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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 YEAR ENDED 30 JUNE 2021**

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 30 June 2021 together with comparative figures for the previous year as follows:

* For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	5	60,266	113,860
Changes in inventories of finished goods		(49,273)	(103,908)
Other income	6	1,439	1,452
Gain on disposal of subsidiaries		–	473
Net exchange gain (loss)		2,620	(2,291)
Impairment loss of property, plant and equipment		–	(3,310)
Impairment loss of right-of-use assets		–	(859)
Reversal of impairment loss of loan and interest receivable		–	1,000
Written-off of other receivables		–	(1,115)
Impairment loss of trade receivables		(1,579)	(16)
Staff costs		(15,738)	(13,156)
Depreciation for property, plant and equipment		(3,163)	(1,814)
Depreciation for right-of-use assets		(437)	(1,146)
Other operating expenses		(20,234)	(16,946)
Finance costs	7	(91)	(79)
Loss before income tax	8	(26,190)	(27,855)
Income tax expenses	9	(18)	(26)
Loss for the year		(26,208)	(27,881)
Other comprehensive income for the year, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Reclassification of translation reserve upon disposal of subsidiaries		–	214
– Exchange differences arising on translation of financial statements of foreign operations		972	911
Other comprehensive income for the year		972	1,125
Total comprehensive loss for the year		(25,236)	(26,756)

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year attributable to:			
– Owners of the Company		(21,165)	(26,327)
– Non-controlling interests		(5,043)	(1,554)
		<u>(26,208)</u>	<u>(27,881)</u>
Total comprehensive loss for the year attributable to:			
– Owners of the Company		(20,122)	(25,229)
– Non-controlling interests		(5,114)	(1,527)
		<u>(25,236)</u>	<u>(26,756)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
– Basic and diluted	<i>11</i>	<u>(1.86)</u>	<u>(2.34)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		31,999	29,351
Intangible assets		178	278
Prepayments, deposits and other receivables	14	1,072	914
Right-of-use assets		890	–
		34,139	30,543
Current assets			
Inventories		1,340	906
Trade receivables	13	3,617	4,133
Prepayments, deposits and other receivables	14	10,888	3,577
Cash and cash equivalents		40,224	70,133
		56,069	78,749
Current liabilities			
Trade payables	15	312	448
Accruals and other payables	16	11,037	6,825
Contract liabilities		58	–
Lease liabilities		668	883
Income tax payables		2	6
		12,077	8,162
Net current assets		43,992	70,587
Total assets less current liabilities		78,131	101,130
Non-current liabilities			
Lease liabilities		237	–
Net assets		77,894	101,130
Equity			
Share capital		113,631	113,631
Reserves		(32,758)	(12,636)
Equity attributable to owners of the Company		80,873	100,995
Non-controlling interests		(2,979)	135
Total equity		77,894	101,130

NOTES

Year ended 30 June 2021

1. GENERAL INFORMATION

Green Energy Group Limited (“the Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 4C Derrick Industrial Building, 49 Wong Chuk Hang Road, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The Company together with its subsidiaries are collectively referred to as the “Group” hereinafter.

The Company’s parent is New Glory Business Corporation which was incorporated in the British Virgin Islands and the directors of the Company (the “Directors”) consider its ultimate parent is Marvel Express Limited which was incorporated in the British Virgin Islands.

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New standards, revision and amendments to existing standards effective for annual periods beginning on 1 July 2020 that are relevant to the Group’s operations and adopted by the Group:

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 1
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	COVID-19-Related Rent Concessions

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

The adoption of the amendments does not have any impact on the consolidated financial statements.

Amendments to HKAS 39, HKFRSs 7 and 9: Interest Rate Benchmark Reform – Phase 1

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform (the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark). In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The adoption of the amendments does not have any impact on the consolidated financial statements.

Amendments to HKFRS 3: Definition of a Business

The amendments, among others, revise the definition of a business and include new guidance to evaluate whether an acquired process is substantive.

