



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



2012
INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yip Wai Leung Jerry (*Chairman*)
Mr. Fan Xiaomin (*Resigned on 31 May 2012*)

Independent Non-Executive Directors

Ms. Li Kit Chi Fiona (*Appointed on 31 May 2012*)
Mr. So Yin Wai
Mr. Tam Chun Wa
Ms. Zhu You Chun (*Deceased on 1 March 2012*)

AUDIT COMMITTEE

Mr. So Yin Wai (*Chairman*)
Ms. Li Kit Chi Fiona (*Appointed on 31 May 2012*)
Mr. Tam Chun Wa
Ms. Zhu You Chun (*Deceased on 1 March 2012*)

REMUNERATION COMMITTEE

Mr. Tam Chun Wa (*Chairman*)
Ms. Li Kit Chi Fiona (*Appointed on 31 May 2012*)
Mr. So Yin Wai
Ms. Zhu You Chun (*Deceased on 1 March 2012*)

NOMINATION COMMITTEE

Ms. Li Kit Chi Fiona (*Chairwoman*)
(*Appointed on 31 May 2012*)
Ms. Zhu You Chun (*Deceased on 1 March 2012*)
Mr. Tam Chun Wa
Mr. Yip Wai Leung Jerry

COMPANY SECRETARY

Mr. Tam Pei Qiang

AUDITORS

BDO Limited

LEGAL ADVISORS

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited
Wing Hang Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

4C Derrick Industrial Building,
49 Wong Chuk Hang Road, Hong Kong

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street,
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services
Limited
Room 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Hong Kong

STOCK CODE

979

WEBSITE

<http://www.greenenergy.hk>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		For the six months ended 30 June	
	Notes	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Turnover	3	338	1,436
Other revenue	3	508	329
Cost of goods sold		(44)	(774)
Reduction in an impairment loss due to substantial recovery of a deposit		24,007	–
Staff costs		(3,390)	(3,353)
Depreciation and amortisation expenses		(1,437)	(1,502)
Exchange differences		(847)	1,830
Other operating expenses		(3,998)	(3,297)
Profit/(loss) before income tax	4	15,137	(5,331)
Income tax	5	–	–
Profit/(loss) for the period		15,137	(5,331)
Other Comprehensive Income			
Exchange differences on translation of financial statements of foreign operations		454	(918)
Total comprehensive income for the period		15,591	(6,249)
Profit/(loss) attributable to:			
Owners of the Company		15,137	(5,331)
Total comprehensive income attributable to:			
Owners of the Company		15,591	(6,249)
Dividend	6	–	–
Profit/(loss) per share			
– Basic (cents)	7	3.38	(1.20)
– Diluted (cents)	7	3.30	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		14,337	16,026
Biological assets		4,324	4,272
		<u>18,661</u>	<u>20,298</u>
Current assets			
Inventories	8	394	413
Trade receivables	9	157	77
Prepayments, deposits and other receivables	10	2,074	2,031
Loan receivable	11	183	251
Cash and cash equivalents		31,515	10,941
		<u>34,323</u>	<u>13,713</u>
Current liabilities			
Trade payables	12	526	531
Accruals and other payables		1,357	2,279
Provision for income tax		987	987
		<u>2,870</u>	<u>3,797</u>
Net current assets		<u>31,453</u>	<u>9,916</u>
Total assets less current liabilities/Net assets		<u><u>50,114</u></u>	<u><u>30,214</u></u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	13	45,500	44,303
Reserves		4,614	(14,089)
Total equity		<u><u>50,114</u></u>	<u><u>30,214</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to equity holders of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Share-based payment reserves HK\$'000	General reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2011	44,303	214,363	56,897	1,550	22,956	71	(263,458)	76,682
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(918)	-	-	-	(918)
Loss for the period	-	-	-	-	-	-	(5,331)	(5,331)
Balance at 30 June 2011	44,303	214,363	56,897	632	22,956	71	(268,789)	70,433
Balance at 1 January 2012	44,303	214,363	56,897	2,811	31,165	71	(319,396)	30,214
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	454	-	-	-	454
Shares issued upon exercised of share options	1,197	5,400	-	-	(2,288)	-	-	4,309
Profit for the period	-	-	-	-	-	-	15,137	15,137
Balance at 30 June 2012	45,500	219,763	56,897	3,265	28,877	71	(304,259)	50,114

