# GREEN GLOBAL RESOURCES LIMITED

**(Formerly known as Venture International Investment Holdings Limited)**

**綠色環球資源有限公司***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 61)**

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2007

The directors (the "Directors") of Green Global Resources Limited (the "Company") announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31st December 2007 together with comparative figures for the corresponding period in 2006 as follows:

### CONSOLIDATED INCOME STATEMENT

*FOR THE YEAR ENDED 31ST DECEMBER 2007*

| | *NOTES* | **2007** **HK$'000** | 2006 HK$'000 |
|---|---|---|---|
| Turnover | 3 | **72,252** | 58,740 |
| Cost of sales | | **(57,546)** | (46,069) |
| Gross profit | | **14,706** | 12,671 |
| Other operating income | 5 | **21,764** | 1,625 |
| Gain on disposal of available-for-sale investments | | **21,844** | 9,290 |
| Gain arising from changes in fair value less estimated point-of-sale costs of biological assets | | **11,255** | – |
| Selling and distribution expenses | | **(4,786)** | (3,555) |
| Administrative expenses | | **(50,500)** | (27,897) |
| Other operating expenses | | **(7,718)** | (542) |
| Profit (loss) from operations | 6 | **6,565** | (8,408) |
| Impairment loss recognised in respect of goodwill | | **(40,771)** | – |
| Impairment loss of unlisted available-for-sale investment | | **–** | (3,200) |
| Finance costs | 7 | **(1,842)** | (25) |
| Loss before taxation | | **(36,048)** | (11,633) |
| Income tax (expense) credit | 8 | **(1,209)** | 1,642 |
| Loss for the year | | **(37,257)** | (9,991) |
| Attributable to : | | | |
| Equity holders of the Company | | **(37,679)** | (9,991) |
| Minority interests | | **422** | – |
| | | **(37,257)** | (9,991) |
| Loss per share | | | |
| Basic | 9 | **HK$0.04** | HK$0.02 |
| Diluted | | **N/A** | N/A |

* *for identification purpose only*

**CONSOLIDATED BALANCE SHEET**

*AS AT 31ST DECEMBER 2007*

| | NOTES | 2007 HK$'000 | 2006 HK$'000 |
|---|---|---|---|
| Non-current assets | | | |
| Plant and equipment | | **8,230** | 1,379 |
| Deferred plantation expenditure | | **33,000** | – |
| Deposit for plantation expenditure | | **34,808** | – |
| Intangible assets | | **165,225** | 1,696 |
| Goodwill | | **156,873** | 45,805 |
| | | **398,136** | 48,880 |
| Current assets | | | |
| Inventories | | **5,192** | 8,857 |
| Biological assets | | **12,071** | – |
| Available-for-sale investments | | **–** | 66,591 |
| Trade and other receivables | 10 | **32,411** | 42,817 |
| Bank balances and cash | | | |
| – pledged | | **–** | 15,624 |
| – unpledged | | **72,939** | 56,630 |
| | | **122,613** | 190,519 |
| Current liabilities | | | |
| Trade and other payables | 11 | **70,623** | 61,451 |
| Income tax liabilities | | **7,109** | 6,938 |
| Bank overdrafts | | **–** | 18 |
| | | **77,732** | 68,407 |
| Net current assets | | **44,881** | 122,112 |
| Total assets less current liabilities | | **443,017** | 170,992 |
| Capital and reserves | | | |
| Share capital | | **103,526** | 67,500 |
| Reserves | | **219,269** | 103,492 |
| Equity attributable to equity holders of the Company | | **322,795** | 170,992 |
| Minority interests | | **2,555** | – |
| Total equity | | **325,350** | 170,992 |
| Non-current liabilities | | | |
| Convertible loan notes | | **75,878** | – |
| Deferred tax liability | | **41,789** | – |
| | | **117,667** | – |
| | | **443,017** | 170,992 |

*NOTES:*

**1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1st January 2007.

| | |
|---|---|
| Hong Kong Accounting Standard ("HKAS") 1 (Amendment) | Capital Disclosures |
| HKFRS 7 | Financial Instruments: Disclosures |
| HK(IFRIC)-Interpretation ("INT") 7 | Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies |
| HK(IFRIC)-INT 8 | Scope of HKFRS 2 |
| HK(IFRIC)-INT 9 | Reassessment of Embedded Derivatives |
| HK(IFRIC)-INT 10 | Interim Financial Reporting and Impairment |

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendment and interpretations that have been issued but are not yet effective.

| | |
|---|---|
| HKAS 1 (Revised) | Presentation of Financial Statements[1] |
| HKAS 23 (Revised) | Borrowing Cost[1] |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statement[5] |
| HKFRS 2 (Amendment) | Share-based Payment – Vesting Conditions and Cancellations[1] |
| HKFRS 3 (Revised) | Business Combination[5] |
| HKFRS 8 | Operating Segments[1] |
| HK(IFRIC)-INT 11 | HKFRS 2: Group and Treasury Share Transactions[2] |
| HK(IFRIC)-INT 12 | Service Concession Arrangements[3] |
| HK(IFRIC)-INT 13 | Customer Loyalty Programmes[4] |
| HK(IFRIC)-INT 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3] |

[1] Effective for annual periods beginning on or after 1st January 2009.
[2] Effective for annual periods beginning on or after 1st March 2007.
[3] Effective for annual periods beginning on or after 1st January 2008.
[4] Effective for annual periods beginning on or after 1st July 2008.
[5] Effective for annual periods beginning on or after 1st July 2009.

