



**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

**Interim Report 2018**





## CONTENTS

Corporate Information	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Condensed Consolidated Financial Statements	8
Management Discussion and Analysis	15
Other Information	18

## CORPORATE INFORMATION

### DIRECTORS

#### Executive Director

Mr. Yip Wai Leung Jerry (*Chairman*)  
 Mr. Luo Xian Ping (*appointed on 1 January 2018*)  
 Mr. Ho Wai Hung (*appointed on 12 March 2018*)

#### Independent Non-Executive Directors

Mr. Tam Chun Wa  
 Mr. Sze Cheung Pang (*appointed on 1 January 2018*)  
 Mr. Wong Sai Hung (*appointed on 21 June 2018*)

### AUDIT COMMITTEE

Mr. Tam Chun Wa (*Chairman*)  
 Mr. Sze Cheung Pang (*appointed on 1 January 2018*)  
 Mr. Wong Sai Hung (*appointed on 21 June 2018*)

### REMUNERATION COMMITTEE

Mr. Tam Chun Wa (*Chairman*)  
 Mr. Sze Cheung Pang (*appointed on 1 January 2018*)  
 Mr. Wong Sai Hung (*appointed on 21 June 2018*)

### NOMINATION COMMITTEE

Mr. Wong Sai Hung (*Chairman*)  
*(appointed on 21 June 2018)*  
 Mr. Tam Chun Wa  
 Mr. Yip Wai Leung Jerry  
 Mr. Sze Cheung Pang (*appointed on 1 January 2018*)

### COMPANY SECRETARY

Mr. Tso Sze Wai

### AUDITORS

Cheng & Cheng Limited

### LEGAL ADVISORS

Conyers Dill & Pearman

### PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking  
 Corporation Limited  
 OCBC 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

Codan Corporate Services (Bermuda) Limited  
 Clarendon House,  
 2 Church Street,  
 Hamilton HM 11  
 Bermuda

### HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
 17M 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 2018

