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 YAER ENDED 31 DECEMBER 2017

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 2017 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	4	**41,607**	2,552
Changes in inventories of finished goods		**(29,858)**	(392)
Write-down of inventories to net realisable value		**–**	(32)
Other income and net gains	5	**13,971**	1,591
Staff costs		**(9,815)**	(9,967)
Depreciation		**(1,806)**	(781)
Other expenses		**(16,064)**	(26,235)
Impairment loss on deposit for acquisition of property, plant and equipment		**–**	(2,848)
Finance costs	6	**–**	(718)
Unrealised loss on financial assets at fair value through profit or loss		**(2,432)**	–

* *For identification purposes only*

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Loss before income tax	7	**(4,397)**	(36,830)
Income tax credit	8	**666**	–
Loss for the year		**(3,731)**	(36,830)
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(4,746)**	120
Other comprehensive (loss)/income for the year		**(4,746)**	120
Total comprehensive loss for the year		**(8,477)**	(36,710)
Loss attributable to:			
Owners of the Company		**(3,118)**	(36,630)
Non-controlling interests		**(613)**	(200)
		(3,731)	(36,830)
Total comprehensive loss attributable to:			
Owners of the Company		**(7,808)**	(36,515)
Non-controlling interests		**(669)**	(195)
		(8,477)	(36,710)
		HK cents	*HK cents*
Loss per share – Basic and diluted	10	**(0.34)**	(5.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	**2017** **HK$'000**	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	**35,811**	24,021
Loan receivables		**5,000**	–
Intangible assets		**–**	–
		40,811	24,021
Current assets			
Inventories	12	**667**	877
Trade receivables	13	**12,686**	105
Prepayments, deposits and other receivables		**5,064**	1,478
Financial assets at fair value through profit or loss		**4,819**	–
Short-term investment	14	**356**	–
Cash and cash equivalents		**81,125**	26,665
		104,717	29,125
Assets of a disposal group classified as held for sale	17	**–**	3,000
		104,717	32,125
Current liabilities			
Trade payables	15	**10,145**	684
Accruals and other payables		**7,828**	3,382
Provision for income tax payables		**187**	853
		18,160	4,919
Net current assets		**86,557**	27,206
Net assets		**127,368**	51,227
EQUITY			
Share capital		**94,693**	68,103
Reserves		**33,323**	(16,704)
Equity attributable to owners of the Company		**128,016**	51,399
Non-controlling interests		**(648)**	(172)
Total equity		**127,368**	51,227

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, except for financial assets at fair value through profit or loss and short-term investment are measured at fair values.

(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.

(c) Critical accounting estimates and judgements

It should be noted that accounting estimates and assumptions are used in preparation of these consolidated 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")

Adoption of new/revised HKFRSs - first effective on 1 January 2017

In the current year, the Group has applied for the first time the following new standards and amendments issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group's consolidated financial statements for the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these amendments has no material impact on the consolidated financial statements of the Group.

3. SEGMENT INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker (i.e. most senior executive management) for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

Bio-cleaning materials	–	Trading of bio-cleaning materials
Waste construction materials recycling	–	Trading of waste construction materials and provision of waste processing services
Renewable energy	–	Trading of recyclable oil/biodiesel
Plastic recycling	–	Trading of plastic recycling materials and provision of plastic processing services

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, short-term investment, loan receivables, financial assets at fair value through profit or loss 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 provision for income tax.

Segment information about these businesses is presented below:

Segment revenue and results

2017

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Total *HK$'000*
REVENUE					
Segment revenue - sales to external customers	**92**	**2,575**	**37,139**	**1,801**	**41,607**
RESULTS					
Segment results	**(268)**	**1,081**	**5,788**	**(5,906)**	**695**
Other corporate expenses					**(19,063)**
Finance costs					**–**
Other income					**13,971**
Loss before income tax					**(4,397)**