The adoption of the amendments does not have any impact on the consolidated financial statements.

Amendments to HKFRS 16: COVID-19-Related Rent Concessions

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus disease 2019 (“COVID-19”) pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendments do not affect lessors.

The adoption of the amendments does not have any impact on the consolidated financial statements.

New and amended standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 39, HKFRSs 4,7, 9 and 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021 ²
Amendments to HKAS 16	Proceeds before Intended Use ³
Amendments to HKAS 37	Cost of Fulfilling a Contract ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Annual Improvements to HKFRSs	2018–2020 Cycle ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁴
Amendments to HKAS 1	Disclosure of Accounting Policies ⁴
Amendments to HKAS 8	Definition of Accounting Estimates ⁴
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁴
HKFRS 17	Insurance Contracts ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 April 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ The effective date to be determined

The directors are in the process of assessing the possible impact on the future adoption of the new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Company’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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 “HKFRSs”) issued by the HKICPA 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 (the “Listing Rules”).

The measurement basis used in the preparation of these consolidated financial statements is historical cost.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 consolidated financial statements except for the adoption of the new/revised HKFRSs disclosed in note 2 to this announcement that are relevant to the Group and effective from the current year.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All amounts are rounded to the nearest thousand (“HK\$’000”) unless otherwise indicated.

4. 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:

Waste construction materials and processing services:	Trading of waste construction materials and provision of construction materials processing services
Renewable energy:	Trading of recyclable oil/biodiesel
Plastic recycling/metal scrap:	Trading of plastic recycling/metal scrap materials and provision of plastic processing services
Money lending:	Provision and arrangement of credit financing
Healthcare:	Provision of body checkup services, immunization services, general medical services and sales of medicine

During the year ended 30 June 2021, the Group commenced its new business in healthcare services, with its financial information separately disclosed under healthcare segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Reportable segment results exclude interest income and corporate income and expenses from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

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

Segment liabilities include trade payables, accruals and other payables and other liabilities directly attributable to the business activities of operating segments, and exclude corporate liabilities, liabilities associated with assets classified as held for sale and provision for income tax.

Segment revenue and results

For the year ended 30 June 2021

	Waste construction materials and processing services <i>HK\$'000</i>	Renewable energy <i>HK\$'000</i>	Plastic recycling/ metal scrap <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Healthcare <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>4,993</u>	<u>45,985</u>	<u>7,224</u>	<u>-</u>	<u>2,064</u>	<u>60,266</u>
Results						
Segment results	<u>2,055</u>	<u>115</u>	<u>(10,207)</u>	<u>(260)</u>	<u>(6,048)</u>	<u>(14,345)</u>
Other corporate expenses						<u>(13,284)</u>
Other income						<u>1,439</u>
Loss before income tax						<u><u>(26,190)</u></u>

For the year ended 30 June 2020

	Waste construction materials and processing services <i>HK\$'000</i>	Renewable energy <i>HK\$'000</i>	Plastic recycling/ metal scrap <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>4,936</u>	<u>99,314</u>	<u>6,674</u>	<u>2,936</u>	<u>113,860</u>
Results					
Segment results	<u>(675)</u>	<u>366</u>	<u>(7,860)</u>	<u>3,675</u>	<u>(4,494)</u>
Other corporate expenses					<u>(25,286)</u>
Other income					<u>1,452</u>
Gain on disposal of subsidiaries					<u>473</u>
Loss before income tax					<u><u>(27,855)</u></u>

Segment assets and segment liabilities**At 30 June 2021**

	Waste construction materials and processing services <i>HK\$'000</i>	Renewable energy <i>HK\$'000</i>	Plastic recycling/ metal scrap <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Healthcare <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets						
Segment assets	<u>9,323</u>	<u>13,453</u>	<u>28,387</u>	<u>928</u>	<u>5,603</u>	57,694
Unallocated cash and cash equivalent						31,597
Other corporate assets						<u>917</u>
Consolidated total assets						<u><u>90,208</u></u>
Liabilities						
Segment liabilities	<u>287</u>	<u>-</u>	<u>5,315</u>	<u>-</u>	<u>5,096</u>	10,698
Other corporate liabilities						<u>1,616</u>
Consolidated total liabilities						<u><u>12,314</u></u>