	Notes	For the six months ended 30 June	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>22,560</b>	14,219
Other income		<b>5,660</b>	5,329
Change in inventories of finished goods		<b>(17,832)</b>	(9,478)
Depreciation		<b>(792)</b>	(622)
Staff costs		<b>(6,029)</b>	(4,654)
Gain on disposal of investment in a subsidiary	15	<b>746</b>	–
Other operating expenses		<b>(7,309)</b>	(5,844)
Finance costs		<b>–</b>	–
<b>Loss before loss on financial assets at fair value through profit or loss</b>		<b>(2,996)</b>	(1,050)
Net loss on financial assets at fair value through profit or loss		<b>–</b>	(1,227)
<b>Loss before income tax</b>	4	<b>(2,996)</b>	(2,277)
Income tax credit/(expense)	5	<b>–</b>	853
<b>Loss for the period</b>		<b>(2,996)</b>	(1,424)
<b>Other Comprehensive Income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>282</b>	(1,931)
<b>Total comprehensive income for the period</b>		<b>(2,714)</b>	<b>(3,355)</b>
<b>Loss attributable to:</b>			
Owners of the Company		<b>(2,495)</b>	(1,148)
Non-controlling interests		<b>(501)</b>	(276)
		<b>(2,996)</b>	(1,424)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>(2,284)</b>	(3,100)
Non-controlling interests		<b>(430)</b>	(255)
		<b>(2,714)</b>	<b>(3,355)</b>
<b>Loss per share</b>			
– Basic and diluted (HK cents)	7	<b>(0.26)</b>	(0.13)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		39,102	35,811
Loan and interest receivables	13	–	5,000
		<u>39,102</u>	<u>40,811</u>
<b>Current assets</b>			
Inventories	8	323	667
Trade receivables	9	14,875	12,686
Prepayments, deposits and other receivables	10	9,457	5,064
Loan and interest receivables	13	22,948	–
Financial assets at fair value through profit or loss	15	–	4,819
Short-term investments	11	–	356
Cash and cash equivalents		52,537	81,125
		<u>100,140</u>	<u>104,717</u>
<b>Current liabilities</b>			
Trade payables	12	10,231	10,145
Accruals and other payables		1,050	7,828
Provision for income tax		187	187
		<u>11,468</u>	<u>18,160</u>
<b>Net current assets</b>		<u>88,672</u>	<u>86,557</u>
<b>Total assets less current liabilities</b>		<u>127,774</u>	<u>127,368</u>
<b>EQUITY</b>			
Share capital	14	94,693	94,693
Reserves		31,039	33,323
<b>Equity attributable to the owners of the Company</b>		<u>125,732</u>	<u>128,016</u>
Non-controlling interests		2,042	(648)
<b>Total equity</b>		<u>127,774</u>	<u>127,368</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	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	Equity attributable to owners of the Company HK\$'000	Non-Controlling interests HK\$'000	Total HK\$'000
<b>Balance at 1 January 2018</b>	94,693	411,449	56,897	3,259	-	71	(438,353)	128,016	(648)	127,368
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	3,120	3,120
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-	<b>3,120</b>	<b>3,120</b>
Loss for the period	-	-	-	-	-	-	(2,495)	(2,495)	(501)	(2,996)
<b>Other comprehensive income</b>										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	211	-	-	-	211	71	282
<b>Total comprehensive income for the period</b>	-	-	-	211	-	-	(2,495)	(2,284)	(430)	(2,714)
<b>Balance at 30 June 2018</b>	<b>94,693</b>	<b>411,449</b>	<b>56,897</b>	<b>3,470</b>	<b>-</b>	<b>71</b>	<b>(440,848)</b>	<b>125,732</b>	<b>2,042</b>	<b>127,774</b>
<b>Balance at 1 January 2017</b>	68,103	326,500	56,897	7,949	27,114	71	(435,235)	51,399	(172)	51,227
Issue of shares – share placement	13,321	20,794	-	-	-	-	-	34,115	-	34,115
Shares issued upon exercised of share options	13,269	64,155	-	-	(27,114)	-	-	50,310	-	50,310
<b>Transactions with owners</b>	<b>26,590</b>	<b>84,949</b>	<b>-</b>	<b>-</b>	<b>(27,114)</b>	<b>-</b>	<b>-</b>	<b>84,425</b>	<b>-</b>	<b>84,425</b>
Loss for the period	-	-	-	-	-	-	(1,148)	(1,148)	(276)	(1,424)
<b>Other comprehensive income</b>										
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(1,952)	-	-	-	(1,952)	21	(1,931)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,952)</b>	<b>-</b>	<b>-</b>	<b>(1,148)</b>	<b>(3,100)</b>	<b>(255)</b>	<b>(3,355)</b>
<b>Balance at 30 June 2017</b>	<b>94,693</b>	<b>411,449</b>	<b>56,897</b>	<b>5,997</b>	<b>-</b>	<b>71</b>	<b>(436,383)</b>	<b>132,724</b>	<b>(427)</b>	<b>132,297</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2018*

	<b>For the six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(2,996)	(2,277)
Adjustments for:		
Interest income	(218)	(389)
Finance costs	–	–
Depreciation	792	622
Loss/(gain) on disposal of fixed assets	–	9
(Gain)/loss on disposal of investment in subsidiaries	(762)	26
Net loss on financial assets at fair value through profit or loss	–	1,227
Reversal of impairment losses for loan and other receivables	(926)	–
Reversal of impairment losses for non-current assets	(2,672)	–
Allowances for doubtful debts	103	–
Operating loss before working capital changes	(6,679)	(782)
(Increase) in trade receivables	(2,380)	(13,144)
(Increase)/decrease in prepayments, deposits and other receivables	(3,540)	(14,644)
Decrease in inventories	153	497
Increase in trade payables	86	8,783
(Decrease) in accruals and other payables	(6,778)	(5,446)
(Increase) in financial assets at fair value, through profit or loss	–	(7,251)
(Increase) decrease in loan and interest receivables	(17,948)	–
Net cash used in operating activities	(37,086)	(31,987)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(532)	(390)
Proceeds from disposals of property, plant and equipment	–	–
Interest received	218	389
Net cash outflow from acquisition of subsidiaries	(500)	(250)
Net cash inflow from disposal of subsidiaries	5,938	2,842
Release/purchase of short-term securities	356	(28,981)
Net cash used in investing activities	5,480	(26,390)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares by share placement	-	34,115
Proceeds from exercise of share options	-	50,310
Capital contribution from non-controlling interests	<b>3,120</b>	-
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	<b>3,120</b>	84,425
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(28,486)</b>	26,048
<b>Cash and cash equivalents at 1 January</b>	<b>81,125</b>	26,796
Effect of foreign exchange rate changes	<b>(102)</b>	(3,472)
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June</b>	<b>52,537</b>	<b>49,372</b>
	<hr/>	<hr/>
<b>Analysis of the balances of cash and cash equivalents at 1 January</b>		
Bank and cash balances	<b>81,125</b>	26,665
Bank and cash balances classified under held for sale	-	131
	<hr/>	<hr/>
	<b>81,125</b>	26,796
	<hr/>	<hr/>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 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 2017. 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 2017. 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 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

