,182	19,136	28,702	–	28,702
Unallocated cash and cash equivalents						43,808
Loan receivable						1,500
Deposit for acquisition of investment under negotiation						5,136
Other corporate asset						2,748
Consolidated total assets						81,894
LIABILITIES						
Segment liabilities	–	182	26	208	–	208
Convertible redeemable bonds – liability component						6,611
Provision for income tax						853
Other corporate liabilities						1,950
Consolidated total liabilities						9,622

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Corporate	Sub-total	Generators	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION							
Additions to non-current assets	–	5,055	–	715	5,770	–	5,770
Depreciation	1	92	849	288	1,230	–	1,230
Write-down of inventories to net realisable value	–	–	3	–	3	–	3
Share-based payments	–	–	–	14,724	14,724	–	14,724
Impairment loss on property, plant and equipment	–	–	–	240	240	–	240

2014

	Continuing operations				Discontinued operation	
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Sub-total	Generators	Total
	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
Other corporate assets						2,218
Consolidated total assets						44,937
LIABILITIES						
Segment liabilities	–	148	1	149	–	149
Provision for income tax						853
Other corporate liabilities						2,039
Consolidated total liabilities						3,041

	Continuing operations					Discontinued operation	
	Bio-cleaning materials	Waste construction materials and waste processing services	Renewable energy	Corporate	Sub-total	Generators	Total
	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	3,488
Depreciation	1	374	1,064	365	1,804	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	279
Share-based payments	–	–	–	9,391	9,391	3,301	12,692

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("PRC") (excluding Hong Kong), Germany and Portugal. 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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**129**	75	**6,436**	7,063
The PRC (excluding Hong Kong)	**–**	–	**329**	367
Germany	**1,082**	2,282	**7,959**	5,962
	1,211	2,357	**14,724**	13,392

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:

	2015	2014
	HK$'000	*HK$'000*
Customer A[#]	**123**[1]	NA
Customer B[^]	**358**	417
Customer C[^]	**NA**[2]	936

1 Customer A contributed less than 10% of total revenue of the Group in 2014.

2 Customer C contributes less than 10% of total revenue of the Group in 2015.

Included in the segment of bio-cleaning material 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 is recognised during the year as follows:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Trading of bio-cleaning materials	**129**	75
Trading of waste construction materials	**695**	1,746
Provision of waste processing services	**387**	536
	1,211	2,357

5. OTHER INCOME AND GAINS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Gain on early redemption of convertible redeemable bonds *(note 14)*	**87**	–
Interest income	**497**	16
Realised fair value gain on financial instruments	**465**	–
Recovery of bad debt	**250**	–
Sub-leasing income	**857**	544
Sundry income	**12**	11
	2,168	571
Discontinued operation *(note 8)*		
Sundry income	**–**	27
	2,168	598

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest expenses on convertible redeemable bonds *(note 14)*	**5,533**	1,610
Interest expenses on other loans	**11**	–
	5,544	1,610

7. LOSS BEFORE INCOME TAX

	2015	2014
	HK$'000	*HK$'000*
Loss before income tax for continuing and discontinued operations has been arrived at after charging:		
Depreciation for property, plant and equipment *(note (i))*	**1,230**	1,889
Auditor's remuneration *(note (ii))*	**618**	628
Minimum lease payments for operating leases in respect of land and buildings *(note (iii))*	**1,837**	1,783
Research and development expenditure	**79**	23
Loss on disposal of property, plant and equipment	**–**	279
Net exchange loss	**5,267**	5,258
Staff costs including Directors' remuneration *(note (iv))*		
Salaries and allowances	**6,389**	6,553
Retirement benefit-defined contribution scheme	**304**	398
Equity-settled share-based payments to employees	**3,303**	3,301
	9,996	10,252

Notes:

(i) The balance in 2014 included depreciation incurred by the discontinued operation of HK$85,000 (note 8).

