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China Gogreen Assets Investment Limited
中國保綠資產投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 397)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2011:

- The Group recorded revenue of approximately HK\$32,605,000 from continuing operations (for the six months ended 30 June 2010: approximately HK\$1,136,000).
- Loss attributable to owners of the Company amounted to approximately HK\$276,818,000 (for the six months ended 30 June 2010: approximately HK\$40,331,000). Such loss was mainly attributable to unrealized losses arising on change in fair value of the Group's held-for-trading investments.
- The Board does not recommend the payment of an interim dividend.

At 30 June 2011:

- The Group held cash and bank balances of approximately HK\$322,611,000 (31 December 2010: approximately HK\$601,497,000).
- Net current assets amounted to approximately HK\$992,158,000 (31 December 2010: approximately HK\$1,216,841,000). Current ratio (defined as total current assets divided by total current liabilities) was 3.40 times (at 31 December 2010: 4.13 times).
- Net assets amounted to approximately HK\$1,714,356,000 (31 December 2010: approximately HK\$1,957,969,000)
- The Group had bank borrowings of approximately HK\$120,000,000 (31 December 2010: Nil).

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of China Gogreen Assets Investment Limited (“China Gogreen” or the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2011 together with comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Gross proceeds from operations	3	<u>115,545</u>	<u>147,471</u>
Revenue	3	32,605	1,136
Other income		4,058	1,249
Changes in inventories and materials consumed		(34,204)	—
Employee benefits expense		(2,948)	(1,540)
Depreciation of property, plant and equipment		(515)	(198)
Loss arising on change in fair value of held-for-trading investments		(245,018)	(25,796)
Finance costs	5	(3,095)	—
Impairment loss of goodwill		—	(509)
Share of results of an associate		(2,664)	—
Written down on inventories		(17,165)	—
Other operating expenses		<u>(17,105)</u>	<u>(7,128)</u>
Loss before tax		(286,051)	(32,786)
Income tax expense	6	<u>—</u>	<u>—</u>
Loss for the period from continuing operations	7	(286,051)	(32,786)
Discontinued operation			
Loss for the period from discontinued operation	8	<u>—</u>	<u>(7,415)</u>
Loss for the period		(286,051)	(40,201)
Other comprehensive income			
Exchange differences on translating foreign operations		<u>12,438</u>	<u>544</u>
Total comprehensive expense for the period		<u>(273,613)</u>	<u>(39,657)</u>

		For the six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
<i>Notes</i>			
Loss attributable to:			
Owners of the Company			
	Loss for the period from continuing operations	(276,818)	(32,307)
	Loss for the period from discontinued operation	<u>–</u>	<u>(8,024)</u>
	Loss for the period attributable to owners of the Company	<u>(276,818)</u>	<u>(40,331)</u>
Non-controlling interests			
	Loss for the period from continuing operations	(9,233)	(479)
	Profit for the period from discontinued operation	<u>–</u>	<u>609</u>
	(Loss)/profit for the period attributable to non-controlling interests	<u>(9,233)</u>	<u>130</u>
Total comprehensive income/(expense) attributable to:			
	Owners of the Company	(267,061)	(40,070)
	Non-controlling interests	<u>(6,552)</u>	<u>413</u>
		<u>(273,613)</u>	<u>(39,657)</u>
Loss per share			
From continuing and discontinued operations			
	– Basic (HK cents per share)	<u>(3.96)</u>	<u>(3.56)</u>
	– Diluted (HK cents per share)	<u>(3.96)</u>	<u>(3.56)</u>
Loss per share			
From continuing operations			
	– Basic (HK cents per share)	<u>(3.96)</u>	<u>(2.86)</u>
	– Diluted (HK cents per share)	<u>(3.96)</u>	<u>(2.86)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		621,114	637,380
Investment properties		88,500	88,500
Interest in an associate		12,584	15,248
		<u>722,198</u>	<u>741,128</u>
Current assets			
Inventories		65,227	32,981
Trade and other receivables	11	81,915	30,844
Value-added tax refundable		83,298	83,549
Deposit paid for acquisition of property, plant and equipment		1,372	1,189
Amount due from an associate		123,548	123,548
Held-for-trading investments		728,115	731,473
Bank balances and cash		322,611	601,497
		<u>1,406,086</u>	<u>1,605,081</u>
Current liabilities			
Amount due to non-controlling interests		43,240	23,600
Trade and other payables	12	54,713	46,767
Amount payable for acquisition of property, plant and equipment		195,870	317,609
Tax payable		105	264
Bank borrowings		120,000	—
		<u>413,928</u>	<u>388,240</u>
Net current assets		<u>992,158</u>	<u>1,216,841</u>
Net assets		<u><u>1,714,356</u></u>	<u><u>1,957,969</u></u>
Capital and reserves			
Share capital		140,155	136,155
Reserves		1,441,447	1,682,508
Equity attributable to the owners of the Company		<u>1,581,602</u>	<u>1,818,663</u>
Non-controlling interests		132,754	139,306
Total equity		<u><u>1,714,356</u></u>	<u><u>1,957,969</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s financial statements for the year ended 31 December 2010.