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

## 3. TURNOVER

The principal activity of the Company is investment holding. During the year, the Group was principally involved in the distribution of information technology products, the provision of computer technology services and the carrying on of property agency business in the People's Republic of China (the "PRC"). During the year, the Company also embarked on the new businesses of agro-conservation and the cultivation of raw materials for the bio-energy industry.

Turnover represents invoiced value of sales, net of returns, discounts allowed and sales taxes where applicable and providing computer technology and real estate consultancy services. Service income is recognised when services are provided.

## 4. BUSINESS AND GEOGRAPHICAL SEGMENTS

### (I) BUSINESS SEGMENTS

For management purposes, the Group is currently organised into six (2006: four) operating divisions – agro-conservation, bio-energy, banking and finance systems integration services, software solutions for banks and the public sector, IT management and support and real estate consultancy service.

Principal activities are as follows:

| | | |
|---|---|---|
| Agro-conservation | – | Agricultural cultivation and land conservation |
| Bio-energy | – | Cultivation of raw materials for the bio-energy industry |
| Banking and finance systems integration services | – | Provision of system integration, software development, engineering, maintenance and professional outsourcing services for banking and finance, telecommunications and public sector clients |
| Software solutions for banks and the public sector | – | Provision of software solutions for the banking, e-commerce and public sectors with a business focus on e-business operations and online marketplaces |
| IT management and support | – | Provision of IT management and support services to small and medium-sized property agents |
| Real estate consultancy service | – | Provision of real estate consultancy services for the Shanghai property market |

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

The following table presents the revenue and result information for the Group's business segments.

| | Agro-conservation | | Bio-energy | | Banking and finance systems integration services | | Software solutions for banks and the public sector | | IT management and support | | Real estate consultancy service | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| TURNOVER | | | | | | | | | | | | | | |
| Sales to external customers | **–** | – | **–** | – | **65,621** | 51,867 | **572** | 644 | **442** | 3,440 | **5,617** | 2,789 | **72,252** | 58,740 |
| RESULT | | | | | | | | | | | | | | |
| Segment results | **12,703** | – | **3,805** | – | **(1,399)** | (7,991) | **237** | 536 | **(5,799)** | 1,433 | **4,715** | (2,828) | **14,262** | (8,850) |
| Unallocated income | | | | | | | | | | | | | **24,185** | 9,785 |
| Unallocated expenses | | | | | | | | | | | | | **(31,882)** | (12,543) |
| Impairment loss recognised in respect of goodwill | **–** | – | **–** | – | **–** | – | **–** | – | **(12,772)** | – | **(27,999)** | – | **(40,771)** | – |
| Finance costs | | | | | | | | | | | | | **(1,842)** | (25) |
| Loss before taxation | | | | | | | | | | | | | **(36,048)** | (11,633) |
| Income tax (expense) credit | | | | | | | | | | | | | **(1,209)** | 1,642 |
| Loss for the year | | | | | | | | | | | | | **(37,257)** | (9,991) |

The following table presents the assets and liabilities information for the Group's business segments.

| | Agro-conservation | | Bio-energy | | Banking and finance systems integration services | | Software solutions for banks and the public sector | | IT management and support | | Real estate consultancy service | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| ASSETS | | | | | | | | | | | | | | |
| Segment assets | **364,883** | – | **43,772** | – | **98,238** | 102,112 | **74** | 150 | **225** | 18,408 | **9,002** | 35,976 | **516,194** | 156,646 |
| Unallocated corporate assets | | | | | | | | | | | | | **4,555** | 82,753 |
| Total assets | | | | | | | | | | | | | **520,749** | 239,399 |
| LIABILITIES | | | | | | | | | | | | | | |
| Segment liabilities | **(192)** | – | **(50)** | – | **(41,245)** | (51,072) | **(126)** | (469) | **(807)** | (1,526) | **(5,489)** | (5,305) | **(47,909)** | (58,372) |
| Unallocated corporate liabilities | | | | | | | | | | | | | **(147,490)** | (10,035) |
| Total liabilities | | | | | | | | | | | | | **(195,399)** | (68,407) |

### (II) GEOGRAPHICAL SEGMENTS

The following table presents the revenue and certain asset and expenditure information for the Group's geographical segments.

| | Hong Kong | | Elsewhere in the PRC | | Laos | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 | **2007** | 2006 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Segment revenue | | | | | | | | |
| Sales to external customers | **572** | 540 | **71,680** | 58,200 | **–** | – | **72,252** | 58,740 |
| Segment assets | **4,629** | 86,936 | **507,826** | 152,463 | **8,294** | – | **520,749** | 239,399 |
| Other segment information | | | | | | | | |
| Capital expenditure | **886** | 31 | **7,516** | 506 | **–** | – | **8,402** | 537 |

## 5. OTHER OPERATING INCOME

| | **2007** | 2006 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest income | **1,987** | 547 |
| Over-provision of business tax in previous years | **–** | 195 |
| Gain on disposal of plant and equipment | **30** | 400 |
| Government grants | **158** | 401 |
| Exchange gain | **3,765** | – |
| Consultancy service income | **8,000** | – |
| Management service income | **7,467** | – |
| Sundry income | **357** | 82 |
| | **21,764** | 1,625 |