At 30 June 2020

	Waste construction materials and processing services <i>HK\$'000</i>	Renewable energy <i>HK\$'000</i>	Plastic recycling/ metal scrap <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets					
Segment assets	<u>10,690</u>	<u>13,663</u>	<u>32,693</u>	<u>1,227</u>	58,273
Unallocated cash and cash equivalent					50,458
Other corporate assets					<u>561</u>
Consolidated total assets					<u><u>109,292</u></u>
Liabilities					
Segment liabilities	<u>299</u>	<u>354</u>	<u>5,225</u>	<u>3</u>	5,881
Other corporate liabilities					<u>2,281</u>
Consolidated total liabilities					<u><u>8,162</u></u>

Other segment information

For the year ended 30 June 2021

	Waste construction materials and processing services	Renewable energy	Plastic recycling/ metal scrap	Money lending	Healthcare	Corporate	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
OTHER INFORMATION							
Additions to non-current assets	-	-	306	-	4,200	8	4,514
Amortisation of intangible assets	-	-	-	100	-	-	100
Depreciation of property, plant and equipment	183	-	1,836	5	1,070	69	3,163
Depreciation of right-of-use assets	-	-	19	-	134	284	437
Impairment loss of trade receivables	-	-	1,579	-	-	-	1,579
Written-off of property, plant and equipment	67	-	-	-	-	-	67
	<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>

For the year ended 30 June 2020

	Waste construction materials and processing services	Renewable energy	Plastic recycling/ metal scrap	Money lending	Corporate	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
OTHER INFORMATION						
Additions to non-current assets	14	-	7,843	10	14	7,881
Amortisation of intangible assets	-	-	-	100	-	100
Depreciation of property, plant and equipment	188	-	1,240	4	382	1,814
Depreciation of right-of-use assets	-	-	-	-	1,146	1,146
Impairment loss on property, plant and equipment	3,310	-	-	-	-	3,310
Impairment loss of right-of-use assets	-	-	-	-	859	859
Impairment loss of trade receivables	16	-	-	-	-	16
Written-off of property, plant and equipment	2	-	-	-	15	17
Written-off of other receivables	-	-	-	-	1,115	1,115
Reversal of impairment loss of loan and interest receivable	-	-	-	(1,000)	-	(1,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>

Geographical information

The Group's operations are located in Hong Kong, Germany and Japan. The Group's revenue from 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		Non-current assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	2,064	2,936	4,281	383
Europe	27,732	98,346	22,838	22,564
Malaysia	18,857	12,317	–	–
Singapore	8,590	–	–	–
Japan	3,023	261	7,020	7,596
	<u>60,266</u>	<u>113,860</u>	<u>34,139</u>	<u>30,543</u>

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	2021	2020
			<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	Renewable energy	Europe	12,327	37,835
Customer B	Renewable energy	Malaysia	18,857	NA*
Customer C	Renewable energy	Singapore	8,590	NA*

* The corresponding revenue did not contribute 10% or more of the total revenue of the Group for the relevant year.