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	For the six months ended 30 June	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Cash flows from operating activities		
Profit/(loss) before income tax	15,137	(5,330)
Adjustments for:		
Interest income	(507)	(321)
Depreciation and amortisation expenses	1,437	1,563
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	16,067	(4,088)
Increase in trade receivables	(81)	(90)
Increase in prepayments, deposits and other receivables	(42)	(820)
Decrease in inventories	20	561
(Decrease)/increase in trade payables	(5)	14
Decrease in accruals and other payables	(923)	(589)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	15,036	(5,012)
Cash flows from investing activities		
Purchase of property, plant and equipment	(37)	(200)
Interest received	507	321
	<hr/>	<hr/>
Net cash generated from investing activities	470	121
Cash flows from financing activities		
Proceeds from issue of share capital	4,309	–
Decrease in a loan receivable	68	5,980
	<hr/>	<hr/>
Net cash generated from financing activities	4,377	5,980
Net increase in cash and cash equivalents	19,883	1,089
Cash and cash equivalents at 1 January	10,941	6,906
Effect of foreign exchange rate changes	691	(1,772)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	31,515	6,223
Analysis of the balances of cash and cash equivalents		
Bank and cash balances	31,515	6,223
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. ACCOUNTING POLICIES

These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2011. They have been prepared on the historical cost basis.

The accounting policies and methods of computation applied in preparation of these interim financial statements are consistent with those applied in preparing the Group's financial statements for the year ended 31 December 2011. The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA that are relevant to the Group and effective from the current Period, did not have any significant effect on the financial position or performance of the Group.

The Group has not early adopted any new and revised HKFRS that have been issued but are not yet effective for the current Period. The Group has already commenced an assessment of the impact of these new and revised HKFRS but is not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue which represents revenue from trading of renewable energy, trading of bio-cleaning materials, trading of recyclable plastic materials and relevant services, trading of waste construction materials and waste processing provision.

	For the six months ended 30 June	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Turnover	338	1,436
Other revenue		
Interest income	507	321
Others	1	8
	508	329
Total revenue	846	1,765

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

For the six months ended 30 June 2012

	Renewable energy (Unaudited) HK\$'000	Bio-cleaning materials (Unaudited) HK\$'000	Generators (Unaudited) HK\$'000	Recyclable plastic materials and relevant services (Unaudited) HK\$'000	Waste construction materials and waste processing provision (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
REVENUE						
Sales to external customers	<u>–</u>	<u>56</u>	<u>–</u>	<u>90</u>	<u>192</u>	<u>338</u>
Results						
Segment results	<u>(1,721)</u>	<u>(126)</u>	<u>(853)</u>	<u>(728)</u>	<u>(980)</u>	<u>(4,408)</u>
Unallocated expenses						(4,970)
Reduction in an impairment loss due to substantial recovery of a deposit						24,007
Other revenue						<u>508</u>
Profit before income tax						<u>15,137</u>

For the six months ended 30 June 2011

	Renewable energy (Unaudited) HK\$'000	Bio-cleaning materials (Unaudited) HK\$'000	Generators (Unaudited) HK\$'000	Recyclable plastic materials and relevant services (Unaudited) HK\$'000	Waste construction materials and waste processing provision (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
REVENUE						
Sales to external customers	<u>23</u>	<u>112</u>	<u>–</u>	<u>935</u>	<u>366</u>	<u>1,436</u>
Results						
Segment results	<u>(1,654)</u>	<u>(95)</u>	<u>(1,045)</u>	<u>(602)</u>	<u>(1,213)</u>	<u>(4,609)</u>
Unallocated expenses						(1,051)
Reduction in an impairment loss due to substantial recovery of a deposit						–
Other revenue						<u>329</u>
Loss before income tax						<u>(5,331)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