## 6. PROFIT (LOSS) FROM OPERATIONS

| Profit (Loss) from operations has been arrived at after charging: | **2007** <br> ***HK$'000*** | 2006 <br> *HK$'000* |
|---|---|---|
| Auditor's remuneration | | |
| – Current year | **800** | 850 |
| – Overprovision for previous years | **(25)** | – |
| | **775** | 850 |
| Amortisation of intangible assets | **2,571** | 97 |
| Bad debts directly written off | **4,257** | – |
| Costs of inventories sold and services rendered | **57,546** | 46,069 |
| Depreciation | **1,285** | 1,520 |
| Directors' emoluments | **4,588** | 6,077 |
| Impairment loss recognised in respect of intangible assets | **1,173** | – |
| Impairment loss recognised in respect of trade receivables | **2,296** | 528 |
| Loss on disposal of a subsidiary | **1** | – |
| Loss on disposal of plant and equipment | **71** | 151 |
| Payments under operating leases in respect of land and buildings | **3,690** | 2,328 |
| Staff costs (excluding directors' emoluments) | **18,061** | 16,233 |
| Share-based payment expenses (excluding staff and directors) | **17,217** | 801 |

## 7. FINANCE COSTS

| | **2007** <br> ***HK$'000*** | 2006 <br> *HK$'000* |
|---|---|---|
| Interest expenses on: | | |
| – bank overdrafts and borrowings wholly repayable within five years | **–** | 1 |
| – obligations under finance leases | **–** | 24 |
| – effective interest expenses on convertible loan notes | **1,842** | – |
| | **1,842** | 25 |

## 8. INCOME TAX EXPENSE (CREDIT)

| | 2007 | 2006 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| PRC Enterprise Income Tax | | |
| – current | **1,200** | 784 |
| – under(over) provision in prior years | **9** | (2,267) |
| | **1,209** | (1,483) |
| Deferred tax | **–** | (159) |
| | **1,209** | (1,642) |

(i) Hong Kong Profits Tax has not been provided for in the consolidated financial statements as there was no estimated assessable profit derived from both years.

(ii) Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(iii) In accordance with the relevant regulations, approvals from relevant local tax bureaus and Foreign Enterprise Income Tax Law in the PRC, two subsidiaries operating in the PRC are entitled to exemption from PRC income tax in the first two years from the first profit-making year, followed by a 50% reduction of PRC income tax for the next three years and thereafter, preferential treatments which are subject to the relevant law and regulation.

(iv) In accordance with the relevant regulations for Foreign Enterprise Income Tax Law in the PRC, one subsidiary was taxed at 27% (2006: 27%) and another at the domestic rate of 33% (2006: 33%).

(v) On 16th March 2007, the PRC promulgated the Law of the People's Republic of China on enterprise income tax (the "New Law"). On 6th December 2007, the state council of the PRC issued Implementation Regulations of the New Law. Pursuant to the New Law and Implementation Regulations, the enterprise income tax for both domestic and foreign-invested enterprises will be unified at 25% effective from 1st January 2008. There will be a transitional period for the PRC subsidiaries that are currently entitled to preferential tax treatments granted by the relevant tax authorities. PRC subsidiaries currently subject to an enterprise income tax rate lower than 25% will continue to enjoy the lower tax rate and be gradually transitioned to the new unified rate of 25% within five years after 1st January 2008. The tax rate applicable to the PRC subsidiaries are subject to the approval by the tax authority.

## 9. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on the Group's loss attributed to the equity holders of the Company of approximately HK$37,679,000 (2006: HK$9,991,000).

The basic loss per share is based on the weighted average number of 902,344,000 (2006: 606,667,000) ordinary shares in issue during the year.

No diluted loss is presented for the year ended 31st December 2007 and 2006 as the exercise of the share options and the conversion of the convertible loan notes would result in a decrease in loss per share for both years.

## 10. TRADE AND OTHER RECEIVABLES

| | **2007** | 2006 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **69,024** | 63,925 |
| Less: Impairment losses recognised | **(43,876)** | (41,461) |
| | **25,148** | 22,464 |
| Prepayment, deposit and other receivables | **7,263** | 20,353 |
| Total trade and other receivables | **32,411** | 42,817 |

The Group normally grants to its customers credit periods ranging from 30 days to 180 days which are subject to periodic review by management.

The ageing analysis of the trade receivables at the balance sheet date, net of impairment losses recognised was as follows:

| | **2007** | 2006 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current to 90 days | **18,902** | 15,766 |
| 91 days to 180 days | **2,600** | 2,775 |
| 181 days to 365 days | **3,477** | 2,776 |
| Over 365 days | **169** | 1,147 |
| | **25,148** | 22,464 |

## 11. TRADE AND OTHER PAYABLES

| | 2007 | 2006 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Trade payables | | |
| – third parties | **1,198** | 2,011 |
| – minority shareholders | **325** | 325 |
| | **1,523** | 2,336 |
| Accrued expenses and other payables | **69,100** | 59,115 |
| | **70,623** | 61,451 |

The ageing analysis of the trade payables at the balance sheet date was as follows:

| | 2007 | 2006 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Current to 90 days | **–** | 234 |
| 91 days to 180 days | **–** | 114 |
| 181 days to 365 days | **81** | 200 |
| Over 365 days | **1,442** | 1,788 |
| | **1,523** | 2,336 |

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial performance

The Group reported a turnover of HK$72,252,000 in 2007, representing an increase of 23% compared with HK$58,740,000 recorded in 2006. This growth in turnover was largely attributable to increases in the sale of IT hardware during the year. During only approximately nine months of operations in 2007, the agro-conservation sector contributed management services income of approximately HK$7,467,000 to the Group. In addition, the agro-conservation and the bio-energy sectors contributed biological asset gains amounting to HK$11,255,000 and operating profits of HK$16,508,000.