	For the six months ended 30 June	
	2018 (Unaudited) HK\$’000	2017 (Unaudited) HK\$’000
Trading of recyclable oil/biodiesel	17,258	12,811
Trading of bio-cleaning materials	88	90
Trading of waste construction materials, provision of waste processing services	1,819	1,079
Plastic recycling business	2,831	239
Money lending services	564	–
	<b>22,560</b>	<b>14,219</b>

#### Business segments

For the six months ended 30 June 2017, the Group was organised into five operating divisions. Information regarding the Group’s reportable segments, as provided to the Group’s most senior executive management for the purposes of resources allocation and assessment of segment performance for the period ended 30 June 2018 has presented the following segments.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 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 2018 and 31 December 2017:

As at 30 June 2018

	Money lending (Unaudited) HK\$'000	Renewable energy (Unaudited) HK\$'000	Bio-cleaning materials (Unaudited) HK\$'000	Waste construction materials and waste processing service (Unaudited) HK\$'000	Plastic recycling business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>ASSETS</b>						
Segment assets	22,062	20,010	78	14,865	23,979	80,994
Unallocated cash and cash equivalents						43,654
Unallocated corporate assets						14,594
Consolidated total assets						<u>139,242</u>
<b>LIABILITIES</b>						
Segment liabilities	-	9,808	-	93	798	10,699
Unallocated corporate liabilities						582
Tax liabilities						187
Consolidated total liabilities						<u>11,468</u>

As at 31 December 2017

	Renewable energy (Audited) HK\$'000	Bio-cleaning materials (Audited) HK\$'000	Waste construction materials and waste processing service (Audited) HK\$'000	Plastic recycling business (Audited) HK\$'000	Total (Audited) HK\$'000
<b>ASSETS</b>					
Segment assets	20,088	429	11,703	29,266	61,486
Unallocated cash and cash equivalents					67,216
Loan receivable					7,004
Unallocated corporate assets					9,822
Consolidated total assets					<u>145,528</u>
<b>LIABILITIES</b>					
Segment liabilities	10,542	-	195	1,013	11,750
Unallocated corporate liabilities					6,223
Tax liabilities					187
Consolidated total liabilities					<u>18,160</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 4. LOSS BEFORE INCOME TAX

	For the six months ended 30 June	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Loss before income tax has been arrived at after charging/(crediting) the following items:		
Staff costs including director's remuneration		
Salaries and allowances	6,029	4,654
Equity-settled share-based payment to employees	-	-
	<b>6,029</b>	<b>4,654</b>
Interest income	(218)	(389)
Loss/(gain) on disposal of fixed assets	-	9
Gain on disposal of investment in a subsidiary	746	-
Net exchange (gain)/loss	<b>(913)</b>	<b>(4,355)</b>

### 5. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2018 as the Company incurred losses for tax purpose and certain subsidiaries of the Group have tax losses brought forward to set-off the estimated assessable profits.

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 2017.