2016

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Total *HK$'000*
REVENUE					
Segment revenue - sales to external customers	94	2,458	–	–	2,552
RESULTS					
Segment results	(252)	818	(1,062)	(1,737)	(2,233)
Share-based payments					(12,387)
Other corporate expenses					(23,083)
Finance costs					(718)
Other income					1,591
Loss before income tax					(36,830)

Segment assets, segment liabilities and other segment information

2017

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Total *HK$'000*
ASSETS					
Segment assets	**429**	**11,703**	**20,088**	**29,266**	**61,486**
Unallocated cash and cash equivalents					**67,216**
Loan receivables					**7,004**
Other corporate assets					**9,822**
Consolidated total assets					**145,528**
LIABILITIES					
Segment liabilities	**–**	**195**	**10,542**	**1,013**	**11,750**
Provision for income tax					**187**
Other corporate liabilities					**6,223**
Consolidated total liabilities					**18,160**

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
OTHER INFORMATION						
Additions to non-current assets	**6**	**273**	**–**	**1,619**	**102**	**2,000**
Addition to non-current assets by acquisition of subsidiaries	**–**	**–**	**–**	**6,971**	**1,900**	**8,871**
Depreciation	**1**	**63**	**–**	**1,000**	**742**	**1,806**

2016

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Total *HK$'000*
ASSETS					
Segment assets	357	9,864	4,698	19,327	34,246
Unallocated cash and cash equivalents					19,573
Loan receivables					400
Other corporate assets					1,927
Consolidated total assets					56,146
LIABILITIES					
Segment liabilities	5	197	25	871	1,098
Provision for income tax					853
Other corporate liabilities					2,968
Consolidated total liabilities					4,919

	Bio-cleaning materials *HK$'000*	Waste construction materials recycling *HK$'000*	Renewable energy *HK$'000*	Plastic recycling *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
OTHER INFORMATION						
Additions to non-current assets	–	15	–	15,480	358	15,853
Depreciation	1	73	15	385	307	781
Write-down of inventories to net realisable value	–	–	32	–	–	32
Share-based payments	–	–	–	–	12,387	12,387
Impairment loss on deposit for acquisition of property, plant and equipment	–	–	2,848	–	–	2,848

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China ("PRC") (excluding Hong Kong) and Europe (including 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	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**92**	94	**570**	836
The PRC (excluding Hong Kong)	**–**	–	**1,690**	256
Europe	**20,612**	2,458	**33,551**	22,929
Other Asian Region	**14,506**	–	**–**	–
Americas	**6,397**	–	**–**	–
	41,607	2,552	**35,811**	24,021

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:

	Segment	**Geographical location**	**2017** ***HK$'000***	2016 *HK$'000*
Customer A	Waste construction materials recycling	Europe	**–**	613
Customer B	Waste construction materials recycling	Europe	**–**	289
Customer C	Renewable energy	Other Asian Region	**14,506**	–
Customer D	Renewable energy	Europe	**6,490**	–
Customer E	Renewable energy	Americas	**6,397**	–
Customer F	Renewable energy	Europe	**5,439**	–
Customer G	Renewable energy	Europe	**4,307**	–

4. REVENUE

Revenue derived from the principal activities of the Group is recognised during the year as follows:

	2017	2016
	HK$'000	*HK$'000*
Trading of bio-cleaning materials	**92**	94
Trading of recyclable oil/biodiesel	**37,139**	–
Trading of waste construction materials	**2,001**	1,810
Provision of waste processing services	**574**	648
Trading of plastic recycling materials	**683**	–
Provision of plastic processing services	**1,118**	–
	41,607	2,552

5. OTHER INCOME AND NET GAINS

	2017	2016
	HK$'000	*HK$'000*
Interest income	**244**	126
Realised fair value gain on financial instruments	**732**	419
Sub-leasing income	**1,041**	898
Net exchange gain	**10,807**	–
Sundry income	**1,147**	148
	13,971	1,591

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest expenses on convertible redeemable bonds	**–**	718