Gross profit for the Group overall increased by 16% to HK$14,706,000 in 2007 (2006: HK$12,671,000) as a result of increases in revenues from the sales of IT hardware. Gross profit margin however, declined slightly by 1% to 20% mainly due to decreased gross profit margins on IT hardware sales.

The Group recorded a turnaround profit from operations of HK$6,565,000 as compared to a loss of HK$8,408,000 in 2006 due to a gain of HK$21,844,000 from the disposal of available-for-sale investments, an increase in other operating income from the provision of management and consultancy services of HK$15,467,000 and biological asset gains of HK$11,255,000 contributed by the new agro-conservation and bio-energy businesses.

The Group's loss before taxation in 2007 increased by 210% to HK$36,048,000 from HK$11,633,000 in 2006 mainly as a result of the impairment of goodwill of HK$40,771,000 in relation to Acacia (as defined below) and the Grand Panorama Group (as defined below). The impairment losses were made for the Grand Panorama Group following the disposal of the Grand Panorama Group after the close of the 2007 financial year. The decision to dispose of Grand Panorama Group and to impair the carrying amount of the goodwill from acquisition of Acacia was made by the board of directors of the Company (the "Board") after taking into consideration various factors, including the current and future business prospects and financial situation of these two companies, the current slowdown in the property agency market in China, the stringent austerity measures that have been imposed by the Chinese government, and the future capital requirements of these two companies.

The remaining businesses of systems integration, software solutions, IT management and real estate related services recorded an operating loss of HK$2,246,000.

Accordingly, the Board considers that it is in the best interests of the Company and its shareholders to focus the Company's efforts and resources on the agro-conservation and bio-energy businesses, which the Board and management believe to hold substantial potential for sustainable financial growth, thus increasing shareholder value for our Company and shareholders.

Loss per share for 2007 was HK4 cents, compared with HK 2 cents per share in 2006.

**Final dividend**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil).

**Review of core businesses**

During 2007, the Board and the Company's management critically assessed the Company's existing businesses, commenced the rationalization of some of the Company's activities, and established the necessary foundation for a more focused and economically vibrant future. The year was marked by a number of pioneering, strategic investments in the agro-conservation and bio-energy sectors, which offer excellent potential for financial growth and increased shareholder value, while furthering the Company's commitment to the environment, socio-economic development, and corporate responsibility. This strategic focus on the agro-conservation and bio-energy businesses underlies the change of the Company's name to "Green Global Resources Limited", as explained in the Chairman's Statement. In spite of the relatively short time of the Company's operations in these businesses during 2007, the Group's new agro-conservation and bio-energy businesses have made significant progress.

***Agro-Conservation and Bio-energy***

*Agro-Conservation*

During 2007, the Group acquired two companies, Huge Value Development Limited (to be renamed Green Global Licorice China Limited ("Green Global Licorice")) and Quest Asia Development Limited (to be renamed Green Global Salix China Limited ("Green Global Salix")), which conduct agro-conservation businesses in Inner Mongolia.

Green Global Licorice

Green Global Licorice, which was acquired in March 2007, provides management and consultancy services to Inner Mongolia Tian Lan Technology Sand Control Estate Limited ("Tian Lan") for the cultivation of licorice in an area of approximately 1,000,000 Chinese *mu* (~ 67,000 hectares) of grassland in 伊克昭盟杭錦旗 (Yi Ke Zhao Meng Hang Jin Qi) in the Inner Mongolia Autonomous Region of China.

Licorice is a native perennial plant in certain regions in China, particularly the Inner Mongolia Autonomous Region, and the Xinjiang, Gansu, Qinghai, Shanxi, Ningxia, Shaanxi, Hebei, Jilin and Heilongjian Provinces. The most favorable species of licorice in China is found mainly in the Inner Mongolia Autonomous Region, the area in which Green Global Licorice operates.

The root of the licorice plant provides an important substance used in Chinese herbal medicine and is also widely used as raw material for a diverse range of products, including food, candies, cosmetics, and health products. Licorice roots also have other applications in the non-medical and imperishable sectors, for example, in the production of fire prevention and construction products.

The supply of licorice roots in the PRC has been under pressure in recent years due to rising demand. It is believed that the resulting market shortage will drive up prices for licorice roots in the coming years. The Board and the Company's management believe that the market for licorice roots is substantial and will continue to grow in China and elsewhere.

Ecologically, the licorice plant is highly effective in preventing soil erosion and the resulting spread of the desert because licorice roots penetrate deep into the soil and hold the soil layers together. Illegal farming and extraction of licorice have contributed to increasing desertification in Inner Mongolia. Local and national government entities have long endeavored to eradicate the desertification problem and strongly support the private sector's involvement in land management and conservation efforts. Through Green Global Licorice, the Company employs its unique public-private partnership ("PPP") business model to assist the relevant governmental authorities in these anti-desertification efforts.

