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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 2023

The board of directors (the "Board") 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 2023 together with comparative figures for the previous year as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2023

	Note	**2023** **HK$'000**	2022 HK$'000 (Re-presented)
Revenue	4, 5	**80,026**	433,645
Other income		**1,419**	1,087
Changes in inventories of finished goods		**348**	(686)
Purchases of goods and consumables		**(49,124)**	(416,872)
Transportation costs		**(12,047)**	(1,398)
Staff costs	6	**(17,065)**	(18,061)
Depreciation for property, plant and equipment	4	**(1,983)**	(2,037)
Depreciation for right-of-use assets	4	**(1,370)**	(1,486)
Net exchange loss		**(105)**	(1,393)
Provision for impairment loss on property, plant and equipment	4	**(348)**	(1,019)
Allowance for expected credit loss ("ECL") on other receivables	4	**(195)**	–
Gain on disposal of property, plant and equipment	4	**1,007**	–
Gain (Loss) on disposal of subsidiaries	13	**6,360**	(476)
Other operating expenses		**(11,636)**	(15,602)
Finance costs		**(134)**	(92)
Loss before taxation	6	**(4,847)**	(24,390)
Taxation	7	**(382)**	(10)
Loss for the year from continuing operations		**(5,229)**	(24,400)
Discontinued operations:			
Loss for the year from discontinued operations	13(b)	**(4,827)**	(8,250)
Loss for the year		**(10,056)**	(32,650)
Other comprehensive (loss) income for the year, net of tax			
Items that may be / are reclassified subsequently to profit or loss:			
– Reclassification of translation reserve upon disposal of subsidiaries		**–**	469
– Exchange differences arising on translation of financial statements of foreign operations		**(272)**	(2,593)
Other comprehensive loss for the year		**(272)**	(2,124)
Total comprehensive loss for the year		**(10,328)**	(34,774)

	Note	**2023**	2022
		HK$'000	*HK$'000*
			(Re-presented)
(Loss) Profit for the year attributable to:			
Owners of the Company			
– continuing operations		**(6,138)**	(22,781)
– discontinued operations		**(2,896)**	(4,950)
		(9,034)	(27,731)
Non-controlling interests			
– continuing operations		**909**	(1,619)
– discontinued operations		**(1,931)**	(3,300)
		(1,022)	(4,919)
		(10,056)	(32,650)
Total comprehensive (loss) income for the year attributable to:			
Owners of the Company			
– continuing operations		**(6,283)**	(25,357)
– discontinued operations		**(2,896)**	(4,950)
		(9,179)	(30,307)
Non-controlling interests			
– continuing operations		**782**	(1,167)
– discontinued operations		**(1,931)**	(3,300)
		(1,149)	(4,467)
		(10,328)	(34,774)
		HK cents	*HK cents*
Basic and diluted loss per share			
– continuing operations	*9*	**(0.54)**	(2.00)
– discontinued operations	*9*	**(0.25)**	(0.44)
– total continuing operations and discontinued operations		**(0.79)**	(2.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**17,120**	24,401
Intangible asset		**–**	78
Prepayments, deposits and other receivables		**1,764**	968
Right-of-use assets		**5,673**	1,049
		24,557	26,496
Current assets			
Inventories		**1,221**	1,570
Trade receivables	*11*	**2,787**	3,034
Loan and interest receivables		**2,165**	–
Prepayments, deposits and other receivables		**5,108**	6,930
Bank balances and cash		**14,849**	33,566
		26,130	45,100
Current liabilities			
Trade payables	*12*	**111**	3,529
Accruals and other payables		**6,039**	18,403
Contract liabilities		**–**	4,502
Lease liabilities		**1,939**	2,042
Tax payables		**370**	–
		8,459	28,476
Net current assets		**17,671**	16,624
Total assets less current liabilities		**42,228**	43,120

	2023	2022
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**3,787**	–
Net assets	**38,441**	43,120
Equity		
Share capital	**113,631**	113,631
Reserves	**(72,244)**	(63,065)
Equity attributable to owners of the Company	**41,387**	50,566
Non-controlling interests	**(2,946)**	(7,446)
Total equity	**38,441**	43,120

NOTES

Year ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at Room 7712, 77/F., The Center, 99 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding.

In the opinion of the directors of the Company (the "Directors"), the Company's parent is New Glory Business Corporation which was incorporated in the British Virgin Islands and the 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")

The Group has applied, for the first time, the following new / revised HKFRSs that are relevant to the Group:

Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Annual Improvements to HKFRSs	2018–2020 Cycle

Amendments to HKAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of HKAS 2.

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

Amendments to HKAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

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

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

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

Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity’s exposure to income taxes arising from the rules.

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

Annual Improvements Project – 2018–2020 Cycle

HKFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of HKFRS 1 for a subsidiary that becomes a first-time adopter of HKFRSs later than its parent – i.e. if a subsidiary adopts HKFRSs later than its parent and applies HKFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to HKFRSs.

HKFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

This amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

HKFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

HKAS 41: Taxation in Fair Value Measurements

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

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

2. APPLICATION OF NEW / REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Future changes in HKFRSs:

At the date of authorisation of the consolidated financial statements, the Hong Kong Institute of Certified Public Accountants (the "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 1	Disclosure of Accounting Policies [1]
Amendments to HKAS 8	Definition of Accounting Estimates [1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [1]
HKFRS 17	Insurance Contracts [1]
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information [1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [2]
Amendments to HKAS 1	Non-current Liabilities with Covenants [2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements [2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback [2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]

[1] Effective for annual periods beginning on or after 1 January 2023

[2] Effective for annual periods beginning on or after 1 January 2024

[3] The effective date to be determined

The Directors do not anticipate that the adoption of the new / revised HKFRSs in future periods will have any material impact on the results of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. In addition, the consolidated financial statements also comply with the applicable disclosures requirements of 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 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 for the purposes of resources allocation and performance assessment, the Group is currently organised into the following reportable segments:

Continuing reportable segments:

Waste construction materials and processing services	Trading of waste construction materials and provision of construction materials processing services
Renewable energy	Trading and processing 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

Discontinued reportable segment:

Healthcare	Provision of healthcare services and sales of healthcare products

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 taxation. 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 and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

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

4. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

For the year ended 30 June 2023

	Continuing operations					Discontinued operations	
	Waste construction materials and processing services	**Renewable energy**	**Plastic recycling / metal scrap**	**Money lending**	**Sub-total**	**Healthcare**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**4,098**	**73,116**	**2,646**	**166**	**80,026**	**2,460**	**82,486**
Results							
Segment results	**274**	**5,294**	**(4,928)**	**(70)**	**570**	**(4,827)**	**(4,257)**
Unallocated other corporate expenses							**(13,196)**
Unallocated other income							**1,419**
Gain on disposal of subsidiaries *(note 13)*							**6,360**
Loss before taxation							**(9,674)**

For the year ended 30 June 2022

	Continuing operations					Discontinued operations	
	Waste construction materials and processing services	Renewable energy	Plastic recycling / metal scrap	Money lending	Sub-total	Healthcare	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	5,240	424,247	4,158	–	433,645	7,615	441,260
Results							
Segment results	3,263	3,937	(10,194)	(266)	(3,260)	(8,250)	(11,510)
Unallocated other corporate expenses							(21,741)
Unallocated other income							1,087
Loss on disposal of subsidiaries							(476)
Loss before taxation							(32,640)

4. SEGMENT INFORMATION (CONTINUED)

Segment assets and segment liabilities

At 30 June 2023

	Continuing operations				
	Waste construction materials and processing services *HK$'000*	**Renewable energy** *HK$'000*	**Plastic recycling/ metal scrap** *HK$'000*	**Money lending** *HK$'000*	**Total** *HK$'000*
Assets					
Segment assets	**9,542**	**13,544**	**12,952**	**2,278**	**38,316**
Unallocated bank balances and cash					**10,028**
Unallocated other corporate assets					**2,343**
Consolidated total assets					**50,687**
Liabilities					
Segment liabilities	**1,871**	**4,922**	**369**	**–**	**7,162**
Unallocated other corporate liabilities					**5,084**
Consolidated total liabilities					**12,246**

At 30 June 2022

	Continuing operations					Discontinued operations	
	Waste construction materials and processing services *HK$'000*	Renewable energy *HK$'000*	Plastic recycling / metal scrap *HK$'000*	Money lending *HK$'000*	Sub-total *HK$'000*	Healthcare *HK$'000*	Total *HK$'000*
Assets							
Segment assets	8,274	21,238	17,303	198	47,013	2,888	49,901
Unallocated bank balances and cash							20,538
Unallocated other corporate assets							1,157
Consolidated total assets							71,596
Liabilities							
Segment liabilities	1,420	7,221	3,855	–	12,496	9,562	22,058
Unallocated other corporate liabilities							6,418
Consolidated total liabilities							28,476

4. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 30 June 2023

	Continuing operations					Discontinued operations		
	Waste construction materials and processing services *HK$'000*	Renewable energy *HK$'000*	Plastic recycling / metal scrap *HK$'000*	Money lending *HK$'000*	Sub-total *HK$'000*	Healthcare *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	–	–	7	–	7	–	27	34
Additions to right-of-use assets	–	4,120	–	–	4,120	–	2,008	6,128
Amortisation of intangible asset	–	–	–	78	78	–	–	78
Depreciation of property, plant and equipment	103	439	1,428	2	1,972	545	11	2,528
Depreciation of right-of-use assets	486	343	–	–	829	134	541	1,504
Gain on disposal of property, plant and equipment	–	–	1,007	–	1,007	–	–	1,007
Gain on disposal of subsidiaries	–	–	–	–	–	–	6,360	6,360
Provision for impairment loss on property, plant and equipment	348	–	–	–	348	–	–	348
Allowance for ECL on other receivables	–	–	195	–	195	–	–	195