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 2018 (six months ended 30 June 2017: Nil).

### 7. LOSS PER SHARE

The calculations of basic and diluted loss per share from operations are based on:

	Six months ended 30 June	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
<b>Loss</b>		
Loss for the period attributable to owners of the Company	<b>(2,495)</b>	<b>(1,148)</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculations	<b>946,928,176</b>	<b>909,049,781</b>

Diluted loss per share for the period ended 30 June 2018 and 2017 have not been disclosed, as the share options and the convertible redeemable bond outstanding during the period have an anti-dilutive effect on the basic loss per share.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 8. INVENTORIES

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
Bio-cleaning materials	–	214
Plastic materials	323	453
	<u>323</u>	<u>667</u>

### 9. TRADE RECEIVABLES

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
Trade receivables	14,978	12,686
Less: Provision of impairment	(103)	–
	<u>14,875</u>	<u>12,686</u>

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

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
0 – 90 days	14,843	12,651
90 – 180 days	26	26
Over 365 days	6	9
	<u>14,875</u>	<u>12,686</u>

The Group allows a credit period of 14 to 90 days to its customers. Approximately 89.5% of the trade receivables as at 30 June 2018 neither past due nor impaired and they were assessed to be of good credit rating attributable under the credit control system used by the Group.

The Group's management takes into consideration of customers' credit history, settlement patterns, subsequent settlements and aging analysis of trade receivables in determining the recoverability of the overdue trade receivables. The directors of the Company considered that the concentration of credit risk is limited.

As at 30 June 2018, trade receivables HK\$1,566,000 of are past due but not impaired. Such receivables related to a number of customers, and 80.9% of trade receivables as at 30 June 2018 were settled subsequently. The Group does not hold any collateral as security over these balances.

### 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
Prepayments	1,720	456
Deposits and other receivables	7,737	4,608
	<u>9,457</u>	<u>5,064</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 11. SHORT-TERM INVESTMENTS

The short-term investments were purchased from a major bank in PRC. As at 31 December 2017, they were subjected to maturity within one month. The estimated return from these short-term investments was approximately 3.45% per annum. The accrued and unpaid interest will be received upon redemption of the investment from the banks. The directors of the Company consider that the carrying value of short-term investments were approximately to its fair value at the end of reporting period.

### 12. TRADE PAYABLES

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

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
0 to 90 days	10,000	5,038
91 – 180 days	231	5,107
181 – 365 days	–	–
Over 365 days	–	–
	<u>10,231</u>	<u>10,145</u>

### 13. LOAN AND INTEREST RECEIVABLES

	As at 30 June 2018 (Unaudited) HK\$'000	As at 31 December 2017 (Audited) HK\$'000
Loan and interest receivables	<u>22,948</u>	<u>7,938</u>
Analysed for reporting purpose as:		
Non current assets	–	5,000
Current assets	<u>22,948</u>	<u>2,938</u> (note)
	<u>22,948</u>	<u>7,938</u>

Particulars of significant individual loan receivable are as follows:

	Collateral	Effective interest rate	Carrying amount	
			30 June 2018 (Unaudited) HK\$'000	31 December 2017 (Audited) HK\$'000
HK\$5,000,000 fixed rate of loan receivable	Real Estate	2%	–	5,000
HK\$20,000,000 fixed rate of loan receivable	Unsecured	15%	20,000	–

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 13. LOAN AND INTEREST RECEIVABLES (Continued)

As at 30 June 2018, the unreserved loan receivable from customer borne interest rates at 15% per annum, were repayable according to the terms of the loan agreements and are secured by personal guarantee.

The secured mortgage loan receivables bore fixed interests rate at 2% per annum, are secured by real estates in Hong Kong. As of the report date, the loan was fully repaid.

As of 30 June 2018, no loan to customers were past due but not impaired.

Note: Included in prepayment, deposits and other receivables balance of the Group at 31 December 2017 were amount of HK\$5,064,000 (note 10) which HK\$2,938,000 were allocated as loan and interest receivables.