(ii) The balance in 2014 included auditor's remuneration incurred by the discontinued operation of HK$13,000.

(iii) The balance in 2014 included minimum lease payments for operating leases in respect of land and buildings incurred by the discontinued operation of HK$98,000.

(iv) The balance in 2014 included staff costs incurred by the discontinued operation of HK$4,363,000 (note 8).

8. DISCONTINUED OPERATION

During last year, due to the unsatisfactory performance of the business of generators, and that the commercial viability of this business is not promising, the Directors discontinued the business on 31 December 2014. The result of this business segment is as follows:

	Total discontinued operation Generators	
	2015	2014
	HK$'000	*HK$'000*
Other income *(note 5)*	–	27
Staff costs	–	(4,363)
Depreciation	–	(85)
Other operating expenses	–	(945)
Loss before income tax	–	(5,366)
Income tax	–	–
Loss for the year from discontinued operation	–	(5,366)
Operating cash flows	–	(1,861)
Investing cash flows	–	49
Financing cash flows	–	2,077
Total cash inflows	–	265

9. INCOME TAX CREDIT

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

	2015	2014
	HK$'000	*HK$'000*
Current tax – PRC enterprise income tax		
Over-provision in previous years	–	(965)

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.

For the subsidiaries operated in Germany, Portugal and the PRC, no provision for corporate income tax or PRC enterprise income tax as appropriate have been made 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:

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the year	**(43,148)**	(36,198)

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**635,740**	496,477

For continuing operations

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

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss from continuing operations	**(43,148)**	(30,832)

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 operation

For the year ended 31 December 2014, basic loss per share for the discontinued operation was HK cents 1.08, based on loss for the year from the discontinued operation of HK$5,366,000 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 (note 14) outstanding during the year had an anti-dilutive effect on the basic loss per share for both years.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2015, the Group acquired property, plant and equipment of HK$5.8 million including additions amounting to HK$5.1 million arising from the acquisition of Skylimit Ventures Limited and its subsidiary. The details of which are set out in Note 16.

13. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**107**	135

The Group allows a credit period of 14 days (2014: 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:

	2015	2014
	HK$'000	*HK$'000*
Based on invoice date		
0 – 90 days	**106**	134
Over 365 days	**1**	1
	107	135

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:

	2015	2014
	HK$'000	*HK$'000*
Based on due date		
Not yet past due	**101**	24
0 – 90 days past due	**5**	110
Over 365 days past due	**1**	1
	107	135

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.

14. CONVERTIBLE REDEEMABLE BONDS

Year ended 31 December 2015

The Company issued one-year 8% convertible redeemable bonds at a total principal amount of HK$60,060,000 on 22 April 2015. The bonds will mature in one year from the issue date on 21 April 2016 and can be converted into ordinary shares of the Company at the holder's option at initial conversion price of HK$0.78 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 77,000,000.

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 three-month 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 issue price (net) 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 liability component of the bonds is subsequently measured at amortised cost using effective interest rate of 31.1% per annum.

The net proceeds from the issue of the convertible redeemable bonds after the direct transaction costs of HK$1,501,000 are HK$58,559,000.

Subsequently during the year ended 31 December 2015, the bonds with principal amount of HK$25,116,000 were converted at the conversion price of HK$0.78 per share, resulting in the issue of 32,200,000 new shares of HK$0.1 each and the transfer of a sum of HK$5,111,000 from convertible redeemable bonds equity reserve to share capital and share premium, and the derecognition of liability component by HK$19,764,000.

In addition, during the year, the Group early redeemed the convertible redeemable bonds with principal amount of HK$28,158,000. Upon redemption, the redemption consideration of HK$29,231,000 was allocated as to HK$25,408,000 to the liability component and HK$3,823,000 to the equity component. The difference between the redemption consideration allocated to the liability component and the carrying amount of the liability component of the bonds redeemed as at the redemption date of HK$87,000 is recognised in profit or loss as "gain on early redemption of convertible redeemable bonds". The difference between the redemption consideration and the carrying amount of the equity component amounting to HK$1,907,000 is recognised in accumulated losses.