For the year ended 30 June 2022

	Continuing operations					Discontinued operations		
	Waste construction materials and processing services *HK$'000*	Renewable energy *HK$'000*	Plastic recycling / metal scrap *HK$'000*	Money lending *HK$'000*	Sub-total *HK$'000*	Healthcare *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	40	2,194	175	–	2,409	210	25	2,644
Additions to right-of-use assets	1,001	–	–	–	1,001	–	1,002	2,003
Amortisation of intangible asset	–	–	–	100	100	–	–	100
Depreciation of property, plant and equipment	132	90	1,800	5	2,027	1,574	10	3,611
Depreciation of right-of-use assets	913	–	–	–	913	267	573	1,753
(Reversal) Provision for impairment loss on property, plant and equipment, net	(1,889)	–	2,908	–	1,019	–	–	1,019
Allowance for ECL on trade receivables	–	–	–	–	–	45	–	45
Write-off of property, plant and equipment	–	–	–	–	–	–	3	3

4. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong and Germany *(2022: 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	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Re-presented)		*(Re-presented)*
Continuing operations				
Hong Kong	**3,757**	337,427	**7,390**	7,542
Europe	**41,151**	12,921	**17,167**	17,008
Malaysia	**35,118**	42,563	**–**	–
Singapore	**–**	39,887	**–**	–
Japan	**–**	847	**–**	–
	80,026	433,645	**24,557**	24,550
Discontinued operations				
Hong Kong	**2,460**	7,615	**–**	1,946
	82,486	441,260	**24,557**	26,496

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:

Continuing operations	Segment	Geographical location	2023	2022
			HK$'000	*HK$'000*
Customer A	Renewable energy	Malaysia	**28,616**	N/A*
Customer B	Renewable energy	Europe	**25,041**	N/A*
Customer C	Renewable energy	Hong Kong	**N/A***	159,338
Customer D	Renewable energy	Hong Kong	**N/A***	111,403
Customer E	Renewable energy	Hong Kong	**N/A***	66,690

* 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 disaggregated and recognised during the year as follows:

	2023	2022
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Revenue from contracts with customers within HKFRS 15		
Recognised at a point in time:		
Trading of recyclable oil / biodiesel	**73,116**	424,247
Trading of waste construction materials	**3,039**	3,984
Trading of plastic recycling / metal scrap materials	**64**	844
	76,219	429,075
Recognised over time:		
Provision of construction materials processing services	**1,059**	1,256
Provision of plastic processing services	**2,582**	3,314
	3,641	4,570
	79,860	433,645
Interest income calculated using the effective interest method		
Loan interest income	**166**	–
Total revenue from continuing operations	**80,026**	433,645
Discontinued operations		
Revenue from contracts with customers within HKFRS 15		
Recognised at a point in time:		
Sales of healthcare products	**261**	4,107
Recognised over time:		
Provision of clinical health services and laboratory diagnostic services	**2,199**	3,508
Total revenue from discontinued operations	**2,460**	7,615
	82,486	441,260

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

6. LOSS BEFORE TAXATION

	2023	2022
	HK$'000	*HK$'000*
		(Re-presented)
This is stated after charging:		
Continuing operations		
Staff costs (including Directors' remuneration):		
– Salaries and allowances	**16,000**	16,851
– Retirement benefit – defined contribution scheme	**1,065**	1,210
	17,065	18,061
Auditor's remuneration		
– the Company	**1,100**	950
– Subsidiaries	**135**	144
Amortisation of intangible asset	**78**	100
Legal and professional fee	**2,011**	6,466
Repair and maintenance	**1,116**	1,461
Lease charges on short-term leases	**2,418**	1,336
Utilities expenses	**1,930**	2,429
Write-off of property, plant and equipment	**–**	3
Discontinued operations		
Staff costs (including Directors' remuneration):		
– Salaries and allowances	**2,556**	4,080
– Retirement benefit – defined contribution scheme	**74**	112
	2,630	4,192
Legal and professional fee	**1,017**	3,161
Repair and maintenance	**79**	121
Lease charges on short-term leases	**1,062**	494
Utilities expenses	**43**	46

7. TAXATION

	2023	2022
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Hong Kong Profits Tax	**380**	–
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")		
– Under-provision in prior years	**2**	–
Japan Corporate Inhabitant Taxes	**–**	10
	382	10

Hong Kong Profits Tax is calculated at 16.5% *(2022: 16.5%)* of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits from Hong Kong or incurs a loss for taxation purpose for the year ended 30 June 2022.

PRC EIT in respect of the Group's operations in Mainland China is calculated at the rate of 25% *(2022: 25%)* on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. No provision for the PRC EIT has been made as the Group incurred a loss for taxation purpose for the year ended 30 June 2023 or its estimated assessable profits for the years were wholly absorbed by unrelieved tax losses brought forward from previous years.

The income tax provision of the Group in respect of operations in Germany is calculated at the rate of 30% *(2022: 30%)* on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. No provision for income tax of Germany has been made as the Group incurred a loss for taxation purpose for the years ended 30 June 2023 and 2022 or its estimated assessable profits for the years were wholly absorbed by unrelieved tax losses brought forward from previous years.

8. DIVIDENDS

The Directors do not recommend the payment of any dividends for the years ended 30 June 2023 and 2022.

9. LOSS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share		
– Continuing operations	**(6,138)**	(22,781)
– Discontinued operations	**(2,896)**	(4,950)
	(9,034)	(27,731)

	2023	2022
Weighted average number of ordinary shares in issue for basic loss per share calculation *('000)*	**1,136,308**	1,136,308

Diluted loss per share are the same as the basic loss per share as there are no dilutive potential ordinary shares in existence for the years ended 30 June 2023 and 2022.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2023, the Group purchased property, plant and equipment amounted to HK$34,000 *(2022: HK$2,644,000)*.

11. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**2,787**	3,079
Less: Allowance for ECL	**–**	(45)
	2,787	3,034

11. TRADE RECEIVABLES (CONTINUED)

The Group allows a credit period within 30 days *(2022: within 30 days)* to its customers. At the end of the reporting period, the ageing analysis of trade receivables (net allowance of ECL) by invoice date is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 – 90 days	**2,770**	3,008
91 – 180 days	**15**	23
Over 180 days	**2**	3
	2,787	3,034

12. TRADE PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables to		
– Third parties	**111**	785
– Related parties	**–**	2,744
	111	3,529

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

	2023	2022
	HK$'000	*HK$'000*
0 – 90 days	**111**	3,040
Over 90 days	**–**	489
	111	3,529

The credit period on purchases of goods is within 30 days *(2022: within 30 days)*. The Group monitors and maintains a level of cash equivalents sufficient to ensure that all payables are within the credit time frame.

13. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

During the year, gain on disposal of subsidiaries in sum of HK$6,360,000 was recognised, details are as follows:

(a) Disposal of a subsidiary – Skylimit Venture Limited ("Skylimit")

On 6 March 2023, Dubaplain Limited ("Dubaplain"), a wholly-owned subsidiary of the Company, entered into an instrument of transfer with Always Adept Limited, a company owned by Yip Wai Leung, Jerry, who is the sole director of Dubaplain, to transfer 100% of equity interests in Skylimit, a wholly-owned subsidiary of the Group at a consideration of US$1 (approximately equivalent to HK$7.8). The consideration of was fully settled by cash. The disposal was completed on the same date.

The details are as follows:

	HK$'000
Consideration	
Cash consideration received	**–**
Net assets (liabilities) being disposed of:	
Bank balances – general accounts and cash	**52**
Other payable	**(1,386)**
Net liabilities upon disposal	**(1,334)**
Gain on disposal of a subsidiary	**1,334**
Net cash outflow on disposal of a subsidiary	
Cash consideration received	**–**
Less: Bank balances and cash disposed of	**(52)**
	(52)

13. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (CONTINUED)

(b) Discontinued operations and disposal of subsidiaries – Health Plus Medical Group Limited ("HPMG") and its subsidiaries ("HP Group")

On 9 June 2023, Easykit Limited, a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Inter Unicorn Limited ("Inter Unicorn"), the non-controlling shareholder of HPMG, to dispose of 60% equity interests in HP Group and an assignment of debts to assign the loan and other receivables from HP Group of HK$3,447,000 to Inter Unicorn at a consideration of HK$2. The consideration of was fully settled by cash. The disposal was completed on the same date.

The results of the discontinued operation for the period from 1 July 2022 to 9 June 2023, which have been included in the consolidated statement of comprehensive income, are as follows:

	Note	**Period from 1 July 2022 to 9 June 2023** *HK$'000*	Year ended 30 June 2022 *HK$'000*
Revenue	*4, 5*	**2,460**	7,615
Other income		**74**	278
Change in inventories of finished goods		**(136)**	456
Purchases of goods and consumables		**(1,042)**	(5,427)
Staff costs	*6*	**(2,630)**	(4,192)
Depreciation for property, plant and equipment	*4*	**(545)**	(1,574)
Depreciation for right-of-use assets	*4*	**(134)**	(267)
Allowance for ECL on trade receivables	*4*	**–**	(45)
Other operating expenses		**(2,872)**	(5,079)
Finance costs		**(2)**	(15)
Loss before taxation		**(4,827)**	(8,250)
Taxation		**–**	–
Loss after taxation from discontinued operation		**(4,827)**	(8,250)

13. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (CONTINUED)

(b) Discontinued operations and disposal of subsidiaries – Health Plus Medical Group Limited (“HPMG”) and its subsidiaries (“HP Group”) (Continued)

The details are as follows:

	HK$’000
Consideration	
Cash consideration received	**–**
Net assets (liabilities) being disposed of:	
Property and equipment	**1,220**
Inventories	**341**
Trade and other receivables	**320**
Bank balances – general accounts and cash	**8**
Trade and other payable	**(12,564)**
Net liabilities upon disposal	**(10,675)**
Less: Non-controlling interest derecognised	**5,649**
Gain on disposal of subsidiaries	**5,026**
Net cash outflow on disposal of subsidiaries	
Cash consideration received	**–**
Less: Bank balances and cash disposed of	**(8)**
	(8)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 30 June 2023 ("FY2023"), the Group has principally engaged in (a) renewable energy business, (b) waste construction materials and processing service, (c) plastic recycling/metal scrap business, (d) money lending business, and (e) healthcare business which has been discontinued to operate after the disposal of the business in June 2023.

CONTINUING OPERATIONS

Renewable Energy Business

The Group has begun to focus its development on trading of recyclable oil/biodiesel since 2017. The recyclable oil is in the nature of used cooking oil which could be further used as a component in refining biodiesel, one of the renewable energy commonly used.