The Group has adopted new and amended standards and interpretations of Hong Kong Financial Reporting Standards which are mandatory for the accounting periods beginning on or after 1 January 2011 and relevant to its operations. The adoption of such new and amended standards and interpretations does not have material impact on the condensed consolidated interim financial information and does not result in substantial changes to the Group’s accounting policies.

3. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period.

Gross proceeds from operations include the gross proceeds received and receivable from securities trading and investments under the assets investment segment, in addition to the revenue.

An analysis of the Group’s gross proceeds from operations for the period is as follows:

	For the six months ended 30 June	
	2011	2010
	HK\$’000	HK\$’000
<i>Continuing operations</i>		
Sales of silicon based thin-film solar photovoltaic modules	31,431	–
Rental income from investment properties	1,174	1,136
Revenue	32,605	1,136
Gross proceeds from securities trading and investments	82,940	146,335
Gross proceeds from operations	115,545	147,471

4. SEGMENT INFORMATION

Information reported to the Board of the Company, being the chief operating decision maker for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the six months ended 30 June 2011, the operating segments can be classified into assets investment segment and green energy segment.

One operation (health check business segment) was discontinued in November 2010. The segment information presented as below does not include any amounts for this discontinued operation, which are described in more detail in Note 8.

Segment revenue and results

	Continuing operations				Consolidated	
	Assets investment segment		Green Energy segment			
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Gross proceeds from operations	<u>84,114</u>	<u>147,471</u>	<u>31,431</u>	<u>–</u>	<u>115,545</u>	<u>147,471</u>
Revenue						
Segment revenue	<u>1,174</u>	<u>1,136</u>	<u>31,431</u>	<u>–</u>	<u>32,605</u>	<u>1,136</u>
Results						
Segment results	(245,450)	(26,323)	(28,930)	(2,422)	(274,380)	(28,745)
Unallocated income					179	174
Unallocated corporate expenses					(6,091)	(4,215)
Finance costs					(3,095)	–
Share of results of an associate	(2,664)				<u>(2,664)</u>	<u>–</u>
Loss before tax					(286,051)	(32,786)
Income tax expense					<u>–</u>	<u>–</u>
Loss for the period					<u>(286,051)</u>	<u>(32,786)</u>

Segment assets and liabilities

	Continuing operations				Total	
	Assets investment segment		Green Energy segment			
	At	At	At	At	At	At
	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets						
Segment assets	816,615	819,972	847,674	776,676	1,664,289	1,596,648
Unallocated corporate assets					463,995	749,561
Consolidated total assets					2,128,284	2,346,209
Liabilities						
Segment liabilities	648	555	411,549	384,500	412,197	385,055
Unallocated corporate liabilities					1,731	3,185
Consolidated total liabilities					413,928	388,240

5. FINANCE COSTS

For the six months
ended 30 June
2011 2010
HK\$'000 HK\$'000

Continuing operations

Interest on:

– Bank borrowings wholly repayable within five years	1,865	–
– Amount due to non-controlling interests	1,230	–
	3,095	–

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no assessable profits for both periods.