### 14. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each		
At 1 January 2017, 31 December 2017 and 30 June 2018	<u>4,000,000</u>	<u>400,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 December 2017 and 30 June 2018	<u>946,928</u>	<u>94,693</u>

### 15. DISPOSAL OF A SUBSIDIARY

During the period under review, an indirectly wholly owned subsidiary of the Company disposed its entire interest in Green Energy Finance Limited referred to as the "GE Finance Disposal". The principle activity of Green Energy Finance Limited was the securities investment.

Summary of the effects of the disposal of Green Energy Finance Limited is as follows:

#### Analysis of assets and liabilities over which control was lost

	HK\$'000
<b>Current assets</b>	
Financial assets at fair value through profit or loss	4,819
Cash and cash equivalents	<u>1</u>
Net assets disposed of	<u>4,820</u>

#### Gain on disposal of a subsidiary

	HK\$'000
Consideration received	5,566
Net asset disposed of	<u>4,820</u>
Gain on disposal of a subsidiary	<u>746</u>

#### Net cash inflow on disposal of a subsidiary

	HK\$'000
Consideration received in cash and cash equivalents	5,566
Less: cash and cash equivalent balances disposed of	<u>(1)</u>
Net cash inflow from disposal of a subsidiary	<u>5,565</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Operating Results

The turnover of the Group for the six months ended 30 June 2018 (the "1HFY2018") was approximately HK\$22.6 million (six months ended 30 June 2017 (the "1HFY2017"): approximately HK\$14.2 million), representing an increase of HK\$8.4 million as compared with the corresponding period in last year. The main reason for the increase was due to the increase in revenue from the trading of recyclable oil/biodiesel and money lending business as well as the constant income contributed from the trading of waste construction material and waste processing service.

The net loss attributable to the owners of the Company for 1HFY2018 was approximately HK\$2.5 million (1HFY2017: the net loss was approximately HK\$1.1 million), representing an increase of approximately of 127.3% as compared with the corresponding period in last year. The increase in loss arose due to (i) increase in repair and maintenance expenses and labour costs in connection with our plastic recycled production facilities in Germany for 1HFY2018, which was in line with increase in business activities for the period under review; and (ii) decrease in exchange gain of approximately HK\$0.91 million was recorded for 1HFY2018 due to the translation of balances denominated in foreign currencies, which was mostly attributable to the depreciation of Euro against Hong Kong dollars due to events in the United States. A turbulent political situation in United States has exerted pressures on the Euro. (1HFY2017: exchange gain of approximately HK\$4.4 million was recorded).

The reduction in loss for 1HFY2018 was however offset by (i) continuous improvement in the operating activities in the waste construction material and waste processing service, and renewable energy sector, (ii) the Group carried out an impairment assessment and reversed the impairment losses made in respect of non-current assets, loans and other receivables of approximately HK\$2.7 million and HK\$0.9 million respectively during the interim period, and (iii) gain on disposal of a subsidiary approximately HK\$0.7 million mainly comprised gains on GE Finance Disposal was completed on May 2018. Details of GE Finance Disposal were set out in note 15. (1HFY2017: NIL).

#### Segment Information

##### (a) Renewable Energy

The Group recorded a revenue of HK\$17.3 million from the trading of recyclable oil/biodiesel for the period ended 30 June 2018 (six months ended 30 June 2017: HK\$12.8 million).

The Group entered into shareholders' agreement with a recyclable oil supplier in respect of the formation of a joint venture company. Further details were set out in the Company's announcement dated 25 May 2018, which will bring synergy effect to the Group's current business.

##### (b) Bio-cleaning materials

The turnover arising from the sale of bio-cleaning materials was approximately HK\$88,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$90,000). It was mainly due to less new orders were secured for the period ended 30 June 2018. The Group will continue to put effort in promoting and marketing environmental products and to tighten control over its operating expenses.

##### (c) Waste construction materials and waste processing service

The key element 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 HK\$1,079,000 for the six months ended 30 June 2017 to approximately HK\$1,819,000 for the six months ended 30 June 2018 with an increase of 68.6%. The Group has been working with the local construction companies and government authorities for many years. The Group believes that with such a close relationship and trust with these parties, the Group would be able to generate more income from this sector in future.