The operation of the renewable energy business is accredited with an International Sustainability and Carbon Certificate ("ISCC") according to the Renewable Energy Directive 2018/2001/EU (RED II) of the European Parliament. The Group handles the customers' product specification and discuss product specification with the raw material suppliers, as well as inspects their raw material quality.

The Group has well-established network and partnership in the fields of used cooking oil and biodiesel, which in turn allows the Group to secure constant supply for the operations of the renewable energy business as well as timely fulfill the demands from the customers. The Group is able to (i) source suitable raw material suppliers in accordance with specified product specification and identify suitable providers; (ii) review customers' requirements with the raw material suppliers; (iii) inspect and assure raw material quality; (iv) follow up on reprocessing and logistics arrangement; (v) the operations are conducted in accordance with the procedural requirements of the ISCC; (vi) serve as a significant bridge in between both ends to accommodate credit requirements arising from timing difference of credit period in the supply chain; and (vii) provide confidence to the customers regarding the quality of products as the Group possesses ISCC certifications which are world-wide recognized, and help them to meet the requirements set in the Renewable Energy Directive 2018/2001/EU (RED II) and Fuel Quality Directive 2009/30/EC.

Further, the consulting and brokerage firms in relation to wasted-based feedstock and biofuels have been acting as important intermediaries in the industry who will provide valuable market information and foreign customer bases to the market players in the renewable energy business segment. The Group has established solid relationship with various reputable and sizeable consulting and brokerage firms, such as Olyx B.V., Nexus-brokerage and Greenea, for several years which has continuously facilitated the Group to approach and secure a number of new customers.

(I) Products

The Group primarily purchases/collects used cooking oils, recyclable oil and/or biodiesel as well as palm oil mill effluent methyl ester in the PRC and Hong Kong, which have been reprocessed according to the quality specification required by different customers, and sells them as feedstock to overseas and PRC buyers for the trading/production of biodiesel and/or for use in other industrial applications.

(II) Customers

The customers mainly comprise feedstock suppliers and recyclers who are engaged in the trading of recyclable waste cooking oils, palm oil mill effluent methyl ester and/or production of biodiesel in European countries, South East Asia and the PRC.

(III) Suppliers

The recyclable oil and/or biodiesel are supplied by waste oil collectors in Hong Kong and the PRC; and palm oil mill effluent methyl ester are sourced from suppliers in South East Asia and the PRC through the business partner. The Group is also sourcing used cooking oil directly from suppliers with its own collection trucks in Hong Kong.

New development in renewable energy business since 2022:

(i) Expansion of operating team

The Group has recruited additional new staff with relevant experiences in the trading and collection of used cooking oils in the Hong Kong market to join the operating team (including the sourcing team). The expanded team has reinforced the Group's capability to reach its new and potential customers as well as advance its sourcing abilities.

(ii) Commencement of operation of the Group's own storage and processing factory

The Group has successfully set up its own storage and processing factory at an industrial site in Hong Kong and obtained the relevant licences to store and process the used cooking oils. The Group has the necessary processing machineries and storage facilities for the used cooking oils, including but not limited to those which are to be collected by the Group's own used cooking oil collection trucks.

(iii) Collection of used cooking oils in Hong Kong with the Group's own fleet of trucks

The Group has set up its own fleet of cooking oil collection trucks in Hong Kong and begins to collect used cooking oils in Hong Kong with its own capability. The Group has also recruited outsourcing partner to collect used cooking oils in order to meet the logistic requirements. The Group will further expand its own collection fleet when the economy shows gradual recovery.

At the same time, the Group has been actively building up its local supplier network, and have entered into contracts with food and beverages providers in Hong Kong which provides the Group the exclusive rights to collect used cooking oils.

Waste Construction Materials and Processing Service

The Group has commenced the waste construction materials and processing service business since 2007. With more than a decade of operating history, the Group's waste construction materials and processing service in Germany has established stable operation as well as long-term relationships with its business partners and customers in the local market.

(I) Products

The Group collects and recycles construction waste material and asphalt, and resells the recovered and/or recycled materials for a profit. Besides, the Group also performs processing service and mixing service according to formulas and proportion as provided by customers.

(II) Customers

The customers mainly comprise local construction companies, government authorities and individual customers in Germany.

(III) Suppliers

The Group primarily sources construction waste material and asphalt from various construction companies and construction waste collectors in Germany.

Plastic Recycling/Metal Scrap Business

The Group has commenced its plastic recycling business in Germany since 2016. The Group had also started the business of high-grade plastic recycling and processing in Japan in June 2020, but the processing operation had been ceased since April 2022 due to the continuing shortage of feedstock supply under the prolonged pandemic. Besides, the Group was also engaged in the trading of metal scrap, but it was inactive now. During FY2023, the Group has approximately 8 staff operating the plastic recycling metal scrap business.

(I) Products

The Group's plastic recycling business represents the recycling (sorting, washing and shredding) of plastic materials. The operations are basically divided into two streams, as follows:

Processing activities:

Plastic materials are supplied by commercial waste collectors, for which the Group charges the customers by reference to the weight of the incoming materials and bear the cost of disposal of waste arising from such recycling activities.