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

	Liability component *HK$'000*	Equity component *HK$'000*	Total *HK$'000*
Value on initial recognition less direct transaction cost	**46,337**	**12,222**	**58,559**
Imputed interest expense recognised *(note 6)*	**5,533**	**–**	**5,533**
Conversion of convertible redeemable bonds	**(19,764)**	**(5,111)**	**(24,875)**
Early redemption of convertible redeemable bonds	**(25,495)**	**(5,730)**	**(31,225)**
At 31 December 2015	**6,611**	**1,381**	**7,992**

The Group has 8% convertible redeemable bonds with principal amount of HK$6,786,000 remained outstanding as at 31 December 2015.

Year ended 31 December 2014

The Company issued one-year 5% convertible redeemable bonds at a total principal amount of HK$30,000,000 on 4 June 2014. The bonds matured one year from the issue date on 3 June 2015 and could 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 was 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 was defined as the six-month period commencing from the date of issue of the bonds. The effective interest rate of the liability component was 25.76% per annum.

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 from convertible redeemable bonds equity reserve to share capital and share premium, and the derecognition of liability component by HK$26,657,000.

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

	Liability component *HK$'000*	Equity component *HK$'000*	Total *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	–	–	–

15. CAPITAL COMMITMENTS

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

	2015 ***HK$'000***	2014 *HK$'000*
Contracted but not provided for, in respect of:		
– Acquisition of property, plant and equipment	**1,150**	1,408
– Acquisition of the entire equity interest in the Acquirees	**–**	6,000

16. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 15 May 2015, the Group acquired 100% of the voting equity instruments of Skylimit Ventures Limited and its wholly-owned subsidiary (collectively "the Acquirees"), whose principal activity is leasing of freehold land, at a consideration of HK$8,500,000 which was satisfied by (i) a refundable deposit of HK$2,500,000 and (ii) the remaining balance of HK$6,000,000 by allotment and issue of 15,000,000 ordinary shares of the Company with par value of HK$0.1 each. The Group intends to use the freehold land to further develop and expand its waste construction materials and waste processing service business.

The fair value of identifiable assets and liabilities of the Acquirees as at the date of acquisition were:

	HK$'000
Property, plant and equipment *(note 12)*	5,055
Other receivables	65
Bank balances and cash	123
Other payables, deposits received and accruals	(209)
Other loans	(1,324)
	3,710

The fair value of consideration transfer:

	HK$'000
Issuance of 15,000,000 ordinary shares of the Company, at fair value	1,210
Refundable deposit	2,500
	3,710

Net cash outflow arising on acquisition:

	HK$'000
Bank balances and cash acquired	123
Cash consideration paid in 2014	(2,500)
	(2,377)

The fair value of other receivables amounted to HK$65,000. The gross amount of these receivables is HK$65,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

Since the acquisition was considered as an acquisition of assets and liabilities and the consideration is accounted for as partially settled by the Company's ordinary shares, it was an equity–settled share-based payment transaction and accordingly the fair values of the ordinary shares issued in connection with the acquisition is determined based on the fair value of the identifiable assets and liabilities acquired less the cash consideration of HK$2,500,000, amounted to HK$1,210,000. HK$1,500,000 of the fair value was credited to share capital and the balance of HK$290,000 was debited to share premium account.

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, and (c) renewable energy. The Group's total revenue for the year ended 31 December 2015 ("FY2015") was approximately HK$1.2 million (FY2014: approximately HK$2.4 million) representing a decrease of approximately 48.6% as compared with that for the year ended 31 December 2014 ("FY2014").

CONTINUING OPERATIONS

(a) Bio-cleaning Products

The revenue arising from activities of bio-cleaning sector for the FY2015 was approximately HK$129,000 (FY2014: approximately HK$75,000) representing a increase of approximately 72.0% as compared with that for FY2014.