##### (d) Plastic Recycled business

For the Plastic Recycling business development, the Group has submitted the application for an extension of the existing industrial permit that allows the Group to undertake an extended scope of plastic recycling activities using advanced technologies. The Group is awaiting the results from the relevant authority in Germany. The Group completed a successful trial production in May 2017 and went into soft commercial production in early June 2017. The turnover arising from this sector was approximately HK\$2,831,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: HK\$239,000).



## MANAGEMENT DISCUSSION AND ANALYSIS

(e) Money lending business

The turnover arising from this sector was approximately HK\$564,000 for the six months ended 30 June 2018, the Management has adopted a prudent approach in identifying borrowers which can provide the Group with stable fixed income under an acceptable risk level. The Management will continue to monitor the market situation to seize the advantages of this business segment and is considering to hire more experienced and suitable personnel to expand the business steadily. Please refer to the Company announcement dated 12 April and 23 April 2018 for more details.

### FINANCIAL REVIEW

#### Liquidity, financial resources and cashflow

As at 30 June 2018 the Group had total current assets of approximately HK\$100.1 million (as at 31 December 2017: approximately HK\$104.7 million) and the total current liabilities were approximately HK\$11.5 million (as at 31 December 2017: approximately HK\$18.2 million). The current ratio of the Group was approximately 8.7 (as at 31 December 2017: approximately 5.8). The Group has sufficient funds to settle its debts.

As at 30 June 2018 the Group had total assets of approximately HK\$139.2 million (as at 31 December 2017: approximately HK\$145.5 million). The Group did not have external borrowing as at 30 June 2018.

#### Placing of new shares

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

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

The net proceeds from the issue of the new shares were approximately HK\$34.63 million and were intended to be used for general working capital of the Group to support its normal operation and possible new investment or development of business of the Group. As at 30 June 2018, approximately HK\$29.0 million was utilized for the new investment and development of the existing business segments. The remaining net proceeds have not been utilized and are still held in an account with a reputable licensed financial institution.

#### Foreign Exchange Exposure

The ordinary operations and investments of the Group are mainly in Hong Kong and Germany, with revenue and expenditures denominated in Hong Kong dollars and Euro dollars. The operating results of the Group may be affected by the volatility of foreign currencies. The Group will review its foreign exchange exposures regularly and may consider using financial instruments to hedge against such exposures at appropriate times. As at 30 June 2018, there were no derivative financial instruments employed by the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Seasonal or Cyclical Factors

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

### Material Acquisition

Save as disclosed in the Company's announcement dated at 12 April 2018, 25 May 2018 and the note 16 to the interim report 2018, there was no material acquisition or disposal of the Company's subsidiaries and associated companies for the 1HFY2018.

### Capital Commitments

As at 30 June 2018, the Group did not have any material capital commitment (As at 31 December 2017: Nil).

### Contingent Liabilities

Save as disclosed on the note 32 to annual report 2017, the Group did not have any material contingent liabilities.

## BUSINESS OUTLOOK AND FUTURE PROSPECTUS

Looking forward, a stagnant recovery in the global economy is expected to continue in the remaining year and the uprising of trade protectionism is expected to lead to a greater fluctuation in the global economy and capital markets. In light of the demand for money lending for loans has been growing in recent years, the Directors are optimistic about the future prospect in the money lending market in Hong Kong. The Directors have not foreseen any material adverse effect on the money lending market, the Company would continue to seize the opportunities and utilise the working capital available to the Group by allocating more resources in the investment of money lending business in order to enable the Group to maintain and expand the provision of financing services business and to achieve considerable profit contributions as well as diversify the credit risk.

Besides, the Group will continue study acquisition opportunities – in existing business areas and in new areas as well as existing geographic markets and new ones, with an aim to broaden the Group's revenue stream. The Group will also keep on exercising stringent cost control, quality assurance, and expense control to minimize operating costs.

## EMPLOYEES

As at 30 June 2018 the Group had 28 employees (As at 31 December 2017: 32 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 2018, none of the Directors and chief executive has any interests or short positions 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.