7. LOSS BEFORE INCOME TAX

	2017	2016
	HK$'000	*HK$'000*
Loss before income tax is arrived at after charging or (crediting):		
Depreciation for property, plant and equipment	**1,806**	781
Auditor's remuneration	**680**	689
Minimum lease payments for operating leases in respect of land and buildings	**1,589**	1,733
Research and development expenditure	**–**	10
Loss on disposal/written off of property, plant and equipment	**205**	8
Loss on disposal of subsidiary	**26**	–
Impairment on loan and other receivables	**921**	–
Net exchange (gain)/loss	**(10,807)**	3,161
Provision for litigation claim *(Note 18)*	**182**	–
Unrealised loss on financial asset at fair value through profit or loss	**2,432**	–
Equity-settled share-based payments to non-employee participants	**–**	10,117
Staff costs including Directors' remuneration		
Salaries and allowances	**9,060**	7,270
Retirement benefit – defined contribution scheme	**755**	427
Equity-settled share-based payments to employees	**–**	2,270
	9,815	9,967

8. INCOME TAX CREDIT

	2017	2016
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**187**	–
Overprovision in respect of prior years	**(853)**	–
	(666)	–

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year after deduction of tax concession. During the year ended 31 December 2016, 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 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 estimated losses 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 PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to the owners of the Company	**(3,118)**	(36,630)

	2017	2016
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**927,520**	669,852

In arriving at diluted loss per share, no adjustment has been made as the share options and convertible redeemable bonds outstanding during both years had an anti-dilutive effect on the basic loss per share for both years.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2017, the Group purchased property, plant and equipment of HK$10.9 million (2016: HK$15.9 million).

12. INVENTORIES

	2017	2016
	HK$'000	*HK$'000*
Bio-cleaning materials	**214**	183
Plastic materials	**453**	694
	667	877

13. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**12,686**	105

The Group allows a credit period of 14 to 90 days (2016: 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:

	2017	2016
	HK$'000	*HK$'000*
Based on invoice date		
0 – 90 days	**12,651**	91
91 – 180 days	**26**	13
Over 365 days	**9**	1
	12,686	105

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:

	2017	2016
	HK$'000	*HK$'000*
Based on due date		
Not yet past due	**12,045**	84
0 – 90 days past due	**606**	11
91 – 180 days past due	**26**	9
Over 365 days past due	**9**	1
	12,686	105

Receivables that were neither past due nor impaired related to certain customers for whom there was no recent history of default. Certain trade receivables are past due at the reporting date but not provided for impairments 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. SHORT-TERM INVESTMENT

The short-term investment was purchased from a major bank in PRC, subject to maturity within one month. The estimated return from this short-term investment was approximately 3.45% per annum. The accrued and unpaid interest will be received upon redemption of the investment from the bank. The directors of the Company consider that the carrying value of the short-term investment is approximate to its fair value at the end of reporting period.

15. TRADE PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**10,145**	684

The following is an ageing analysis of trade payables based on invoice date at the end of the reporting period:

	2017	2016
	HK$'000	*HK$'000*
Based on invoice date		
0 – 90 days	**5,038**	684
91 – 180 days	**5,107**	–
	10,145	684

16. CAPITAL COMMITMENTS

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

	2017	2016
	HK$'000	*HK$'000*
Contracted but not provided for, in respect of:		
– Acquisition of property, plant and equipment	**–**	1,139

17. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 29 December 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of Gold Stand Holdings Limited (the "Target Company"), a wholly-owned subsidiary of the Company. The principal activity of the Target Company and its subsidiary (collectively the "Disposal Group") is manufacturing and trading of renewable energy. The disposal was completed in January 2017. Accordingly, the following major classes of assets relating to the Disposal Group have been classified as held for sale in the consolidated statement of financial position of the Group as at 31 December 2016.

	2016
	HK$'000
Property, plant and equipment	10
Deposit for acquisition of property, plant and equipment (net of impairment)	2,807
Prepayments, deposits and other receivables	52
Bank balances and cash	131
	3,000

In accordance with HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the assets of the Disposal Group have been written down to their fair value less costs to sell of HK$3,000,000. The fair value less costs to sell of the Disposal Group was estimated with reference to the agreed selling price stipulated in the sale and purchase agreement. This is a non-recurring fair value measurement. An impairment loss of HK$2,848,000 has been recognised in profit or loss and has been allocated to the deposit for acquisition of property, plant and equipment of the Disposal Group.