Purchase-Recycling-Resell Activities:

The Group purchases the plastic materials from both commercial waste collectors and plastics dealers for resale at a higher profit margin after recycling.

(II) Customers

The customers mainly comprise plastic recycling companies in Germany and member states of European Union.

(III) Suppliers

The Group has been purchasing feedstock from reputable suppliers who are engaged in, among others, environmental services and waste materials collection.

Money Lending Business

The Group has commenced the money lending business since 2018 with its money lenders licence in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

With the uncertainties in the economic conditions and business environment during the COVID-19 pandemic, the Group has adopted a cautious and prudent approach in the assessment and approval of new loans and/or renewal of existing loans in order to mitigate its credit risk.

DISCONTINUED OPERATIONS

Healthcare Business

With the emergence of the COVID-19 pandemic, the Group had diversified and set up its subsidiaries in mid-November 2020 to commence the healthcare business which mainly involved the laboratory diagnostic service and clinical health service. The Group had disposed of the healthcare business on 9 June 2023 after its reassessment of the commercial viability.

Operating Results

The revenue of the Group for FY2023 was approximately HK$82.5 million (the year ended 30 June 2022 ("FY2022"): approximately HK$441.3 million), representing a decrease of 81.3% as compared with that for FY2022. The decrease in revenue was mainly resulted from the renewable energy business segment with the shift of focus on from the sales of palm oil mill effluent methyl ester to its newly established operations on collection and processing of used cooking oil. The revenue of renewable energy business was approximately HK$73.1 million, with a 82.8% year-on-year reduction. Moreover, the revenue of the healthcare business had dropped from approximately HK$7.6 million in FY2022 to approximately HK$2.5 million in FY2023, and therefore the healthcare business was disposed of in June 2023 due to its continuous underperformance and lack of commercial viability.

The net loss attributable to owners of the Company for FY2023 was approximately HK$9.0 million (FY2022: approximately HK$27.7 million), representing a 67.5% year-on-year reduction. The reduction in loss was mainly attributable to (1) the gain of approximately HK$6.4 million on disposal of subsidiaries of the Group; (2) reduction in net loss of approximately HK$2.1 million from discontinued operations achieved mainly with cost saving through streamlining of the business; (3) reduction of approximately HK$4.5 million in legal and professional fee through stringent cost control measures and (4) the gain of approximately HK$1.0 million on disposal of plant and equipment.

Segment Information

CONTINUING OPERATIONS

(a) Renewable Energy – trading and processing of recyclable oil/biodiesel

The Group recorded a revenue of approximately HK$73.1 million from the trading and processing of recyclable oil/biodiesel for FY2023 (FY2022: approximately HK$424.2 million). There was a reduction of 82.8% in revenue as compared with FY2022. Following the new strategic development of its own storage and processing factory for collection of used cooking oils in Hong Kong, the Group focused its resources on processing and sales of used cooking oils with the greater margin. In the initial stage and transition to local collection and processing of used cooking oil, the Group spent months to adapt and fine-tune the procedures and operations, which inevitably hindered its sales and profit growth of used cooking oils during the year. Notwithstanding the drop in revenue, the segment got an increase of 35.9% in net profit to HK$5.3 million for FY2023 as compared with HK$3.9 million in FY2022.

(b) ***Waste construction materials and waste processing service***

The revenue of this business segment involves the collection and recycling of waste construction materials and the sale of recycled construction materials. The revenue arising from this sector was approximately HK$4.1 million for FY2023 (FY2022: approximately HK$5.2 million). The lack of incoming materials and the keen competition in the region are the main reasons for the decrease in revenue of the segment.

The net profit of FY2023 for the segment was approximately HK$0.3 million as compared with that of HK$3.3 million in FY2022. Besides the reduction in sales revenue, the drop in the profit of the segment was mainly resulted from the impairment loss on property, plant and equipment of approximately HK$0.3 million in contrast to the reversal of such impairment loss of approximately HK$1.9 million in FY2022.

(c) ***Plastic Recycling/Metal Scrap business***

The plastic recycling/metal scrap sector recorded a revenue approximately of HK$2.6 million for FY2023 (FY2022: approximately HK$4.2 million), representing a 38.1% year-on-year reduction. Market uncertainties, high volatility in price of recyclates as well as the low price of virgin plastic resulted in a low level of demand in FY2023. The lack of quality feedstock supply exerted further pressure on the plastic recycling business. Besides, the closure of processing plant in Japan was one of reasons for the sales reduction in FY2023.

The net loss of FY2023 for the segment was approximately HK$4.9 million as compared with that of HK$10.2 million in FY2022. The loss from the Japanese processing operation had been cut upon the closure of the processing plant last year. Besides, there was impairment loss on property, plant and equipment of approximately HK$2.9 million in FY2022.

(d) ***Money lending business***

The revenue generated from money lending business for FY2023 was approximately HK$0.2 million (FY2022: Nil). Tight and volatile financing conditions persist on the back of entrenched inflation, increasingly straining the debt-service capacity of more vulnerable borrowers. Credit conditions will remain under particular pressure from the combination of a strong US dollar, high energy and food prices, and a slowdown in global demand. A more cautious and conservative approach had been taken on credit quality of new lending by closer monitoring and higher level of collateral requirements.

