



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



2013
Interim Report



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02 **CORPORATE INFORMATION****DIRECTORS****Executive Director**

Mr. Yip Wai Leung Jerry (*Chairman*)

Independent Non-Executive Directors

Ms. Li Kit Chi Fiona

Mr. So Yin Wai

Mr. Tam Chun Wa

AUDIT COMMITTEE

Mr. So Yin Wai (*Chairman*)

Ms. Li Kit Chi Fiona

Mr. Tam Chun Wa

REMUNERATION COMMITTEE

Mr. Tam Chun Wa (*Chairman*)

Ms. Li Kit Chi Fiona

Mr. So Yin Wai

NOMINATION COMMITTEE

Ms. Li Kit Chi Fiona (*Chairwoman*)

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

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For the six months ended 30 June 2013

		For the six months ended 30 June	
	Notes	2013 (Unaudited) HK\$'000	2012 (Unaudited) (Restated) HK\$'000
Continuing operations			
Turnover	3	773	248
Other revenue	3	2	508
Cost of goods sold		(324)	(42)
Reversal of an impairment loss on deposit paid for a business acquisition and interest thereon		–	24,007
Provision for prepayment and deposit		(1,125)	–
Staff costs		(3,107)	(3,003)
Depreciation and amortisation expenses		(1,354)	(1,437)
Exchange differences		(318)	(847)
Other operating expenses		(3,690)	(3,569)
(Loss)/profit before income tax from continuing operations	4(a)	(9,143)	15,865
Income tax	5	–	–
(Loss)/profit for the period from continuing operations		(9,143)	15,865
Discontinued operation			
Loss for the period from discontinued operation	4(b)	(956)	(728)
(Loss)/profit for the period		(10,099)	15,137
Other Comprehensive Income			
Exchange differences on translation of financial statements of foreign operations		305	454
Total comprehensive income for the period		(9,794)	15,591
(Loss)/profit attributable to: Owners of the Company			
– continuing operations		(9,143)	15,865
– discontinued operation		(956)	(728)
Total comprehensive income attributable to: Owners of the Company			
– continuing operations		(8,838)	16,319
– discontinued operation		(956)	(728)
Dividend	6	–	–
(Loss)/profit per share from continuing operations and discontinued operation			
– Basic (cents)	7	(2.22)	3.38
– Diluted (cents)	7	N/A	3.30
(Loss)/profit per share from continuing operations			
– Basic (cents)		(2.01)	3.54
– Diluted (cents)		N/A	3.46

04 **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2013

	Notes	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		8,690	9,737
Deposit for acquisition of property, plant and equipment		3,493	1,367
		<u>12,183</u>	<u>11,104</u>
Current assets			
Inventories	8	426	701
Trade receivables	9	175	89
Prepayments, deposits and other receivables	10	1,089	2,348
Cash and cash equivalents		11,623	22,150
		<u>13,313</u>	<u>25,288</u>
Current liabilities			
Trade payables	11	525	545
Accruals and other payables		1,255	2,337
Provision for income tax		987	987
		<u>2,767</u>	<u>3,869</u>
Net current assets		<u>10,546</u>	<u>21,419</u>
Total assets less current liabilities/net assets		<u>22,729</u>	<u>32,523</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	12	45,500	45,500
Reserves		(22,771)	(12,977)
Total equity		<u>22,729</u>	<u>32,523</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2013*

	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 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	<u>45,500</u>	<u>219,763</u>	<u>56,897</u>	<u>3,265</u>	<u>28,877</u>	<u>71</u>	<u>(304,259)</u>	<u>50,114</u>
Balance at 1 January 2013	45,500	219,763	56,897	2,225	28,367	71	(320,300)	32,523
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	305	-	-	-	305
Loss for the period	-	-	-	-	-	-	(10,099)	(10,099)
Balance at 30 June 2013	<u>45,500</u>	<u>219,763</u>	<u>56,897</u>	<u>2,530</u>	<u>28,367</u>	<u>71</u>	<u>(330,399)</u>	<u>22,729</u>

06 **CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2013

	For the six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) (Restated) HK\$'000
Cash flows from operating activities		
(Loss)/profit before income tax from continuing operations	(9,143)	15,865
Loss before income tax from discontinued operation	(956)	(728)
Adjustments for:		
Interest income	(2)	(507)
Depreciation and amortisation expenses	1,370	1,437
Provision for prepayment and deposit	1,125	–
Operating (loss)/profit before working capital changes	(7,606)	16,067
Increase in trade receivables	(86)	(81)
Decrease/(increase) in prepayments, deposits and other receivables	134	(42)
Decrease in inventories	275	20
Decrease in trade payables	(20)	(5)
Decrease in accruals and other payables	(1,082)	(923)
Net cash (used in)/generated from operating activities	(8,385)	15,036
Cash flows from investing activities		
Deposit for acquisition of property, plant and equipment	(2,126)	–
Purchase of property, plant and equipment	(368)	(37)
Proceeds from disposals of property, plant and equipment	235	–
Interest received	2	507
Net cash (used in)/generated from investing activities	(2,257)	470
Cash flows from financing activities		
Proceeds from issue of share capital	–	4,309
Decrease in a loan receivable	–	68
Net cash generated from financing activities	–	4,377
Net (decrease)/increase in cash and cash equivalents	(10,642)	19,883
Cash and cash equivalents at 1 January	22,150	10,941
Effect of foreign exchange rate changes	115	691
Cash and cash equivalents at 30 June	11,623	31,515
Analysis of the balances of cash and cash equivalents		
Bank and cash balances	11,623	31,515