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSON'S INTERESTS

As at 30 June 2018, as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, other than the interests and short positions disclosed above in respect of the Directors and the chief executive of the Company, the following persons had interests or short positions in the shares and the underlying shares of the Company:

#### A. Substantial shareholders – long position in the shares of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Approximate percentage of total issued share capital of the Company (Note 1)
Ho Lip Hong (Note 2)	Interest of controlled corporations	252,621,436	26.68%
Marvel Express Limited ("Marvel Express") (Note 2)	Interest of a controlled corporation	252,621,436	26.68%
New Glory Business Corporation ("New Glory") (Note 2)	Beneficial owner	252,621,436	26.68%
Lee Chi Shing Caesar (Note 3)	Interest of controlled corporations	147,244,000	15.55%
Superactive Asset Management Limited ("Superactive") (Note 3)	Interest of a controlled corporation	147,244,000	15.55%
Rich Bay Global Limited ("Rich Bay") (Note 3)	Beneficial Owner	147,244,000	15.55%
Yeung So Lai (Note 3)	Interest of controlled corporations	147,244,000	15.55%

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSON'S INTERESTS (Continued)

#### B. Other person – long position in the shares of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Approximate percentage of total issued share capital of the Company (Note 1)
Leyou Technologies Holdings Limited ("Leyou") (Note 4)	Beneficial owner	60,000,000	6.34%

#### Notes:

1. The approximate percentage of total issued share capital calculation was based on the total number of ordinary shares of the Company in issue as at 30 June 2018, i.e. 946,928,176 shares.
2. Based on the notices of disclosure of interests of Ho Lip Hong, Marvel Express and New Glory filed with the Stock Exchange on 4 July and 3 July 2018 respectively, such shares of the Company were held by New Glory, which was owned as to 35% by Marvel Express, which was in turn wholly-owned by Ho Lip Hong. As such, each of Ho Lip Hong and Marvel Express was deemed to be interested in the shares of the Company held by New Glory by virtue of the SFO.
3. Based on the notices of disclosure of interests of Lee Chi Shing Caesar, Rich Bay, Superactive and Yeung So Lai filed with the Stock Exchange on 5 March 2018, such shares of the Company were held by Rich Bay, which was wholly-owned by Superactive, which was in turn owned as to 45% by Lee Chi Shing Caesar and as to 55% by Yeung So Lai. As such, each of Lee Chi Shing Caesar, Superactive and Yeung So Lai was deemed to be interested in the shares of the Company held by Rich Bay by virtue of the SFO.
4. Such shares of the Company held by Leyou represented (i) approximately 6.64% of the total issued share capital of the Company as at 26 January 2017 (i.e. 903,186,176 shares) based on the notice of disclosure of interests of Leyou filed with the Stock Exchange on 27 January 2017; and (ii) approximately 6.34% of the total issued share capital of the Company as at 30 June 2018 (i.e. 946,928,176 shares).

Save as disclosed above, as at 30 June 2018, no person (other than the Directors or the chief executive of the Company) had an interest or a short position in the shares or the 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 shareholders of the Company on 27 May 2016, the Company terminated the Company's Share Option Scheme adopted in 2006 (the "Old Share Option Scheme"), and adopted a new share option scheme (the "New Share Option Scheme"). The adoption of the New Share Option Scheme will not in any event affect the terms of the grant of the outstanding options that has already been granted under the Old Share Option Scheme and those outstanding options shall continue to be valid and subject to the provisions of the Old Share Option Scheme. As at the date of this report, no share option has been granted under New Share Option Scheme.

## 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 Company has been set up with terms of reference in accordance with Appendix 14 of Listing Rules. The audit committee of the Company has reviewed the accounting principles and policies adopted by the Group with management and discussed risk management systems 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](http://www.hkex.com.hk)) and the Company’s website ([www.greenenergy.hk](http://www.greenenergy.hk)).

On behalf of the Board  
**Yip Wai Leung Jerry**  
Chairman

Hong Kong, 31 August 2018