DISCONTINUED OPERATIONS

Healthcare business

The key element of this sector involves the laboratory diagnostic service and clinical health service. The healthcare business recorded a revenue of approximately HK$2.5 million for FY2023 (FY2022: approximately HK$7.6 million). The Group had downscaled the operations of the healthcare business and taken a series of cost-cutting initiatives including negotiations with the landlord for rent concession and reduction of the number of staff and consultants employed in order to minimize the losses during FY2023. The net loss of the segment in FY2023 was approximately HK$4.8 million with a 42.2% year-on-year reduction. The healthcare business was finally disposed in June 2023 by the Group after the reassessment on its commercial viability.

EXPENDITURE

For FY2023, total expenditures excluding finance costs were recorded at approximately HK$50.9 million (FY2022: approximately HK$52.6 million). The transportation costs increased to approximately HK$12.0 million in FY2023 from approximately HK$1.4 million in FY2022. It involved mainly the transportation costs for operation and collection of used cooking oils in Hong Kong, which was fully implemented in FY2023.

On the other hand, there was a saving of approximately HK$1.5 million in expenses of the Japanese plastic recycling plant after its closure in FY2022. There was also saving of approximately HK$5.0 million in the expenditures of the discontinued operations of healthcare business in FY2023 through streamlining the business. Moreover, there was a reduction of approximately HK$4.5 million in legal and professional fee through stringent cost control measures in FY2023. There was also a saving of approximately HK$1.0 million in staff cost, as the Group had taken actions to streamline its headcount in order to minimize the losses.

FINANCIAL REVIEW

Liquidity, financial resources and cashflow

As at 30 June 2023, the Group had total current assets of approximately HK$26.1 million (as at 30 June 2022: approximately HK$45.1 million), including bank balances and cash of approximately HK$14.8 million (as at 30 June 2022: approximately HK$33.6 million) and the total current liabilities were approximately HK$8.5 million (as at 30 June 2022: approximately HK$28.5 million). The current ratio of the Group was approximately 3.1 (as at 30 June 2022: approximately 1.6). The Group has sufficient funds to settle its debts.

As at 30 June 2023, the Group had total assets of approximately HK$50.7 million (as at 30 June 2022: approximately HK$71.6 million). The Group did not have external borrowing as at 30 June 2023 and 2022, and therefore gearing ratio was not applicable.

Foreign Exchange Exposure

The ordinary operations and investments of the Group are mainly in Hong Kong and Germany, with revenue and expenditures denominated in US dollars and euro. The operating results of the Group may be affected by the volatility of foreign currencies. In addition, we are exposed to foreign currency risks arising from certain bank balances which are denominated in Renminbi, US dollars and euro. 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 2023, there were no derivative financial instruments employed by the Group.

Seasonal or Cyclical Factors

During FY2023, the Group's business operations are not significantly affected by any seasonal and cyclical factor.

Material Acquisitions and Disposals of Subsidiaries and Associates

Save for disclosed in note 13 to the consolidated financial statements, there was no material acquisition and disposal of subsidiaries and associated companies for FY2023.

Capital Commitments

As at 30 June 2023, the Group did not have any material capital commitment (as at 30 June 2022: Nil).

Contingent Liabilities

As at 30 June 2023, the Group did not have any material contingent liabilities (as at 30 June 2022: Nil).

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The global economy continues to gradually recover from the pandemic, but the upturn remains weak, amid significant downside risks. In the near term, the signs of progress are undeniable. Lower energy prices are helping to bring down headline inflation and ease strains on household budgets, and the reopening of China in 2023 has provided a boost to global activity. However, signs are growing that global activity is losing momentum. The global tightening of monetary policy has brought policy rates into contractionary territory. Risks of a prolonged period of low growth stand, amid stubborn inflation, rising interest rates, and heightened uncertainties, in addition to the ever-worsening impact of climate change.

The growth of the used cooking oil (UCO) market for biodiesel production is increasing. Demand for UCO, particularly from the European Union, is expected to increase as a result of changes in climate legislation and new proposals. In Renewable Energy Directive 2018/2001/EU (RED II), the contribution of waste oils including UCO is currently limited, but under the proposed revision, the definition of transport energy would include the marine and aviation sectors and thus the volume of fuel qualifying toward the directive would increase. Additionally, the proposed ReFuelEU Aviation regulation requires Sustainable Aviation Fuels (SAF) blending beginning in 2025 and it will further incentive the production of fuels using waste oils, especially because the contribution of waste oils is not capped. With the strategic move to collection and processing of used cooking oil by the Group, the gross margin on the renewable energy business would further increase.