In Inner Mongolia, licorice is usually planted during spring to autumn when weather and soil conditions are most suitable for planting. It normally takes three years of growth before licorice roots can be harvested. Older licorice roots are generally of higher value.

Since its acquisition by the Company, Green Global Licorice has successfully completed the plantation of 8,000 *mu* (~ 533 hectares) of licorice. The timing and quantity of licorice roots to be harvested annually is in accordance to a prescribed schedule in order to achieve a balance between the soil preservation and commercial objectives.

Green Global Salix

Green Global Salix, which was acquired in October 2007, provides management and consultancy services to Tian Lan for the cultivation of salix psammophila in an area of approximately 2,200,000 Chinese *mu* (~147,000 hectares) in Inner Mongolia.

Salix, also known as sand willow, is an indigenous shrub which is predominantly found in China's Inner Mongolia Autonomous Region and Shaanxi, Gansu, and Xinjiang Provinces. Salix is commonly planted in vast sandy areas to combat desertification by providing a wind shield to hold and block moving sand.

In addition to its anti-desertification properties, salix has other valuable and commercial uses. Salix has historically been used as cheap wood fuel. In recent years, salix has more commonly been used as raw material for fiber board and paper pulp for packaging materials. Other uses for salix are also being commercialized, including its use as a source for bio-fuel generated power plants.

The Company's Board and management believe that this combination of important commercial uses and the increasing commitment of resources by the Chinese Government to combating desertification will ensure that salix will become an even more important renewable and regenerative resource in China that will be in high demand in the coming years.

During 2007, Green Global Salix successfully planted 200,000 *mu* (~13,300 hectares) of salix in Inner Mongolia.

For the year ended 2007, the agro-conservation businesses generated income of approximately HK$7,467,000 from the provision of management services for the cultivation of licorice. In addition, biological asset gains from the cultivation of licorice and salix during the year amounted to HK$7,690,000. The amount was determined by Greater China Appraisal Limited ("Greater China"), an independent professional valuer, based on the fair value of licorice and salix less estimated point-of-sale costs with reference to the most recent market transaction price. During only nine months of operation, the operating profit from this business sector amounted to HK$12,703,000.

*Bio-energy*

In light of the worldwide shortage of energy, coupled with the rising interest in environmentally friendly and renewable or regenerative fuel resources, the Company's Board and management believe that a strong demand for alternative energy resources such as bio-diesel will exist for the foreseeable future. The Board and management believe that bio-energy businesses will complement the Company's agro-conservation businesses and generate substantial and sustainable profits for the Company for years to come. During 2007, the Board explored a number of interesting opportunities in the regenerative and renewable resources sector. Unlike fossil fuels such as coal and natural gas that will soon be exhausted or significantly depleted, regenerative and renewable energy resources may be replenished or reproduced from natural resources such as solar, wind, geothermal, water, and biomass, or regenerated or renewed through mass cultivation or production.

Increased use of renewable and regenerative energy resources can help achieve the enormous commercial goal of satisfying the world's increasing energy demands and the critical societal goals of substantially reducing air, water, and thermal pollution, excessive water consumption, and adverse land usage.

Bio-diesel is currently one of the most suitable regenerative and renewable energy resources. This highly desirable alternative fuel source provides a renewable and cleaner source of energy which is relatively affordable.

The key challenge faced in bio-diesel development is the availability of a raw material that is commercially viable, environmentally friendly to produce, and socially acceptable. Apart from being more cost-effective than other conventional raw materials such as palm oil or rapeseed oil, the optimal raw material for bio-diesel production should not be derived from human or animal food sources, and should not be cultivated at the expense of deforestation or cultivated on land that could otherwise be used for the cultivation of human or animal food sources. It is widely believed that such an optimal raw material can be found in the oil derived from the seeds of jatropha curcas.

Hainan Venture

In December 2007, the Company established Hainan Venture Zhengke Bioenergy Development Company Limited (海南宏昌正科生物能源發展有限公司) ("Hainan Venture"). Hainan Venture is a joint venture, 90% owned by the Company and 10% owned by 北京東方正科科技有限公司 (Beijing Oriental Zhengke Technology Company Limited), a PRC company principally engaged in investments in, and operation of businesses related to, research and technology. Hainan Venture was established to conduct jatropha curcas-based bio-energy activities in Hainan.

The seeds of jatropha curcas (also known as Barbados nut or Physic nut) have a high level of oil content which is widely believed to be one of the most economical and practical raw materials for the sustained production of environmentally friendly bio-diesel. Because the jatropha plant is not a food source and can be grown in less than optimal soil and climactic conditions, jatropha complies with the Chinese Government's alternative energy policies, which prohibit alternative energy activities that use food sources as raw material or that occupy farmlands that can be used for growing food sources.

Hainan was chosen as the location for this important bio-energy project because of its particular suitability for growing jatropha. Jatropha thrives in warm weather conditions and requires substantial rainfall. Hainan provides the ideal combination of these two essential conditions.