3. REVENUE AND SEGMENT INFORMATION (Continued) Segment revenue and results (Continued)

The following table presents assets and liabilities by segment of the Group as at 30 June 2012 and 31 December 2011:

As at 30 June 2012

	Renewable energy (Unaudited) HK\$'000	Bio-cleaning materials (Unaudited) HK\$'000	Generators (Unaudited) HK\$'000	Recyclable plastic materials and relevant services (Unaudited) HK\$'000	Waste construction materials and waste processing provision (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
ASSETS						
Segment assets	13,131	325	301	215	6,280	20,252
Unallocated corporate assets						32,732
Consolidated total assets						<u>52,984</u>
LIABILITIES						
Segment liabilities	-	-	40	-	56	96
Unallocated corporate liabilities						1,787
Tax liabilities						987
Consolidated total liabilities						<u>2,870</u>

As at 31 December 2011

	Renewable energy (Audited) HK\$'000	Bio-cleaning materials (Audited) HK\$'000	Generators (Audited) HK\$'000	Recyclable plastic materials and relevant services (Audited) HK\$'000	Waste construction materials and waste processing provision (Audited) HK\$'000	Consolidated (Audited) HK\$'000
ASSETS						
Segment assets	14,402	306	315	168	6,815	22,006
Unallocated corporate assets						12,005
Consolidated total assets						<u>34,011</u>
LIABILITIES						
Segment liabilities	74	-	136	2	163	375
Unallocated corporate liabilities						2,435
Tax liabilities						987
Consolidated total liabilities						<u>3,797</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

4. PROFIT/(LOSS) BEFORE INCOME TAX

	For the six months ended 30 June	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Profit/(loss) before income tax has been arrived at after charging (crediting) the following items:		
Depreciation and amortisation expenses	1,437	1,502
Staff costs	3,390	3,353
Exchange differences	847	(1,830)
Interest income	(507)	(321)
	<u> </u>	<u> </u>

5. INCOME TAX

No provision for Hong Kong profits tax is required since the Group has no assessable profit in Hong Kong for the six months ended 30 June 2012 and 2011.

No recognition of the potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential deferred tax assets is uncertain.

6. DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the period and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings/(loss) per share amounts is based on the profit/(loss) attributable to the owners of the Company for the period. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

Diluted loss per share for the period ended 30 June 2011 have not been disclosed, as the share options outstanding during that period had an anti-dilutive effect on the basic loss per share.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 (Unaudited) HK\$'000
Earnings/(loss)		
Profit/(loss) for the period, used in the basic earnings/(loss) per share calculations	<u>15,137</u>	<u>(5,331)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

7. EARNINGS/(LOSS) PER SHARE (Continued)

	Number of shares	
	30 June 2012 (Unaudited)	30 June 2011 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculations	448,080,637	443,032,176
Effect of dilution - weighted average number of ordinary shares:		
Share options	10,642,364	N/A
	<u>458,723,001</u>	<u>N/A</u>

8. INVENTORIES

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Bio-fuel materials	209	216
Bio-cleaning materials	185	197
	<u>394</u>	<u>413</u>

9. TRADE RECEIVABLES

The Group allows a credit period of 90 days to its trade customers. The following is an ageing analysis (based on due date) of trade receivables net of allowance for doubtful debts at the ended of the reporting period:

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
0 – 90 days	151	74
180 – 365 days	3	–
Over 365 days	3	3
	<u>157</u>	<u>77</u>

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Prepayments	4	321
Deposits and other receivables	2,070	1,710
	<u>2,074</u>	<u>2,031</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

11. LOAN RECEIVABLE

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Loan receivable	183	251
	<u>183</u>	<u>251</u>

The loan receivable from other is an amount of HK\$183,000 which is unsecured and interest-bearing at a fixed rate of 6% per annum. The loan is past due at the reporting date but has not been provided for impairment as the Directors are of the opinion that there has not been a significant change in credit quality of the borrower and the balance is still considered fully recoverable.