(b) Waste Construction Materials

The revenue arising from waste construction material sector for FY2015 was approximately HK$1.08 million (FY2014: approximately HK$2.28million) representing a decrease of approximately 52.6% compared with FY2014.

(c) Renewable Energy

Since the international crude oil price reached the historical low level during the year, no revenue contribution was recognised from this business segment, the business environment for this sector remains challenging and the fluctuation of crude oil price will continue to affect our competiveness of the new products in the market. Taking into the consideration of the outlook of the whole industries is dependent on demand for crude oil and further to our negotiation with the equipment supplier, the development of new project in Portugal has been slowed down by the Group for the time being and the management has been reviewing this situation closely in order to adjust its development plan. These are all steps taken by the management to be prudent in the current environment.

DISCONTINUED OPERATION

(d) Generators

Since the trading of generators was discontinued on 31 December 2014, due to unsatisfactory outcome of the tender for the supply of new orders, no revenue was recorded in FY2015 and FY2014 respectively.

EXPENDITURE

In FY2015, total expenditures excluding finance costs were recorded at HK$40.7 million (FY2014: HK$38.1 million).

The net loss of HK$43.1 million for FY2015 included (i) an equity-settled share-based payments of approximately HK$14.7 million was recognized as two lots of options granted on 9 July 2015 and 1 September 2015 respectively, and (ii) exchange differences of approximately HK$5.3 million was 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 during the year 2015.

Other expenses which included legal and professional fees, amortization and general administrative expenses, increased by 16.9% from approximately HK$25.0 million in FY2014 to HK$29.2 million in FY2015.

Finance costs of approximately HK$5.5 million mainly relate to inputed interest expense arising from the convertible redeemable bonds issued during FY2015 (FY2014: HK$1.6 million).

During FY2015, the Group recorded a net loss of approximately HK$43.1 million against a net loss of approximately HK$36.2 million for FY2014. However, excluding the equity-settled share-based payments amounting to approximately HK14.7 million, which is non-recurring in nature, the Group has recorded a net loss of approximately HK$28.4 million only. 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 2015, the Group had total current assets of approximately HK$67.2 million (As at 31 December 2014: approximately HK$31.5 million) while total current liabilities were approximately HK$9.6 million (As at 31 December 2014: approximately HK$3.0 million). The current ratio, an indicator to demonstrate the ability to meet the short term liabilities, was approximately 7.0 (As at 31 December 2014: approximately 10.5). Notwithstanding that there was a decline in the current ratio, the Group has sufficient fund to meet its liabilities as they fall due.

As at 31 December 2015, the Group had total assets of approximately HK$81.9 million (As at 31 December 2014: approximately HK$44.9 million). The gearing ratio, calculated by dividing the total debts over its total assets was 8.1%. The Group did not have external borrowing as at 31 December 2014.

Issue of convertible redeemable bonds

On 1 April 2015, the Company entered into a convertible redeemable bonds subscription agreement with not less than six placees who are independent third parties. on the issuance bonds of the principal amount of HK$60,060,000. The bonds were convertible into new ordinary shares of the Company of par value of HK$0.10 each at conversion price of HK$0.78. The transaction was completed on 22 April 2015. Further details of the bonds were set out in the Company's announcements dated 1 April 2015, 22 April 2015, 22 September 2015 and 2 December 2015 respectively.

The net proceeds from the issue of the bonds were approximately HK$58.56 million and were intended to be used for general working capital of the Group to support its normal operation and possible new investment or development of business of the Group. As at the date of this announcement, HK$20.64 million has been utilized for redemption of the bonds in the principal amount of HK$19.97 million at the total redemption price of HK$20.64 million and approximately HK$9.0 million have been utilized for the general working capital of the Group and possible new investment and development of the Group. The remaining net proceeds have not been utilized and were maintained in an account with a reputable licensed financial institution.