With the technological assistance of specialists from the Sichuan University College of Life Sciences, Hainan Venture has completed the establishment of a 150 *mu* (10 hectare) nursery to grow jatropha curcas saplings. Hainan Venture expects to commence selling these saplings in the second quarter of 2008 and to expand the size of the nursery during 2008.

Lao-Agro

In December 2007, the Group extended its bio-energy business activities from China to Laos through a new joint venture, Lao Agro-Promotion Limited ("Lao-Agro"). Lao-Agro is an 80% owned subsidiary of the Company which was established to conduct Jatropha-based bio-energy business activities in Laos. The 20% minority interest in Lao-Agro is held by Charoen Phattana Group, a Laotian business enterprise, and the Lao Disabled People Association.

Similar to Hainan, the climate and agronomy of Laos are highly suitable for the cultivation of jatropha curcas. Moreover, Laos offers sufficient inexpensive land and farm labor to support the mass cultivation of jatropha. The Company's presence in Laos through Lao-Agro will provide a strong foundation for developing and commercializing the jatropha-based bio-energy sector in Laos and for similar activities in other Greater Mekong Sub-region ("GMS") countries.

Because the Company's bio-energy activities were not commenced until late in 2007, the bio-energy sector did not generate any revenue for the year ended 2007. However, the biological asset gains from the cultivation of jatropha saplings during the year amounted to HK$3,565,000. The biological assets gain was determined by Greater China based on the fair value of jatropha saplings less estimated point-of-sale costs with reference to the most recent market transaction price.

***Non-Agricultural Businesses***

*Systems Integration, Software solutions, IT management and support: TopAsia Group ("TopAsia")*

In 2007, TopAsia's provision of ATM management services to the banking and financial sectors in China remained a main revenue contributor to the Company.

Buoyed by economic prosperity in China, TopAsia enjoyed steady business growth during 2007. TopAsia entered into a number of new ATM after-sales services contracts with state-owned and commercial banks, including 15 municipal branches of China Merchants Bank, 35 branches of Bank of Communications, and branches of Bank of China and the Postal Bureau. To support this wider customer base, TopAsia bolstered its infrastructure by adding seven service centers countrywide, for a total of 38, and expanding its engineering team with the addition of another 30 technicians.

Sales of ATM products also increased in 2007, with gains mainly attributable to sizeable new contracts for more than 100 installations in the Zhejiang Postal Bureau and Bank of Shanghai. Sales of data storage facilities also increased slightly during 2007, with supply and service contracts signed with Shanghai Securities Depository and Clearing Corporation, Shanghai Post, Industrial Bank, and the Guangzhou Municipal Government.

In spite of increasing revenues, the level of TopAsia's direct and operating costs remain high for 2007, and the division generated operating losses amounting to HK$1,330,000 for the year. In light of current global economic concerns, particularly in the financial services industry in which TopAsia operates, and China's macroeconomic situation of tight money supply and high inflation, TopAsia will face a challenging business environment in 2008. We will continue to monitor and assess TopAsia's activities and prospects.

*Real estate related technology services: Acacia Asia Partners Ltd ("Acacia")*

Acacia is a provider of technical and outsourcing services to retail real estate agencies in the PRC, primarily in Shanghai. The operating landscape for Acacia's business has become increasingly difficult, with the mainland Chinese Government's imposition of austerity measures and higher operating requirements for brokerages. In view of the plunging number of transactions and negative prospects, the Group is seriously assessing the future viability of Acacia.

Acacia generated HK$442,000 in revenues and HK$5,799,000 in operating losses during 2007.

*Real estate consultancy services: Grand Panorama Limited and its subsidiary ("Grand Panorama Group")*

As a real estate and mortgage broker in Shanghai, Grand Panorama competes with large-scale brokers with more comprehensive infrastructure and networks across Shanghai and China as a whole. Along with Acacia, this segment will remain constrained by stringent Government policies. As discussed above, the Company disposed of its entire interest in Grand Panorama Group in March 2008.

Grand Panorama Group generated HK$5,617,000 in revenues and HK$4,715,000 in operating profits during 2007.

**Outlook**

The Company's progress in 2007 in the agro-conservation sector through Green Global Licorice and Green Global Salix has been significant. With the cooperation of Tian Lan and the Inner Mongolia government in the 5532 project, Green Global Licorice and Green Global Salix will continue to plant licorice and salix in Inner Mongolia to achieve the Company's goal to cultivate 200,000 Chinese *mu* (~ 13,300 hectares) of licorice over the next 3 years and 5,000,000 Chinese *mu* (~ 333,000 hectares) of salix over the next five years. Going forward, the Company's Board and management believe that Green Global Licorice and Green Global Salix will make significant contributions to the revenue and profits of the Company.

Through the 5532 project with Tian Lan, the Company has engendered the trust and support of the local government for its agro-conservation efforts in Inner Mongolia. The Board and management believe that this trust in and support for the Company will greatly facilitate our current and future agro-conservation efforts in Inner Mongolia.