12. TRADE PAYABLES

The following is an ageing analysis of trade payables (based on invoice date) at the balance sheet date:

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
0 to 90 days	1	4
Over 365 days	525	527
	<u>526</u>	<u>531</u>

13. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each at 31 December 2011 and 30 June 2012	<u>4,000,000</u>	<u>400,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 1 January 2012	443,032	44,303
Exercise of share option	<u>11,970</u>	<u>1,197</u>
Ordinary shares of HK\$0.10 each at 30 June 2012	<u>455,002</u>	<u>45,500</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating results

The turnover of the Group for the six months ended 30 June 2012 (the "Period") was approximately HK\$0.34 million (six months ended 30 June 2011: approximately HK\$1.44 million) representing a decrease of approximately 76.4% as compared with the corresponding period in 2011.

The net profit for the Period was approximately HK\$15.14 million (six months ended 30 June 2011: net loss of approximately HK\$5.33 million). In the financial year ended 31 December 2010, the Company paid approximately HK\$30 million as a deposit for a proposed business acquisition. However the proposed acquisition did not materialise and impairment loss of approximately HK\$30.73 million (principal amount and interest thereon) was made during the financial year ended 31 December 2011. In May 2012 a sum of approximately HK\$24.01 million was recovered and thereby resulting in a significant reduction of the loss arising on impairment. Apart from such recovery, the Group has sustained a net loss of approximately HK\$8.87 million for the Period representing an increase in net loss of approximately 66.4%.

Renewable energy

As before, the Group continues to maintain its business focus on the development of business in renewable energy and, in addition to the commercial cultivation of *Jatropha* and activities that may lead to the acquisition of existing *Jatropha* sites in China and other parts of the world. The Group has begun negotiations with the Chinese authorities in major cities for the collection of used cooking oil and the establishment of a processing plant with a view to converting such oil into biodiesel and other by-products, but progress in this area has been rather slow and no contractual commitments have been made by the Group.

Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials has declined from approximately HK\$112,000 for the six months ended 30 June 2011 to approximately HK\$56,000 for the Period representing a reduction of approximately 50.0%. The Group will continue to put its efforts in promoting and marketing these environmental products and to minimize operating expenses.

Recyclable plastic materials and relevant services

During the Period, the total turnover arising from the activities of this sector was approximately HK\$90,000 (six months ended 30 June 2011: approximately HK\$935,000), as to which the trading of recyclable plastic materials came to a complete halt (six months ended 30 June 2011: approximately HK\$846,000), while the re-compressing and other related services achieved a turnover of approximately HK\$90,000 (six months ended 30 June 2011: approximately HK\$89,000). The decrease in turnover arose mainly because the Group had sold all existing recyclable plastic materials purchased and collected in previous years and did not wish to pursue any trading activities in recyclable plastic materials. The turnover of re-compressing and other relevant services has increased slightly.

Generators

The Group has completed the Research and Development phase in this business section and begins to focus on marketing generators in the telecom industry, although no firm order has been received during the Period.

Waste construction materials and waste processing provision

The main business focus of this sector involves the collection and recycling of waste construction materials and the sale of recycled construction materials. The turnover arising from this sector has declined from approximately HK\$366,000 for the six months ended 30 June 2011 to approximately HK\$192,000 for the Period representing a reduction of approximately 47.5%. The reduction arose because the major equipment had sustained very serious damage and thereby resulting in a temporary suspension of recycling activities. Such damage has now been completely addressed.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2012 the Group had total current assets of approximately HK\$34.32 million (As at 31 December 2011: approximately HK\$13.71 million) and the total current liabilities were approximately HK\$2.87 million (As at 31 December 2011: approximately HK\$3.80 million). The current ratio calculated by dividing the total current assets over its total current liabilities was approximately 11.96 (As at 31 December 2011: approximately 3.61). The Group has sufficient fund to settle its debts.