YEAR IN REVIEW AND OUTLOOK

CONTINUING OPERATIONS

(a) Bio-Cleaning Products

As in the previous financial years, all revenues in FY2015 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 Company will continue to explore business opportunities outside of Hong Kong.

(b) Waste Construction Materials

The performance in this segment was not satisfactory in FY2015 because of tight macro-economic control imposed by the local government. As a result, less orders were placed from local construction companies and government authorities. 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 business environment for this sector remains challenging and the fluctuation of crude oil price will continue to affect our competiveness of the new products in the market. Taking into the consideration of the outlook of the whole industries is dependent on demand for crude oil and further our negotiation with the equipment supplier, the development of new project in Portugal has been slowed down by the Group for the time being. The management has been reviewing this situation closely in order to adjust its development plan. These are all steps taken by the management to be prudent in the current environment.

DISCONTINUED OPERATION

Generators

The Group decided to discontinue the operations and services in the business segment in FY2014 following the Group had 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 were of the view that the commercial viability of this business was considered to be not promising and the market for an advanced electronic control unit was too price competitive.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

According to a new study of consultancy ecoprog (www.ecoprog.com), up to 300 new sorting plants for plastic wastes will be commissioned in Europe by 2025. Today, Europe has almost 1,200 active plastic sorting and recycling plants. However, this portfolio will not large enough as recycling becomes increasingly important. The EU Waste Framework Directive will be the main market driver. By 2020, 50% of the plastics in MSW have to undergo material recovery. However, many European wastes management systems that are considered as more advanced also do not reach MSW recycling quotas complying with the targets.

In December 2015 the Group was engaged in negotiation with third parties for the acquisition of a parcel of land and licenses in Germany with a view to undertaking a waste plastic recycling and management business. Refundable deposit amounting to Euro 600,000 was paid into trust accounts maintained by a German lawyer. The Group invited tenders from vendor with proven experience and capability for the purchase of machineries and equipments required for the purpose of managing, sorting, processing and packaging plastic wastes materials for resale in the international plastic market. It is believed that the upcoming new business will create an exciting new dimension to the Group. The Management believe that these developments will contribute positively to the future growth of the Group. Further announcement will be made if the project will be materialized in the near future.

Looking ahead, the global economic environment remains challenging. Monetary policy divergence, US interest rate hikes, oil prices volatility and geopolitical tensions have created uncertainties and risks. 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.

Last but not least, the Group will continue to seek attractive investment opportunities with a view to generating positive cash flow and earnings for the Group.

FOREIGN EXCHANGE EXPOSURE

The ordinary operations and investments of the Group are mainly in Hong Kong and Germany, with revenue and expenditures denominated in Hong Kong dollars and Euro dollars. The operating results of the Group may be affected by the volatility of foreign currencies. The Group will review its foreign exchange exposures regularly and may consider using financial instruments to hedge against such exposures at appropriate times. As at 31 December 2015, there were no derivative financial instruments employed by the Group.

SEASONAL OR CYCLICAL FACTORS

During the year, the Group‘s business operations are not significantly affected by any seasonal and cyclical factor.

MATERIAL ACQUISITION

Save for disclosed in the section headed "Acquisition of assets and liabilities through acquisition of subsidiaries", there was no material acquisition or disposal of the Company's subsidiaries and associated companies for the FY2015.

CAPITAL COMMITMENT

As at 31 December 2015 the Group had capital commitment of HK$1,150,000 (as at 31 December 2014: HK$7,408,000).

CONTINGENT LIABILITIES

As at 31 December 2015 the Group did not have any material contingent liabilities (as at 31 December 2014: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2015 the Group had 21 employees (as at 31 December 2014: 22 employees) in Hong Kong, the PRC, Portugal 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 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 2015.

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 2015 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 2015 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 2016

As at the date of this announcement, the Company has two executive Directors, Mr. Yip Wai Leung Jerry and Mr. Sean Douglas Mollet 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*