No People's Republic of China ("PRC") enterprise income tax has been provided in respect of the Group's PRC subsidiaries since they incurred tax losses for both periods.

7. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

**For the six months
ended 30 June**
2011 **2010**
HK\$'000 **HK\$'000**

Loss for the period from continuing operations has been arrived at after charging:

Cost of inventories recognized as an expense	34,204	—
Depreciation of property, plant and equipment	515	198
Operating lease rentals in respect of land and buildings	867	63
	<u>867</u>	<u>63</u>

8. DISCONTINUED OPERATION

On 5 October 2010, Luck Key Investment Limited (“Luck Key”) and Dr. Fung Yiu Tong, Bennet (“Dr. Fung”) entered into a subscription agreement in relation to the allotment and issue of 650 new ordinary shares of US\$1.00 each in the issued share capital of Luck Key to Dr. Fung. Luck Key (together with its subsidiaries, the “Luck Key Group”) carried out all of the Group’s health check business. The deemed disposal was completed on 23 November 2010. Immediately after completion, the Company’s shareholding interest in Luck Key has been diluted from 51.00% to approximately 47.89%, and each company in the Luck Key Group ceased to be a subsidiary of the Company.

During the six months ended 30 June 2010, the loss for the period from discontinued operation represented loss of health check business operation. The results of the discontinued operation included in the condensed consolidated statement of comprehensive income and condensed consolidated statement of cash flows are set out below.

**For the six months
ended 30 June 2010**

Loss for the period from discontinued operation

Revenue	81,712
Other income	5,003
Changes in inventories and clinical supplies consumed	(24,531)
Finance costs	(208)
Share of results of an associate	653
Other operating expenses	<u>(70,044)</u>
Loss before tax	(7,415)
Income tax expense	<u>—</u>
Loss for the period from discontinued operation	<u>(7,415)</u>

**For the six months
ended 30 June 2010**

Loss for the period from discontinued operation has been arrived at after (crediting)/charging:

Depreciation of property, plant and equipment	8,908
Gain on disposal of property, plant and equipment	(117)
Operating lease rentals in respect of land and building	<u>5,554</u>

Cash flows from discontinued operations

Net cash inflows from operating activities	1,968
Net cash outflows from investing activities	(939)
Net cash outflows from financing activities	<u>(20,212)</u>

Net cash outflows	<u>(19,183)</u>
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9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (for the six months ended 30 June 2010: Nil).

10. LOSS PER SHARE

From continuing and discontinued operations

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

	For the six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Loss for the purpose of basic and diluted loss per share		
Loss for the period attributable to owners of the Company	(276,818)	(40,331)
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share (as adjusted for the share placing which became effective on 21 January 2011)	6,984,558	1,131,552
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options issued by the Group	<u>5,729</u>	—
	<u>6,990,287</u>	<u>1,131,552</u>
Basic loss per share (Hong Kong cents per share)	<u>(3.96)</u>	<u>(3.56)</u>
Diluted loss per share (Hong Kong cents per share)	<u>(3.96)</u>	<u>(3.56)</u>

For the six months ended 30 June 2010, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options since the exercise prices of the Company's outstanding share options were higher than the average market price for the six months ended 30 June 2010.

From continuing operations

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

Loss figures are calculated as follows:

	For the six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	(276,818)	(40,331)
Add:		
Loss for the period from discontinued operation	<u>—</u>	<u>8,024</u>
Loss for the purpose of basic and diluted loss per share from continuing operations	<u>(276,818)</u>	<u>(32,307)</u>

The denominators used are the same as those detailed above for the both basic and diluted loss per share.