As at 30 June 2012 the Group had total assets of approximately HK\$52.98 million (as at 31 December 2011: approximately HK\$34.01 million). The gearing ratio, calculated by dividing the total debts over its total assets was approximately 5.4% (As at 31 December 2011: approximately 11.2%).

CONTINGENT LIABILITIES

As at 30 June 2012 the Group did not have any material contingent liabilities (As at 30 June 2011: Nil).

FUTURE PROSPECTS

The Directors will continue to carry on the existing business activities and impose serious control over expenditures.

The recoverability of the outstanding amount of the deposit referred to above is rather remote, although the Group will continue to take all necessary steps to maximize recovery.

EMPLOYEES

As at 30 June 2012 the Group had 26 employees (six months ended 30 June 2011: 25 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 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.

OTHER INFORMATION

DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2012, the interests or positions of the Directors and chief executive in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

A. Interest in shares in the Company

Name of Director/ chief executive	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the company
Mr. Yip Wai Leung Jerry ("Mr. Yip") (Note 1)	Settlor of a discretionary trust Beneficial owner	222,971,436 330,000	49.00% 0.07%
Ms. Li Kit Chi Fiona	Beneficial owner	3,612,000	0.79%

B. Interest in underlying shares in the Company

Name of Director/ chief executive	Capacity	Number of underlying shares held	Percentage of the issued share capital of the company
Mr. Yip	Beneficial owner (Note 2)	340,000	0.07%
Mr. So Yin Wai	Beneficial owner (Note 2)	1,110,000	0.24%
Mr. Tam Chun Wa	Beneficial owner (Note 2)	440,000	0.10%

Notes:

- Mr. Yip set up a discretionary family trust pursuant to a deed of settlement dated 5 December 2005 entered into between him and New Zealand Professional Trustee Limited ("Trustee"). The Trustee held the entire issued share capital of Always New Limited, which held the entire issued share capital of each of Always Adept Limited ("Always Adept") and First Win Trading Limited ("First Win") on trust for the benefit of the family trust. Always Adept and First Win held 66,891,428 Shares and 156,080,008 Shares respectively, Always New Limited was deemed to be interested in the Shares held by First Win and Always Adept by virtue of the SFO.
- These underlying shares represent the shares to be issued and allotted upon the exercise of the options granted by the Company to the directors or chief executive pursuant to the share option scheme of the Company.

Other than as disclosed above, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations as at 30 June 2012 as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, other than the interests and short positions disclosed above in respect of certain Directors, the following shareholders had interests or short positions in the shares and underlying shares of the Company:

A. Interest in shares in the Company

Name of Director/ chief executive	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the company
Always Adept (Note 1)	Beneficial owner	66,891,428	14.70%
First Win (Note 1)	Beneficial owner	156,080,008	34.30%
Always New Limited (Note 1)	Interest of controlled corporation	222,971,436	49.00%
The Trustee (Note 2)	Trustee	222,971,436	49.00%
Mrs. Yip	Spouse Interest (Note 3)	222,971,436	49.00%
	Spouse Interest (Note 3)	330,000	0.07%

B. Interest in underlying shares in the Company

Name of Shareholder	Capacity	Number of underlying shares held	Percentage of the issued share capital of the company
Mrs. Yip	Spouse Interest (Note 4)	340,000	0.07%

Notes:

1. Always New Limited held the entire issued share capital of each of Always Adept and First Win. Always New Limited was deemed to be interested in the Shares held by the Always Adept and First Win by virtue of the SFO.
2. Mr. Yip set up a discretionary family trust pursuant to a deed of settlement dated 5 December 2005 entered into between him and the Trustee. The Trustee held the entire issued shares in the capital of Always New Limited, which own the entire issued share capital of each of Always Adept and First Win, which in turn held in aggregate 222,971,436 Shares. The Trustee was deemed to be interested in the Shares held by Always Adept and First Win by virtue of the SFO.
3. Mrs. Yip was the spouse of Mr. Yip and she was deemed to be interested in the Shares in which Mr. Yip was interested by virtue of the SFO.
4. These underlying shares represent the shares to be issued and allotted upon the exercise of the options granted by the Company to Mr. Yip pursuant to the share option scheme of the Company.