The Disposal Group does not constitute a discontinued operation as it does not represent a major line of business or geographical area of operation.

The Disposal Group was subsequently disposed of on 27 January 2017 with a loss of HK$26,000 recognised in the current year.

Summary of the effects of the disposal of the Disposal Group is as follows:

Analysis of assets and liabilities over which control was lost

	2017
	HK$'000
Property, plant and equipment	**10**
Deposit for acquisition of property, plant and equipment (net of impairment)	**2,807**
Prepayments, deposits and other receivables	**51**
Bank balances and cash	**158**
Net assets disposed of	**3,026**

Loss on disposal of subsidiaries

	2017
	HK$'000
Consideration received	**3,000**
Net asset disposed of subsidiaries	**(3,026)**
Loss on disposal of subsidiaries	**(26)**

Net cash inflow on disposal of subsidiaries

	2017
	HK$'000
Consideration received in cash and cash equivalents	**3,000**
Less: bank balances and cash disposed of	**(158)**
Net cash inflow on disposal of subsidiaries	**2,842**

18. PROVISIONS AND CONTINGENT LIABILITIES

A subsidiary of the Group entered into a tenancy agreement for leasing of a land situated at the New Territories of Hong Kong (the "Premises"). The landlord of the Premises received two notices issued by Planning Department and Lands Department of the Government of Hong Kong which request the landlord to perform some removal and reinstatement work on the Premises and thereby requested the subsidiary to allow access to the Premises. There is a dispute over the right to access the Premises between the landlord and the subsidiary.

On 31 August 2016, the landlord, being the plaintiff (the "Plaintiff"), filed a claim to the district court against the subsidiary (the "Defendant") which is as follows:

- an injunction that the Defendant to provide reasonable access to the Plaintiff for the purpose of carrying out such appropriate and necessary works in compliance with the two notices, whereas the Defendant shall reimburse the Plaintiff all reasonable costs incurred thereof forthwith;

- alternatively, an injunction or order that the Defendant do forthwith at its own costs carry out all such necessary and appropriate works so as to comply with the two notices;

- an indemnity against the Defendant in favour of the Plaintff for all loss and damages, costs and disbursement incurred for and/or arising from all enforcement and/or other proceedings in connection with and/or in respect of the unauthorised structures;

- loss and damages to be assessed; and

- interests and costs and further or other relief.

An interim decision was made by the district court on 8 March 2017 which granted an order in favour of the Plaintiff an injunction that the Defendant provides reasonable access to the Plaintiff for the purpose of carrying out all such appropriate and necessary works in compliance with the two notices in respect of the Premises, whereas the ultimate liability for such works shall be decided separately at trial.

On 23 May 2017, the district court adjudged the Defendant to return Plaintiff the vacant possession of the Premises and adjudged that the Defendant to pay the Plaintiff for the claim. Up to the date of this report, the claim has not yet been settled and provision for litigation claim of HK$182,000 has been provided for the liability accrued up to 31 December 2017. No provision has been made in the consolidated financial statements as at 31 December 2016 as the trial was still in progress at that time. The amount of the claim cannot be measured reliably as it is dependent on the outcome of the trial.

19. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

(a) On 31 October 2017, the Group acquired 100% of the voting equity instruments of Upframe Limited and its 94.9% owned subsidiary, NW-Assets GmbH (collectively "Upframe Group"), whose principal activity is holding of freehold land in Germany, at a consideration of EUR770,000 (equivalent to HK$6,969,000) which was satisfied by (i) a refundable deposit of EUR77,000 (equivalent to HK$697,000) and (ii) the remaining balance of EUR693,000 (equivalent to HK$6,272,000) by cash consideration. The Group intended to use the freehold land to further develop and expand its plastic recycling business.