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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 2012. 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 2012. 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	
	2013 (Unaudited) HK\$’000	2012 (Unaudited) (Restated) HK\$’000
Continuing operations		
Turnover	<u>773</u>	<u>248</u>
Other revenue		
Interest income	2	507
Others	<u>–</u>	<u>1</u>
	<u>2</u>	<u>508</u>
Total continuing operations revenue	<u>775</u>	<u>756</u>
Discontinued operation		
Recyclable plastic materials and relevant services		
Turnover	2	90
Other revenue	<u>235</u>	<u>–</u>
Total discontinued operation revenue	<u>237</u>	<u>90</u>
	<u>1,012</u>	<u>846</u>

10 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

4. (LOSS)/PROFIT BEFORE INCOME TAX

(a) Continuing Operations

	For the six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) (Restated) HK\$'000
(Loss)/profit before income tax has been arrived at after charging (crediting) the following items:		
Depreciation and amortisation expenses	1,354	1,437
Staff costs	3,107	3,003
Exchange differences	318	847
Interest income	(2)	(507)
	<u> </u>	<u> </u>

(b) Discontinued operation

On 30 June 2013, due to the expiry of the lease land, the Company could not find a suitable place to continue this recyclable material and relevant services business, and the board and management consider there will be no significant change or improvement in this sector, and agreed it is not worth to put further money and resource in this sector after the expiry of the lease land. The Company decides to discontinue this segment.

	For the six months ended 30 June 2013 (Unaudited) HK\$'000	For the six months ended 30 June 2012 (Unaudited) (Restated) HK\$'000
Turnover	2	90
Cost of goods sold	(1)	(2)
Staff costs	(459)	(387)
Depreciation and amortisation expenses	(16)	-
Other operation expenses	(717)	(429)
	<u> </u>	<u> </u>
Loss before tax	(1,191)	(728)
Income tax expense	-	-
	<u> </u>	<u> </u>
Gain on disposal of plant and equipment	235	-
	<u> </u>	<u> </u>
Loss for the period from discontinued operations	<u> </u> <u> </u>	<u> </u> <u> </u>

For the purpose of presenting discontinued operation, the comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

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 2013 and 2012.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

6. DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

7. (LOSS) PER SHARE/EARNINGS

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

The calculation of diluted (loss)/earnings per share is based on the (loss)/profit 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 (loss)/earnings 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 2013 has not been disclosed, as the share options outstanding during that period have an anti-dilutive effect on the basic loss per share.

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

		Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
(Loss)/profit			
(Loss)/profit for the period used in the basic (loss)/earnings per share calculations from continuing operations and discontinued operation		<u>(10,099)</u>	<u>15,137</u>
(Loss)/profit for the period used in the basic (loss)/earnings per share calculations from continuing operations		<u>(9,143)</u>	<u>15,865</u>
		Number of shares	
		30 June 2013 (Unaudited)	30 June 2012 (Unaudited)
Shares			
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculations		<u>455,002,176</u>	448,080,637
Effect of dilution - weighted average number of ordinary shares:			
Share options		<u>N/A</u>	<u>10,642,364</u>
		<u>N/A</u>	<u>458,723,001</u>
		As at	
		30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
Bio-fuel materials		<u>110</u>	361
Bio-cleaning materials		<u>316</u>	340
		<u>426</u>	<u>701</u>

8. INVENTORIES

12 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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 end of the reporting period:

	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
0 – 90 days	172	83
180 – 365 days	–	–
Over 365 days	3	6
	<u>175</u>	<u>89</u>

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
Prepayments	–	240
Deposits and other receivables	2,214	2,108
Less: Provision for prepayment and deposit (Note)	(1,125)	–
	<u>1,089</u>	<u>2,348</u>

Note: Provision for prepayment and deposit includes a) a refundable deposit of approximately HK\$845,000 paid to Green Fuels Limited in 2011 for a pre-treatment plant that the Company has decided not to order and b) a prepayment of HK\$280,000 paid in 2011 to Onsmart Investments Limited by way of partial payment of commission for a transaction that was aborted by the Company. For this reason the aforesaid deposit and prepayment became refundable to the Company. Despite repeated demands, both debtors have failed to make any repayment, The Company has therefore decided, as a matter of prudence, to make full provision against the aforesaid deposit and prepayment and, if necessary, will take legal action for their recovery.