For the six months ended 30 June 2010, the basic and diluted loss per share for the discontinued operation is HK\$0.70 cents and HK\$0.70 cents per share respectively, based on the loss for the period from the discontinued operation of approximately HK\$8,024,000 and the denominators detailed above for both basic and diluted loss per share.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2011 HK\$'000	At 31 December 2010 HK\$'000
Trade receivables	33,620	—
Other receivables	<u>48,295</u>	<u>30,844</u>
Total trade and other receivables	<u>81,915</u>	<u>30,844</u>

The Group normally allows an average credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade receivables at the end of reporting period:

	At 30 June 2011 <i>HK\$'000</i>	At 31 December 2010 <i>HK\$'000</i>
0-60 days	16,844	—
61-90 days	1,176	—
Over 90 days	15,600	—
	<u>33,620</u>	<u>—</u>

Note: At 30 June 2011, the Group's trade and other receivables included an amount of approximately HK\$75,081,000 (at 31 December 2010: HK\$21,576,000) that is denominated in RMB.

12. TRADE AND OTHER PAYABLES

	At 30 June 2011 <i>HK\$'000</i>	At 31 December 2010 <i>HK\$'000</i>
Trade payables	14,478	4,381
Other payables	40,235	42,386
	<u>54,713</u>	<u>46,767</u>

The following is an analysis of trade payables at the end of the reporting period:

	At 30 June 2011 <i>HK\$'000</i>	At 31 December 2010 <i>HK\$'000</i>
0-60 days	10,885	4,381
61-90 days	1,928	—
Over 90 days	1,665	—
	<u>14,478</u>	<u>4,381</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2011, the Group recorded revenue of approximately HK\$32,605,000 from continuing operations (for the six months ended 30 June 2010: approximately HK\$1,136,000). The increase in revenue was attributable to the completion of phase one production lines and commencement of production for silicon based thin-film solar photovoltaic (“PV”) modules of the Group at the end of last year.

For the six months ended 30 June 2011, loss attributable to owners of the Company amounted to approximately HK\$276,818,000 (for the six months ended 30 June 2010: approximately HK\$40,331,000). Such loss was mainly attributable to unrealized losses arising on change in fair value of held-for-trading investments (which formed part of the Group’s investment business). Such factor was non-cash in nature and did not have any immediate impact on the cash flow nor business operation of the Group.

BUSINESS REVIEW

Solar Energy Business

Due to the large-scale expansion in production capacity last year, newly installed capacity of the global solar energy market increased substantially by over 139%, resulting in market oversupply during the first half of 2011. According to the latest report on European solar energy market from Solarbuzz, due to an imbalance of supply and demand, the prices of solar energy related products on the industry chain dropped drastically in the first half of this year. Despite the suspension in the implementation of the plan in lowering electricity tariff subsidy in Germany, there was no sign of improvement in the sluggish solar energy market in Europe.

As the PRC is an emerging country of solar energy production and consumption, the depressed global market had a direct impact on the results of the PV corporations in the first half of the year. The decrease in sales orders, emerging pressure on production capacity, continued bleak market and decrease in profits had an alarming effect to the domestic PV corporations.

Against this backdrop, China Gogreen re-evaluated its business strategies in the first half of the year and concentrated its development in solar energy businesses, especially large-scale solar PV power stations and rooftop power stations. The Group closely followed the market needs and trends, and correspondingly adjusted its development pace with a view to achieving steady development in solar energy business.

Joint venture's production lines for solar PV modules

Phase one of the Group's joint venture project in the Zhengzhou High and New Technology Industries Development Zone, Zhengzhou, Henan Province, the PRC of annual 100 megawatt production lines for silicon based thin-film solar PV modules was completed and commenced production at the end of last year. The modules produced by such production lines have commenced application in PV power stations projects in Qinghai and Henan.

Beijing Jun Yang's Solar Power Projects

Steady development of power stations projects

北京君陽投資有限公司 (unofficial English translation being Beijing Jun Yang Investment Company Limited) ("Beijing Jun Yang"), a wholly-owned subsidiary of China Gogreen, is a professional investment company of solar PV power stations. It engages in the investment, development and construction of solar power stations as well as provision of advisory and consultation services to other corporations in the industry. During the period under review, Beijing Jun Yang mainly involved in the rooftop solar PV power stations project in Henan Province. The Group's various power station projects achieved progress in stages.