Save as disclosed above, as at 30 June 2012, no other person (other than Directors or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

Pursuant to ordinary resolutions passed by the shareholders of the Company on 5 June 2006, the Company terminated the share option scheme adopted in 1997 and adopted a new share option scheme (the "Share Option Scheme").

Details of the share options outstanding as of 30 June 2012 under Share Option Scheme are as follows:

Name or category of participant	Date of grant of Share option	Exercise period	Exercise price per share HK\$	Number of underlying shares in respect of which share options were granted			
				As at 1 January 2012	Granted during the Period	Exercised/Cancelled/Lapsed	As at 30 June 2012
Directors							
Yip Wai Leung Jerry	21/11/2006	21/11/2006 - 20/11/2016	1.050	340,000	-	-	340,000
So Yin Wai	21/11/2006	21/11/2006 - 20/11/2016	1.050	340,000	-	-	340,000
	29/09/2008	29/09/2008 - 28/09/2018	0.395	330,000	-	-	330,000
	20/11/2011	20/11/2011 - 19/11/2021	0.360	440,000	-	-	440,000
Zhu You Chun	21/11/2006	21/11/2006 - 20/11/2016	1.050	340,000	-	340,000	-
	29/09/2008	29/09/2008 - 28/09/2018	0.395	330,000	-	330,000	-
Tam Chun Wa	20/11/2011	20/11/2011 - 19/11/2021	0.360	440,000	-	-	440,000
Employees (Other than directors)							
In aggregate	22/09/2006	22/09/2006 - 21/09/2016	0.930	2,004,000	-	-	2,004,000
In aggregate	21/11/2006	21/11/2006 - 20/11/2016	1.050	3,618,000	-	-	3,618,000
In aggregate	07/07/2009	07/07/2009 - 06/07/2019	0.420	2,100,000	-	-	2,100,000
In aggregate	20/11/2011	20/11/2011 - 19/11/2021	0.360	19,330,000	-	2,870,000	16,460,000
Other Eligible Participants							
In aggregate	22/09/2006	22/09/2006 - 21/09/2016	0.930	3,284,000	-	-	3,284,000
In aggregate	21/11/2006	21/11/2006 - 20/11/2016	1.050	24,412,000	-	362,000	24,050,000
In aggregate	20/11/2011	20/11/2011 - 19/11/2021	0.360	24,090,000	-	9,100,000	14,990,000
Total				<u>81,398,000</u>	<u>-</u>	<u>13,002,000</u>	<u>68,396,000</u>
			Weighted average exercise price (HK\$)	<u>0.645</u>	<u>-</u>	<u>0.398</u>	<u>0.692</u>

OTHER INFORMATION

CORPORATE GOVERNANCE

The Board considers that the Company has complied throughout the Period with the code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules, except for the deviations on the code provisions A.2.1.

Code provision A.2.1 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. Yip Wai Leung Jerry, who was the chairman of the Company during the Period. The Board believes that 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities during the Period.

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”) set out in Appendix 10 to the Listing Rules as its own securities dealing code for the directors of the Company. Upon specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the Period.

AUDIT COMMITTEE

The audit committee of the Board has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results of the Company for the Period.

PUBLICATION OF INTERIM RESULTS

The interim report is published on the Stock Exchange’s website (www.hkex.com.hk) and the Company’s website (www.greenenergy.hk).

On behalf of the Board
Yip Wai Leung Jerry
Chairman

Hong Kong, 31 August 2012