The assets and liabilities of Upframe Group as at the date of acquisition were:

	2017
	HK$'000
Property, plant and equipment	**6,971**
Bank balances and cash	**225**
Accruals	**(34)**
	7,162

The fair value of consideration transfer:

	2017
	HK$'000
Cash consideration	**6,969**

	2017
	HK$'000
Consideration transferred	**6,969**
Plus: Non-controlling interest	**193**
Net assets acquired	**7,162**

Net cash outflow arising on acquisition:

	2017
	HK$'000
Bank balances and cash acquired	**225**
Cash consideration paid in 2017	**(6,969)**
	(6,744)

(b) On 22 March 2017, the Group acquired 100% of the voting equity instruments of Great Vision Bioenvironmental Engineering Limited and its wholly-owned subsidiary, Dongguan ReKRETE (collectively "Great Vision Group"), which leased an office premise in the PRC, at a consideration of HK$250,000 which was satisfied by cash. The Group intended to further develop the renewable energy business in the PRC through Great Vision Group's office premise.

The assets and liabilities of Great Vision Group as at the date of acquisition were:

	2017
	HK$'000
Property, plant and equipment	**1,900**
Bank balances and cash	**9**
Prepayment, deposits and other receivables	**89**
Other payables	**(1,748)**
	250

The fair value of consideration transfer:

	2017
	HK$'000
Cash consideration	**250**

Net cash outflow arising on acquisition:

	2017
	HK$'000
Bank balances and cash acquired	**9**
Cash consideration paid in 2017	**(250)**
	(241)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

INCOME

During the year, the Group has engaged in (a) bio-cleaning materials, (b) waste construction materials recycling, (c) renewable energy, and (d) plastic recycling businesses. The Group's total revenue for the year ended 31 December 2017 ("FY2017") was approximately HK$41.6 million (the year ended 31 December 2016 ("FY2016"): approximately HK$2.6 million) representing an increase of approximately 15.3 times as compared with that for FY2016.

(a) Bio-cleaning Products

The revenue arising from activities of bio-cleaning sector for FY2017 was approximately HK$92,000 (FY2016: approximately HK$94,000) representing a decrease of approximately 2.1% as compared with that for FY2016.

(b) Waste Construction Materials

The revenue arising from waste construction material sector for FY2017 was approximately HK$2.6 million (FY2016: approximately HK$2.5 million) representing an increase of approximately 4.8% compared with FY2016.

(c) Renewable Energy

The Group recorded a revenue of HK$37.1 million from the trading of recyclable oil/biodiesel for FY2017 as the Group shifted its focus from the development of a biodiesel plant to the trading of recyclable oil business.

(d) Plastic Recycling

The Group implemented a solid one-year plan with view to (a) improving the condition of the industrial premises and (b) rebuilding/repairing/reconditioning the existing plant and equipment. The Group completed a successful trial production in May 2017 and went into soft commercial production in early June 2017. The turnover arising from this sector was approximately HK$1.8 million for FY2017 (FY2016: Nil).

EXPENDITURE

In FY2017, total expenditures excluding finance costs were recorded at HK$30.1 million (FY2016: HK$39.9 million).

The net loss attributable to the owners of the Company for FY2017 was approximately HK$3.1 million (FY2016: the net loss was approximately HK$36.6 million), representing a decrease of approximately of 91.5% as compared with the last year.

The reduction in loss arose due to

(1) improvement in the operating activities in the waste construction materials and renewable energy sectors;

(2) exchange gain of approximately HK$10.8 million was recorded for FY2017 due to the translation of balances denominated in foreign currencies as most of business activities of the Group were conducted outside of Hong Kong, which were non-cash in nature and were mostly attributable to appreciation of Euro and Renminbi against Hong Kong dollars as Eurozone political risk has eased after Macron's En Marche Party won the general election and the persistent weakening of the US dollars during the year (FY2016: exchange loss of approximately HK$3.2 million was recorded);

(3) decrease in finance cost due to the full redemption of convertible redeemable bonds on 21 April 2016 (FY2016: approximately HK$0.72 million representing imputed interest of the convertible redeemable bonds issued on 22 April 2015);

(4) equity-settled share based payments of approximately HK$12.4 million was recognised for FY2016 as two lots of options granted on 4 November 2016 and 6 December 2016 respectively. No equity-settled share based payment was recognised for FY2017; and

(5) impairment loss on deposit for acquisition of plant and equipment of approximately HK$2.8 million recorded in last year which did not recur this year.