5. REVENUE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<i>At a point in time:</i>		
Trading of recyclable oil/biodiesel	45,985	99,314
Trading of waste construction materials	3,586	3,388
Trading of plastic recycling/metal scrap materials	1,904	4,484
Sales of healthcare products	425	–
	<u>51,900</u>	<u>107,186</u>
<i>Over time:</i>		
Provision of construction materials processing services	1,407	1,548
Provision of plastic processing services	5,320	2,190
Provision of healthcare services	1,639	–
	<u>8,366</u>	<u>3,738</u>
Revenue from contracts with customer within HKFRS 15	<u>60,266</u>	<u>110,924</u>
– Provision and arrangement of credit financing	–	2,936
	<u>60,266</u>	<u>113,860</u>

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

6. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income	636	644
Government subsidies (<i>Note</i>)	343	306
Rental income	66	76
Sundry income	394	426
	<u>1,439</u>	<u>1,452</u>

Note: The Group received government subsidies of approximately HK\$343,000 (2020: approximately HK\$306,000) in respect of the Employment Support Scheme under the Anti-epidemic Fund of the HKSAR Government.

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest expenses on lease liabilities	57	79
Other interest expenses	34	–
	<u>91</u>	<u>79</u>

8. LOSS BEFORE INCOME TAX

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
This is stated after charging:		
Staff costs (including Directors' remuneration):		
– Salaries and allowances	14,699	12,365
– Retirement benefit – defined contribution scheme	1,039	791
	<u>15,738</u>	<u>13,156</u>
Written off of property, plant and equipment	67	17
Expenses included in other operating expenses:		
– Auditor's remuneration		
– the Company	800	680
– Subsidiaries	167	126
– Administrative expenses	1,725	2,120
– Bank charges	164	79
– Amortisation of intangible assets	100	100
– Legal and professional fee	7,859	7,212
– Office expenses and overheads	617	459
– Repair and maintenance	2,990	1,944
– Lease charges on short-term leases	1,463	500
– Travel and entertainment	274	664
– Utilities and other expenses	4,075	3,062

9. INCOME TAX EXPENSES

The taxation charged to the consolidated statement of comprehensive income represents:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax	15	14
Under-provision in prior year	<u>3</u>	<u>12</u>
	<u><u>18</u></u>	<u><u>26</u></u>

10. DIVIDEND

The Directors do not recommend the payment of any dividend for the years ended 30 June 2021 and 2020.

11. LOSS PER SHARE

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

	2021	2020
Loss attributable to the owners of the Company (<i>HK\$'000</i>)	<u><u>(21,165)</u></u>	<u><u>(26,327)</u></u>
Issued ordinary shares at beginning of the year (<i>'000</i>)	1,136,308	946,928
Effect of issue of new shares through placing (<i>'000</i>)	<u>–</u>	<u>177,479</u>
Weighted average number of ordinary shares for basic loss per share calculation (<i>'000</i>)	<u><u>1,136,308</u></u>	<u><u>1,124,407</u></u>
Basic and diluted loss per share (<i>HK Cents</i>)	<u><u>(1.86)</u></u>	<u><u>(2.34)</u></u>

There was no difference between basic and diluted losses per share as the Company did not have any dilutive potential shares outstanding for the years end 30 June 2021 and 2020.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2021, the Group purchased property, plant and equipment of approximately HK\$4,514,000 (2020: approximately HK\$7,881,000).

13. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	5,148	4,149
Less: Allowance for expected credit losses	<u>(1,531)</u>	<u>(16)</u>
	<u>3,617</u>	<u>4,133</u>

The Group makes cash-on-delivery sales and grants credit period of 0-30 days (2020: 0-30 days) to certain customers. The following is an ageing analysis of trade receivables (net of loss allowance) by invoice date at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 90 days	3,546	4,133
91 – 180 days	34	–
181 – 365 days	<u>37</u>	<u>–</u>
	<u>3,617</u>	<u>4,133</u>

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Prepayments	596	577
Trade deposits paid	9,465	2,219
Amount due from a related party	600	–
Other deposits and receivables	<u>1,299</u>	<u>1,695</u>
	11,960	4,491
Less: Non-current portion	<u>(1,072)</u>	<u>(914)</u>
	<u>10,888</u>	<u>3,577</u>

15. TRADE PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables		
– Third parties	312	94
– Related parties	<u>–</u>	<u>354</u>
	312	448

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 90 days	312	448

The payment terms with suppliers are generally within 30 days (*2020: 30 days*).