The market for plastic recyclables has seen a gradual decline and lacklustre demand. Plastic recyclers are coming under severe pressure, as prices continue to fall because of low demand, cheaper virgin material prices and wider economic uncertainty. Bearish macroeconomic conditions and high inflation has exerted a profound impact consumption and demand. Ongoing high costs, chiefly linked to energy, are reducing industrial output. Most important of all, however, is the substitution to comparatively low-priced virgin and off-spec markets. Fast Moving Consumer Goods (FMCG) recycled content targets – many of which are due to mature in 2025 – remain ambitious and aggressive, even if current demand remains weak. In November 2022 the EU Commission proposed draft legislation that would replace the existing Packaging and Packaging Waste Directive (PPWD) with a new Packaging and Packaging Waste Regulation. However, meeting the EU's plastic recycling goals is a "quantity and quality challenge" along the whole value chain, starting from feedstock and material collection. Macroeconomic conditions remain volatile and unpredictable, while continued falls in virgin values are adding further negative pressure on recycling markets. These typically result in postponement in investment, which in turn will make these targets increasingly difficult to meet.

U. S.-China relations have become progressively more strained. Any ratcheting up of tensions between the two countries over Russia or the South China Sea region, or an escalation of the technology race, could impede trade, intellectual property, investments, and financial transactions for both and other economies.

Prospects for a robust global economic recovery remain dim as the lingering effects of the COVID-19 pandemic carry on. Signs are growing that global activity is losing momentum. The global tightening of monetary policy has brought policy rates into contractionary territory. The Group will closely monitor the impact of any downside risks on its operating environment and plan proactively to maintain its liquidity and financial health. The Group may also take necessary actions to minimize or cut the losses of concerned business segments in order to preserve funding for development of existing renewable energy business and exploration of any potential new projects. On the other hand, the Group will actively explore new business opportunities and investments to broader its revenue stream while aligning with the mission and culture of the Group to build a green and healthy future for sustainable development.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2023, the Group had 37 employees (As at 30 June 2022: 57 employees) in Hong Kong, the PRC and Germany.

The Group offered competitive remuneration package as an incentive to staff for career advancement and improvements. The Company has in place a share option scheme as a mean to encourage and reward the eligible employees' (including Directors) 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.

DIVIDENDS

The Directors do not recommend the payment of any dividends for the years ended 30 June 2023 and 2022.

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 Listing Rules. 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 C.2.1 of the CG Code

Pursuant to Code Provision C.2.1 of the CG Code, 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. Lo Kam Wing, *JP*, 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.

Deviation from Code Provision F.2.2 of the CG Code

Pursuant to Code Provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. During the year ended under review, the chairman of the Board was absent at the annual general meeting of the Company held on 24 November 2022 (the "AGM") due to health reason. The management, the chairman of the audit Committee of the Company (the "Audit Committee") and certain members of Board's committee attended the AGM and were available to answer relevant questions raised by and understand the views of the shareholders of the Company.

Non-compliance with Rule 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules

Upon the resignation of Mr. Lau Ka Wing as independent non-executive Director, each of member of the Audit Committee and remuneration committee of the Company ("Remuneration Committee") on 14 April 2023, the Company did not meet (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules; and (ii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules.

Upon the passing away of Mr. Sze Cheung Pang as independent non-executive Director, each of member of Audit Committee, Remuneration Committee and nomination committee of the Company ("Nomination Committee") on 4 July 2023, the Company did not meet (i) the minimum number of independent non-executive directors required under Rule 3.10(1) of the Listing Rules; (ii) the requirement under Rule 3.10A of the Listing Rules which stipulates that independent non-executive directors must represent at least one-third of the board; (iii) the minimum number of members in the audit committee required under Rule 3.21 of the Listing Rules; (iv) the requirement under Rule 3.25 of the Listing Rules which stipulates that the remuneration committee must comprise a majority of independent non-executive directors; and (v) the requirement under Rule 3.27A of Listing Rules which stipulates that the nomination committee must comprise a majority of independent non-executive directors.

With effect from 13 July 2023, Mr. Man Kwok Leung was appointed as an independent non-executive Director and each of member of the Audit Committee and Remuneration Committee.

With effect from 9 August 2023, Ms. Jiang Zhihua was appointed as an independent non-executive Director and each of member of the Audit Committee, Remuneration Committee and Nomination Committee.

Following the aforesaid changes, the number of independent non-executive Directors have satisfied the minimum number as stipulated under Rule 3.10(1) and 3.10A of the Listing Rules, and the composition of the Audit Committee, the Remuneration Committee and the Nomination Committee also complied with Rule 3.21, 3.25 and 3.27A of the Listing Rules.

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 currently comprises three independent non-executive Directors, namely, Mr. Tam Chun Wa, Mr. Man Kwok Leung and Ms. Jiang Zhihua. The Audit Committee has reviewed the audited consolidated financial statements for the year ended 30 June 2023.

SCOPE OF WORK OF MAZARS CPA LIMITED ("MAZARS")

The figures in respect of the Group's results for the year ended 30 June 2023 as set out in the preliminary announcement have been agreed by Mazars, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2023. 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 HKICPA 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 2023 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.hk-greenenergy.com) and the Stock Exchange's website.

By order of the Board
Green Energy Group Limited
Lo Kam Wing, *JP*
Chairman

Hong Kong, 28 September 2023

As at the date of this announcement, the Company has three executive Directors, namely Mr. Lo Kam Wing, JP, Mr. Luo Xian Ping and Mr. Ho Wai Hung, and three independent non-executive Directors, namely, Mr. Tam Chun Wa, Mr. Man Kwok Leung and Ms. Jiang Zhihua.