The Company established important foundations for its bio-energy businesses in Hainan and Laos in 2007. Hainan Venture, which established its jatropha curcas sapling nursery in 2007, intends to expand its nursery to 1,500 *mu* (~ 100 hectares), a scale which will ensure an adequate supply of jatropha saplings to plant large areas of land. In fulfillment of this purpose, in March 2008, Hainan Venture entered into a Cooperation Agreement with 海南東方林昌生物能源發展有限公司 (Hainan Oriental Linchang Bioenergy Development Limited) (the "Hainan Partner"), pursuant to which the parties agreed that Hainan Venture will sell jatropha curcas saplings from its nursery to the Hainan Partner for planting in an area of approximately 1,300,000 (~ 86,000 hectares) Chinese *mu* in Hainan and the Hainan Partner will sell all qualified seeds harvested from such trees to the Hainan Venture for the next 30 years. The Board and management believe that this cooperation will serve as a strong foundation for our jatropha-based bio-energy business in Hainan, by ensuring that we have a reliable market for the jatropha saplings grown in our Hainan nursery, that those saplings will be properly cultivated into seed producing trees, and that we will have a guaranteed future supply of high quality seeds from those trees.

In December 2007, the Company entered into the Lao-Agro joint venture to conduct jatropha-based bio-energy business activities in Laos, and in March 2008 Lao-Agro entered into a Cooperation Agreement with the Lao National Authority for Science and Technology ("NAST") to establish three commercially-based research and development centers for the production of commercially and environmentally sustainable jatropha-based bio-energy as an alternative and renewable energy source. This new business venture in Laos marks the Company’s first initiative into the GMS. Management believes that the Lao-Agro joint venture and Lao-Agro’s cooperation with NAST will help Lao-Agro to develop optimal species of jatropha curcas for commercializing jatropha production in Laos, and help to establish Lao-Agro as a highly recognized and dependable jatropha producer throughout the GMS.

With support from the governments in each of the countries in which the Company has invested, the Board and management believe that our agro-conservation and bio-energy business activities will make great strides in 2008 and the years to come. Going forward, the Company intends to continue to focus its efforts and resources towards realizing the tremendous potential of these agro-conservation and bio-energy businesses to create maximum profits and value for the Company and its shareholders.

The Company, through its new Board and management, has demonstrated its commitment to identifying and capitalizing on new opportunities to achieve substantial and sustainable financial growth for the Company and to maximize shareholder value. Through a combination of rationalization and repositioning of existing businesses and strategic and coordinated investments in new growth businesses in 2007, we have established a firm platform for the Company to achieve exciting and sustained future financial success, while fulfilling the Company’s commitments to socio-economic development, good corporate governance and transparency, and responsible citizenship in the growing “green global” community.

## EVENTS AFTER BALANCE SHEET DATE

(i) On 16th January 2008, Mr. Lee Cheong Fu, a holder of convertible loan notes converted HK$18,350,000 convertible loan notes into 32,363,315 ordinary shares of the Company at the conversion price of HK$0.567 per share.

(ii) On 25th February 2008, the Company entered into a subscription agreement with Integrated Asset Management (Asia) Limited (“Integrated”) and Mr. Yam Tak Cheung, the sole shareholder of Integrated as the guarantor for the subscription for an aggregate of 199,000,000 new shares of the Company at a subscription price of HK$0.25 per share.

The net proceeds from the subscription received by the Company of approximately HK$49,650,000 was applied towards the Company's new agricultural businesses and as general working capital.

(iii) On 3rd March 2008, Technology Venture Investments Limited, a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the disposal of its entire equity interest in Grand Panorama Limited and its subsidiary, 上海搏創投資諮詢有限公司(Conity Investment and Consultants (Shanghai) Co., Ltd.) to a third party for a consideration of RMB4,000,000.

The disposal was completed on 31st March, 2008. The net consideration of approximately HK$4,160,000 was applied towards the working capital of the Group.

(iv) On 5th March 2008, Green Global Resources Investments Limited ("GGRI"), a newly incorporated wholly-owned subsidiary of the Company, and Tian Lan entered into a Cooperation Agreement, pursuant to which the two parties agreed to cooperate in executing a project for the planting of 5,000,000 Chinese *mu* of salix psammophila over the next 5 years and 200,000 Chinese *mu* of licorice roots over the next 3 years on the Ordos Plateau in Inner Mongolia, the PRC.

GGRI will invest a maximum amount of HK$70 million in the first year of the project. GGRI and Tian Lan will be entitled to 90% and 10%, respectively, of the profit after tax (excluding any government subsidies) derived from the project and 80% and 20%, respectively, of any government subsidies granted for the project.

(v) On 25th March 2008, Hainan Venture, an indirect 90% owned subsidiary of the Company, entered into a Cooperation Agreement with the Hainan Partner, a limited liability company established in the PRC, whereby Hainan Venture will advance to the Hainan Partner a deposit of up to HK$53 million in the first year of the project without any interest or pledge of security to finance the planting and maintenance of Jatropha curcas trees.

Hainan Venture and the Hainan Partner have agreed that (a) for the three year-period commencing in 2008, Hainan Venture will sell Jatropha curcas saplings from its nursery to the Hainan Partner for planting by the Hainan Partner in an area of approximately 1,300,000 Chinese *mu* in Hainan, the PRC, and (b) the Hainan Partner will sell all qualified seeds harvested from the Jatropha curcas trees in the above land area exclusively to Hainan Venture for 30 years.

(vi) On 26th March 2008, Lao-Agro, an indirect 80% owned subsidiary of the Company entered into a Cooperation Agreement with National Authority for Science and Technology ("NAST") for the purposes of establishing three fully equipped centres to carry out in-depth research and development of the Jatropha curcas plant for the production of commercially and environmentally sustainable bio-energy as an alternative and renewable energy source.