The reduction in loss for FY2017 was however offset by (1) unrealised fair value loss of approximately HK$2.43 million from the securities investment pursuant to the accounting standard for FY2017 (FY2016: Nil); (2) impairment loss on a loan receivable and interest thereon of approximately HK0.92 million and (3) increase in one off cost for the remedial works of the plastic recycling plant in Germany under a solid one year plan with a view to commencing soft commercial production to be followed by full swing commercial production.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group had total current assets of approximately HK$104.7 million (As at 31 December 2016: approximately HK$32.1 million) while total current liabilities were approximately HK$18.2 million (As at 31 December 2016: approximately HK$4.9 million). The current ratio, an indicator to demonstrate the ability to meet the short term liabilities, was approximately 5.8 (As at 31 December 2016: approximately 6.5). The Group has sufficient fund to meet its liabilities as they fall due.

As at 31 December 2017, the Group had total assets of approximately HK$145.5 million (As at 31 December 2016: approximately HK$56.1 million). The Group did not have external borrowing for FY2017 and FY2016.

As at 31 December 2017, the Group managed a portfolio of securities listed and traded in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of approximately HK$4.82 million. The Company believe that the acquisition could improve the Group's capital usage efficiency and bring about certain capital investments return. Please refer to the Company announcement dated 26 April 2017 for more details. The Group recorded an unrealised loss from the portfolio of securities of approximately HK$2.43 million for the year (FY2016: Nil).

Placing of new shares

On 14 December 2016, after trading hours, the Company entered into the placing agreement with the placing agent pursuant to which the placing agent conditionally agreed with the Company to endeavor to place up to 133,206,000 placing shares to not less than six placees which are professional investors, who and whose ultimate beneficial owners are independent third parties at the placing price of HK$0.26 per placing share. The placing price of HK$0.26 per placing share represented a discount of approximately 11.86% to the closing price of HK$0.295 per share as quoted on the Stock Exchange on 14 December 2016.

The placing was completed on 3 January 2017. 133,206,000 placing shares were successfully placed at a price of HK$0.26 per share pursuant to the placing agreement. The aggregate nominal value of the placing shares is HK$13,320,600. The aggregate gross and net proceeds from the placing are approximately HK$34.63 million and approximately HK$34.11 million, respectively. The net price to the Company of each placing share, which is calculated by dividing the aggregate net proceeds from the placing by the total number of placing shares, is approximately HK$0.256.

The directors of the Company consider the placing represents a good opportunity to raise additional funds and widen the shareholder base of the Company. Accordingly, the directors consider that the placing is in the interests of the Company and shareholders as a whole.

To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, the placees and their ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

The net proceeds from the issue of the new shares were approximately HK$34.11 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 31 December 2017, approximately HK$19 million was utilized for the new investment and development of the existing business segments. The remaining net proceeds have not been utilized and are still held in an account with a reputable licensed financial institution.

YEAR IN REVIEW AND OUTLOOK

(a) Bio-Cleaning Products

As in the previous financial years, all revenues in FY2017 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 has improved in FY2017 because of the demand for our product is picking up. As a result, more 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 Group recorded a revenue of HK$37.1 million from the trading of recyclable oil/biodiesel for FY2017 as the Group shifted its focus from the development of a biodiesel plant to the trading of recyclable oil business. We are now examining alternative acquisitions and investments, the Group is still engaged in active negotiations on the formation of a joint venture with a recyclable oil supplier, if material, it will enable the Company to expand its revenue base and will have synergy effect on the Group's current business and will update shareholders once there is any further developments on such potential investments.