11. TRADE PAYABLES

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

	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
0 to 90 days	–	–
91 – 180 days	–	20
180 – 365 days	–	9
Over 365 days	525	516
	<u>525</u>	<u>545</u>

12. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each at 31 December 2012 and 30 June 2013	<u>4,000,000</u>	<u>400,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 December 2012 and 30 June 2013	<u>455,002</u>	<u>45,500</u>

BUSINESS REVIEW

Operating results

The turnover of the Group for the six months ended 30 June 2013 (the "Period") was approximately HK\$0.78 million (six months ended 30 June 2012: approximately HK\$0.34 million) representing an increase of approximately 129.4% as compared with the corresponding period in 2012.

The net loss for the Period was approximately HK\$10.0 million (six months ended 30 June 2012: the net profit was approximately HK\$15.1 million). However, after excluding the recovery of impairment loss on deposit paid for a business acquisition and interest thereon, the Group has sustained a net loss of approximately HK\$8.9 million for the period ended 30 June 2012. The net loss for the Period was increased by 12.4%.

Continuing Operations

Renewable energy

The Group has ceased all its activities in Jatropha plantation and decided to focus its resources on the production of biodiesel outside Hong Kong. In March 2013 a processing plant was ordered from an engineering firm in Portugal. Such plant seeks to combine both acid esterification and transesterification processes in the conversion of oil feedstock into as fatty acid methyl esters or biodiesel with an annual production capacity of 8,000 metric tons. The plant is being built in Portugal and is expected to be delivered nearer the end of this year. The Group anticipates that this plant will begin a new chapter for the production of biodiesel outside Hong Kong.

Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials has increased from approximately HK\$56,000 for the six months ended 30 June 2012 to approximately HK\$101,000 for the Period representing an increment of approximately 80.4%. There is no significant change in the Company's customers list, and the Group will try and maintain the quality of the products and reputation. The Group will continue to put its efforts in promoting and marketing these environmental products and to minimize operating expenses.

Generators

The development of 15KW liquid propane-powered generator has been completed, but the Company is still awaiting the tender result from the target customer and for this reason there has been no turnover for this sector.

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 increased from approximately HK\$192,000 for the six months ended 30 June 2012 to approximately HK\$423,000 for the Period representing an increment of approximately 120.3%. The increment arose because the previous damage to the major equipment has been fixed and hence normal operation has resumed in the later part of 2012. Compared with the turnover in 2011 when the major equipment was working properly, the turnover for the Period has raised by 15.6%.

Discontinued Operation

Recyclable plastic materials and relevant services

On 30 June 2013, after the expiry of the lease, the Company has discontinued the recyclable material and relevant services business. The main reason for the discontinuation is because of the stringent control asserted by Chinese authorities over the importation of recyclable plastic materials into the PRC. The board and management consider there will be no significant change or improvement in this sector, and the continuing commercial viability of this business section is considered to be somewhat negative and, for this reason, the Company has decided to discontinue this segment upon expiration of the lease that took place on 30 June, 2013.

During the Period, the total turnover arising from the activities of this sector was approximately HK\$1,800 (six months ended 30 June 2012: approximately HK\$90,000).

14 MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2013 the Group had total current assets of approximately HK\$13.3 million (As at 31 December 2012: approximately HK\$25.3 million) and the total current liabilities were approximately HK\$2.8 million (As at 31 December 2012: approximately HK\$3.9 million). The current ratio of the Group was approximately 4.75 (As at 31 December 2012: approximately 6.5). The Group has sufficient fund to settle its debts.

As at 30 June 2013 the Group had total assets of approximately HK\$25.5 million (as at 31 December 2012: approximately HK\$36.4 million). The gearing ratio, calculated by dividing the total debts over its total assets, was approximately 11.0% (As at 31 December 2012: approximately 10.7%).

CAPITAL COMMITMENTS

At 11 March 2013, the Group has entered into an agreement to buy a plant and machinery for the sum of Euro690,000. As at 30 June 2013 an amount of Euro345,000 is still outstanding but not yet due (As at 30 June 2012: No significant capital commitment).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any material contingent liabilities (As at 30 June 2012: Nil).

FUTURE PROSPECTS

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

EMPLOYEES

As at 30 June 2013 the Group had 23 employees (As at 30 June 2012: 26 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.

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

As at 30 June 2013, 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 2013 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.

16 OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, 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 2013, 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.

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 2013 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 2013	Granted during the Period	Exercised/Cancelled/Lapsed	As at 30 June 2013
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
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	16,460,000	-	-	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	24,050,000	-	-	24,050,000
In aggregate	20/11/2011	20/11/2011 - 19/11/2021	0.360	14,990,000	-	-	14,990,000
Total				<u>68,396,000</u>	<u>-</u>	<u>-</u>	<u>68,396,000</u>
			Weighted average exercise price (HK\$)	<u>0.692</u>	<u>-</u>	<u>-</u>	<u>0.692</u>

18 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, 16 August 2013