16. ACCRUALS AND OTHER PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accruals	4,752	2,692
Payable for acquisition of property, plant and equipment to a related party	3,510	3,900
Amounts due to related parties	2,499	–
Other payables	<u>276</u>	<u>233</u>
	11,037	6,825

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

INCOME

During the year, the Group has engaged in (a) renewable energy, (b) waste construction materials and processing service, (c) plastic recycling/metal scrap, (d) money lending business and (e) healthcare business. The Group's total revenue for the year ended 30 June 2021 ("FY2021") was approximately HK\$60.3 million (the year ended 30 June 2020 ("FY2020"): approximately HK\$113.9 million) representing a decrease of approximately 47.1% as compared with that for FY2020.

(a) Renewable Energy

The Group recorded a revenue of approximately HK\$46.0 million from the trading of recyclable oil/biodiesel for FY2021 (FY2020: approximately HK\$99.3 million) representing a drop of approximately 53.7% as compared with FY2020 due to the high international shipping cost and low container availability. The pandemic and uneven global economic recovery had caused shipping costs to skyrocket, which deterred most of the potential orders.

(b) Waste Construction Materials and Processing Service

The revenue arising from waste construction material sector for FY2021 was approximately HK\$5.0 million (FY2020: approximately HK\$4.9 million). The revenue of the segment could be maintained under the long-established relationship with the customers and local government authorities.

(c) Plastic Recycling/Metal Scrap

The revenue arising from plastic recycling/metal scrap sector for FY2021 was approximately HK\$7.2 million (FY2020: approximately HK\$6.7 million) representing an increase of approximately 7.5% as compared with FY2020. The increase in turnover was contributed from the revenue generated by the plastic processing plant in Japan since its live run in June 2020. Nevertheless, new plastic has long been cheaper to buy than recycled, and weak oil prices in 2020 widened the gap and posed severe threat to demand in recycled plastics. On the other hand, shortage in feedstock of recyclates had severely limited both the production capacities and revenue of both the German and Japanese recycling plant of the Group.

(d) Money lending business

No revenue was generated from money lending business for FY2021 (FY2020: approximately HK\$2.9 million). With economic conditions worsening and incomes negatively affected by the global pandemic, the delinquency rates in money lending market continued their upward trend. New deal launches grounded to a halt amid COVID-19. The Group had to take a more cautious and conservative approach to weigh on credit quality of new lending.

(e) Healthcare business

The revenue arising from the healthcare business was approximately HK\$2.1 million for FY2021 since its start-up in December 2020 (FY2020: Nil).

EXPENDITURE

For FY2021, total expenditures excluding finance costs were recorded at approximately HK\$41.2 million (FY2020: approximately HK\$40.2 million), of which approximately HK\$7.3 million was derived from the new healthcare business segment. There was an impairment loss of trade receivables amounting to approximately HK\$1.6 million for the plastic recycling operation in Japan. The recoverability of trade receivables amounting to approximately HK\$1.6 million had been jeopardized mainly due to the financial difficulty faced by the concerned customer under the impact of successive state of emergency declared in Japan. Moreover, depreciation for property, plant and equipment increased by approximately HK\$1.4 million to approximately HK\$3.2 million (FY2020: approximately HK\$1.8 million) mainly due to the addition of clinical and laboratory equipment for the new healthcare segment. Repairs and maintenance increased by approximately HK\$1.1 million to approximately HK\$3 million (FY2020: approximately HK\$1.9 million) which was resulted mainly from the Japanese plastic recycling operation since its start-up in June 2020.

On the opposite, there was an exchange gain of approximately HK\$2.6 million as compared with the loss of approximately HK\$2.3 million in FY2020, which was resulted from the translation of balances denominated in foreign currencies. Uncertainty from the coronavirus pandemic, a tumbling US economy and an increase in USD money supply have caused the US dollar decline. Euro had rallied against US dollar and HK dollar since the second half of 2020, and thus resulting in the exchange gain.