The cooperation project is for a term of 30 years. Lao-Agro has agreed to invest a total of US$3,000,000 in both equipment and cash for the cooperation project. The profits generated from the cooperation project will be shared 80% and 20% respectively by Lao-Agro and NAST.

## LIQUIDITY AND FINANCIAL RESOURCES

### Net Assets

At 31st December 2007, the Group recorded total assets of approximately HK$520,749,000, which were financed by liabilities of approximately HK$195,399,000 and equity of approximately HK$325,350,000. The Group's net asset value as at 31st December 2007 increased by 90% to 325,350,000 as compared to approximately HK$170,992,000 as at 31st December 2006.

### Liquidiy

The Group had total cash and bank balances of approximately HK$72,939,000 as at 31st December 2007 (2006: HK$72,254,000). The net cash balance as at 31 December 2007 was also HK$72,939,000 (2006: approximately HK$72,236,000), as the Group does not have any bank borrowings (2006: approximately HK$18,000).

As at 31st December 2007, the current ratio was 1.58 (2006: 2.79) and gearing ratio was 0.24 (2006: Nil) which was defined as the Group's convertible loan notes over its equity attributable to equity holders of the parent.

### Charges on assets

At 31st December 2007, no fixed deposits were pledged to banks to secure banking facilities (2006: HK$15,624,000).

### Treasury policies

The Group generally finances it operations with internally generated resources, proceeds from the disposal of its available-for-sale-investments and from equity fund raising activities. All financing methods, including equity, debt and other means, will be considered so long as such methods are beneficial to shareholders as a whole. Subsidiaries in the PRC use internally generated resources to finance their working capital requirements. Bank deposits are mainly in Hong Kong dollars and Renminbi.

### Contingent liabilities and capital commitments

The Group had no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance.

The Group had capital commitments which were authorised but not contracted for totaling approximately HK$36,035,000 in respect of additional capital injections in subsidiaries as at 31st December 2007 (2006: Nil).

### Foreign exchange exposure

For the year ended 2007, the Group mainly earns revenue in Renminbi and incurs costs in Hong Kong Dollars and Renminbi. Although, the Group currently does not have any foreign currency hedging policies, it manages its currency exposure by ensuring that the revenue earned in Renminbi are used to pay for Renminbi denominated costs. Funds raised from financing activities which are mainly in Hong Kong Dollars are used to pay for Hong Kong Dollar expenses and Hong Kong Dollar costs of acquisitions.

The directors do not expect the appreciation of the Renminbi against the Hong Kong Dollars to have any material adverse effect on the operation of the Group.

**Employee and remuneration policies**

As at 31st December 2007, the Group employed approximately 263 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

**Purchase, sale and redemption of shares**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

**Audit Committee**

The audit committee ("Audit Committee") of the Company comprising three Independent Non-Executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's audited financial statements for the year ended 31st December 2007 including the auditor's report thereon and has submitted its views to the Board of Directors.

**Compliance with the Code on Corporate Governance Practices**

Throughout the year ended 31st December 2007, the Company has complied with the code provisions and recommended best practices of the Code on Corporate Governance Practices (the "Code") under Appendix 14 of the Listing Rules, except for certain deviations as set out below. The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the Code.

Under Code provision A.2.1, the roles of the Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. From 12th February 2007 to the date of this report, both roles were performed by Mr. Tse Michael Nam. The Board considers Mr. Tse's experience and knowledge crucial in managing and executing the transformation of the Company and its subsidiaries into an agro-conservation and bio-energy conglomerate.

The Board is also confident that Mr. Tse is capable of fulfilling his responsibilities as Chairman of the Board, including ensuring that the Board operates effectively and discharges its responsibilities, ensuring good corporate governance practices and procedures are established, and providing effective communication with the Company's Shareholders and that views of the Shareholders are communicated to the Board as a whole. The Board does not believe that the current situation will impair the balance of power and authority between the Board and the Management and does not currently propose to separate the functions.

The company did not establish a nomination committee. The Board considers that the appointment and removal of Directors are the collective decision of the Board and thus does not intend to adopt the recommended best practice under Code A.4.4 to establish a nomination committee.

Full details on the subject of corporate governance are set out in the Company's 2007 Annual Report.

### Model Code for Securities Transactions By Directors

The Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") in Appendix 10 of the Listing Rules has been adopted as the code for Directors' securities transaction for the Company. After having made specific enquiry of all the Directors, each of the Directors confirms that he has complied with the Model Code for the year ended 31st December 2007.

## PUBLICATION OF DETAILED RESULTS

The 2007 Annual Report of the Company, which contains the detailed results and other information of the Company pursuant to Appendix 16 of the Listing Rules, will be dispatched to shareholders and published on the Stock Exchange's website http://www.hkex.com.hk within the prescribed period. This announcement can also be accessed on the Company's website http://www.greenglobal-resources.com/.

By the order of the Board
**Tse Michael Nam**
*Chairman*

Hong Kong, 21st April 2008

*As at the date of this announcement, Mr. Tse Michael Nam and Mr. Puongpun Sananikone are the executive directors; and Mr. Lim Yew Kong, John, Mr. Albert Theodore Powers and Mr. Pang Seng Tuong are the independent non-executive Directors.*