(d) Plastic Recycling

The Group was previously engaged in this business sector for many years until 2013 when it was suspended due to the expiration of the lease of the site at which the business was conducted and the implementation of stringent government policy for import of recyclable plastic materials to the PRC from Hong Kong.

For FY2017, the Group has recruited a chief executive officer Mr. Kolthoff and acquired the assets of his business to re-start the business of this sector. The two generations of Mr. Kolthoff have experiences in running plastic recycling business of nearly 50 years. The Group believes that, given with the same management under Mr. Kolthoff and his existing network of suppliers and customers together with the support of the Group, the business will better perform and grow in a much faster pace compared with the past.

For the Plastic Recycling business development, the Group implemented a solid one-year plan with view to (a) improving the condition of the industrial premises and (b) rebuilding/repairing/reconditioning the existing plant and equipment. The Group completed a successful trial production in May 2017 and went into soft commercial production in early June 2017. The Group has submitted the application for an extension of the existing industrial permit that allows to the Group to undertake an extended scope of plastic recycling activities using advanced technologies, and expect to secure the said extension in the first half of 2018.

On the strengths of market development for clean energy utilisation, the Group remains confident this business segment will eventually improve its profitability and revenue growth in the foreseeable future, and the Company will continue to implement stringent cost control measures to maintain the profitability of our products.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

Looking forward, a stagnant recovery in the global economy is expected to continue in 2018 and the uprising of trade protectionism is expected to lead to a greater fluctuation in the global economy and capital markets. Regarding foreign investments, on 3 October 2017, a subsidiary of the Company entered into a purchase agreement with an independent third party to purchase of additional properties in Germany. The Company intends to use the additional properties for further development and expansion of the recycling business, the storage area for new equipment acquired and the new office. Our management believe that the plastic recycling business is expected to contribute positively to the future growth of the Group and to bring synergy effect with the existing businesses of the Group. Please refer to the Company's announcement dated 23 May 2016 and 30 September 2016 for more details.

Increasing prices for conventional plastics, environmental issues and improved quality of recycled plastic is expected to contribute towards the growth of the global recycled plastic market.

The global recycled plastic growth will also be driven by a variety of factors such as the growing emphasis on sustainability amongst the packaging and consumer product manufacturers, improvements in processing and sorting technologies allowing a broader variety of plastic to be recycled into high quality resins, and an improved collection infrastructure which increases the plastic recycling rate.

Recycled plastic market in Europe is also expected to show steady growth due to stringent laws pertaining to the use of plastic in Europe. Europe is currently recycling more than 4.4 million tons of plastic wastes every year due to ban on dumping plastic scrap in landfills. Furthermore, the increasing awareness about protection of the environment is also anticipated to boost the Europe plastic recycling market.

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 Operations 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 instrument to hedge against such exposures at appropriate times. As at 31 December 2017, 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 AND DISPOSAL

Save for disclosed in notes 17 and 19, there was no other material acquisition or disposal of the Company's subsidiaries and associated companies for the FY2017.

CAPITAL COMMITMENT

As at 31 December 2017, the Group did not have any material capital commitment (As at 31 December 2016: HK$1.14 million).

CONTINGENT LIABILITIES

Save for disclosed in the note 18, as at 31 December 2017 the Group did not have any material contingent liabilities (As at 31 December 2016: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2017 the Group had 32 employees (2016: 28 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 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 four independent non-executive directors namely, Mr. So Yin Wai, Mr. Tam Chun Wa, Mr. Sze Cheung Pang and Ms. Li Kit Chi Fiona as the reported dated. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2017.

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 2017 have been agreed by the Group's auditor, Cheng and Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Cheng and Cheng 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 Cheng and Cheng Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 31 December 2017 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, 29 March 2018

As at the date of this announcement, the Company has three executive Directors, namely Mr. Yip Wai Leung Jerry, Mr. Ho Wai Hung and Mr. Luo Xian Ping, and four independent non-executive Directors, namely Ms. Li Kit Chi Fiona, Mr. So Yin Wai, Mr. Tam Chun Wa and Mr. Sze Cheung Pang.