The net loss attributable to the owners of the Company for FY2021 was approximately HK\$21.2 million (FY2020: the net loss was approximately HK\$26.3 million), representing a decrease of approximately 19.4% as compared with FY2020.

FINANCIAL REVIEW

Liquidity, financial resources and cashflow

As at 30 June 2021, the Group had total current assets of approximately HK\$56.1 million (as at 30 June 2020: approximately HK\$78.7 million), including cash and cash equivalents of approximately HK\$40.2 million (as at 30 June 2020: approximately HK\$70.1 million), and the total current liabilities were approximately HK\$12.1 million (as at 30 June 2020: approximately HK\$8.2 million). The current ratio of the Group was approximately 4.6 (as at 30 June 2020: approximately 9.6). The Group has sufficient funds to settle its debts.

As at 30 June 2021, the Group had total assets of approximately HK\$90.2 million (as at 30 June 2020: approximately HK\$109.3 million). The Group did not have external borrowing for FY2021 and FY2020, and therefore gearing ratio was not applicable.

Use of proceeds from the placing of new shares

On 5 July 2019, after trading hours, the Company entered into the placing agreement with the placing agent pursuant to which a placing agent conditionally agreed to place up to 189,380,000 placing shares to not less than six placees who were professional investors, who and whose ultimate beneficial owners were independent third parties at the placing price of HK\$0.12 per placing share. The placing price of HK\$0.12 per placing share represented a discount of approximately 19.46% to the closing price of HK\$0.149 per share as quoted on the Stock Exchange on 5 July 2019.

The placing was completed on 24 July 2019. 189,380,000 placing shares were successfully placed at a price of HK\$0.12 per share pursuant to the placing agreement. The aggregate nominal value of the placing shares was HK\$18,938,000. The aggregate gross and net proceeds from the placing were approximately HK\$22.73 million and approximately HK\$22.50 million (the “Net Proceeds”) respectively. The net price to the Company of each placing share, which was calculated by dividing the aggregate Net Proceeds from the placing by the total number of placing shares, was approximately HK\$0.119.

As disclosed in the announcement of the Company dated 16 June 2021, the Board had resolved to reallocate the unutilised balance of the Net Proceeds in the amount of approximately HK\$8 million from the future expansion of the existing renewable energy business of the Group and future business opportunities to be identified by the Company, to additional general working capital of the Group.

The table below has summarised the planned use, revised use and actual utilization of the Net Proceeds of the Company:

Use of Net Proceeds	Planned use of Net Proceeds (HK\$ million)	Revised use of Net Proceeds as at 16 June 2021 (HK\$ million)	Actual use of Net Proceeds as at 30 June 2021 (HK\$ million)	Unutilized Net Proceeds as at 30 June 2021 (HK\$ million)
Further development of the existing plastic recycling business of the Group	10.0	10.0	10.0	0.0
Future expansion of the existing renewable energy business of the Group and future business opportunities to be identified by the Company	8.0	0.0	0.0	0.0
Additional general working capital of the Group	4.5	12.5	4.5	8.0 <i>(Note)</i>
Total	22.5	22.5	14.5	8.0

Note: The expected timeline for utilization of the unused Net Proceeds will be on or before 30 June 2022.

PROSPECTS

It was a turbulent year in 2020 for global economy due to the COVID-19 pandemic, and it is expected to recover and enter 2021 with a relatively optimistic outlook.

The European Council has announced a tax for non-recycled plastic packaging waste starting in 2021. This measure should act as an encouragement for Member States to reduce packaging waste and stimulate Europe's transition towards a circular economy by implementing the European Plastics Strategy. This transition is expected to be accomplished by raising the recycling rate, converting plastic waste into secondary raw material, and making packaging reusable and recyclable. Reusing and recycling plastic waste could provide a large amount of potential material resources for European recycling and manufacturing industry. Europe's new plastics tax is creating a demand boost for recycled plastics in the region.

During the first quarter of 2021, many countries, including the United States, Canada, and those in Western Europe, experienced a measure of relief from the COVID-19 pandemic with the rapid vaccine rollout. Nevertheless, the Delta variant reversed the transition toward normalcy first in the United Kingdom, during June and July of 2021, and subsequently in the United States and elsewhere. The surge of cases led authorities to delay lifting public-health restrictions, which exacerbated the shortage of feedstock encountered by both the plastic recycling plants of the Group in Germany and Japan.

On the other hand, with the emergence of the COVID-19, the Group saw demand growth in lab testing and COVID-19 test kits. People are also increasingly opting for health diagnoses and preventive healthcare. Through diversification into healthcare business, the Group tried to turn crisis into opportunity in order to balance risks during the adverse economic environment under the pandemic.

BUSINESS OUTLOOK

The global economy remains erratic and high uncertainty surrounds the economic outlook. The outlook depends not just on the outcome of the battle between the virus and vaccines, and it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support.

While the global growth outlook has improved, led by robust rebound in China and the United States, surging COVID-19 infections and inadequate vaccination progress in many countries threaten a broad-based recovery of the world economy. Uneven access to vaccines across advanced and emerging economies as well as the spread of resistant mutations pose further risks and challenges to the global economy. Besides, US-China trade frictions and geopolitical conflicts are getting more intensive, which will also lead to slow recovery of the global economy.

Facing the uncertainties in the global economy, the Group will continue to closely monitor the impact of COVID-19 on its operating environment and plan proactively to maintain its liquidity and financial health. The Group will take a more prudent and cautious approach in its investment evaluation with an aim to broaden its revenue stream and strive for the greater value for the shareholders.

FOREIGN EXCHANGE EXPOSURE

The ordinary operations and investments of the Group are mainly in Hong Kong, Germany and Japan, with revenue and expenditures denominated in US dollars, euro and Japanese yen. 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 30 June 2021, 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

In mid-November 2020, the Group had set up its subsidiaries to engage in healthcare business which mainly involved the laboratory diagnostic service and clinical health service. There was no other material acquisition or disposal of the Company's subsidiaries and associated companies for the year ended 30 June 2021.

CAPITAL COMMITMENT

As at 30 June 2021, the Group did not have any material capital commitment (as at 30 June 2020: Nil).

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group had 54 employees (as at 30 June 2020: 30 employees) in Hong Kong, the PRC, Germany and Japan.

The Group offered competitive remuneration package as an incentive to staff for career advancement and improvements. 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 OR CONVERTIBLE REDEEMABLE BONDS

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, the Company has complied itself with all the CG Code except the following:

Deviation from Code Provision A.2.1 of the CG Code

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 Company has not appointed a chief executive officer. The role of the chief executive officer was performed by Mr. Wong Sai Hung, 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.

Deviation from Code Provision A.6.7 of the CG Code

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Sze Cheung Pang, an independent non-executive director was unable to attend the annual general meeting of the Company held on 27 November 2020 due to other business engagement. However, there were sufficient executive Directors and independent non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

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.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors namely, Mr. Tam Chun Wa, Mr. Sze Cheung Pang and Mr. Lau Ka Wing as the report dated. The audit committee has reviewed the audited consolidated financial statements for the year ended 30 June 2021.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and related notes thereto for the year ended 30 June 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2021. The work performed by Mazars 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 Mazars on the preliminary announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

The annual report of the Company for the year ended 30 June 2021 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.

By order of the Board
Green Energy Group Limited
Wong Sai Hung
Chairman

Hong Kong, 29 September 2021

As at the date of this announcement, the Company has three executive Directors, namely Mr. Wong Sai Hung, Mr. Luo Xian Ping and Mr. Ho Wai Hung, and three independent non-executive Directors, namely, Mr. Tam Chun Wa, Mr. Sze Cheung Pang and Mr. Lau Ka Wing.