Rooftop Power Stations Project in Henan

Currently, Beijing Jun Yang is undergoing development plans for solar PV power stations in Zhengzhou, Henan Province. It utilizes the rooftop facilities in various buildings and structures in the local development zone for investment and construction of rooftop solar PV power stations.

Income from rooftop solar PV power stations are currently derived from two sources, one of which is the financial subsidy from "Golden Sun Project" launched by the PRC government for the construction of rooftop solar PV power stations. According to 《關於做好2011年金太陽示範工作的通知》(財建〔2011〕380號) ("Notice on effectively implementing demonstration of Golden Sun Project in 2011" (Cai Jian [2011] No. 380)) announced on 26 June 2011, the subsidy for amorphous silicon thin-film modules may reach RMB8 per watt. The other source of income is the electricity tariffs to be collected from the users under energy management contract.

Beijing Jun Yang has been actively involved in a number of rooftop solar PV power station development projects in Zhengzhou High and New Technology Industries Development Zone, Zhengzhou, Henan Province, the PRC and has become one of the professional new energy investment corporations in Henan Province, the PRC. Its project investment, management and operational capabilities have been fully recognized and are greatly supported by the energy department in Henan Province.

Large-scale PV power plant project in Qinghai

In January 2011, Beijing Jun Yang entered into an equity transfer agreement and in July of the same year completed the transaction of acquiring 99% of the registered capital of 青海鈞石能源有限公司 (unofficial English translation being GS-Solar (Qinghai) Company Limited) (“GS-Solar”) at a consideration of RMB5,900,000. The project involves the construction of a large-scale grid-connected solar PV power plant in Geermu, Qinghai Province. GS-Solar has obtained the approval from the Development and Reform Commission of the Qinghai Province for the construction and operation of a 10 megawatt grid-connected silicon based thin-film solar PV power plant in Geermu, Qinghai Province. Currently, Beijing Jun Yang is paying close attention to the construction of the 10 megawatt project (estimated project investment of approximately RMB178,190,000), and expects to complete the construction by the end of September this year and meet the grid connection requirement.

With abundant solar energy resources, the vast desert land resources and sound grid facilities, Qinghai Province is an ideal location for promoting solar PV power industry in the PRC, and gradually becomes an important base of PV industry in the PRC. China Gogreen’s project in Geermu, Qinghai Province has become one of the supported projects under the 12th Five-Year Plan of the PRC government, which is expected to be among the first batch of the PV power projects connected to the Qinghai grid.

According to 《國家發展改革委關於完善太陽能光伏發電上網電價政策的通知》(發改價格〔2011〕1594號) (“Notice from National Development and Reform Commission on improving solar PV power electricity tariff policy” (Fa Gai Jia Ge [2011] No. 1594)) announced by the National Development and Reform Commission on 24 July 2011, the solar PV power stations which were approved to be built before 1 July 2011 and production to be commenced before 31 December 2011 can obtain an electricity tariff of RMB1.15 per kilowatt-hour. Such policy provides a good return guarantee for China Gogreen’s power station investment.

The launch of the policy, which is by far the most explicit and practical measures in supporting the development of new energy by the PRC government, will greatly promote the investments in solar PV applications in the PRC and facilitate the overall development of solar energy industry.

Health Check Business

The Group operates health check and health care businesses through Luck Key Investment Limited and its subsidiaries. During the period under review, the Group continued, through the advanced medical imaging equipment and checking facilities, together with the experienced and professional health care team of Luck Key and its subsidiaries, to provide its customers with one-stop quality medical diagnostic and laboratory services.

Investment Business

Our investment focus remained in listed and unlisted securities as well as quality properties in Hong Kong to specifically and effectively utilize the resources. During the period under review, the Company passed the resolution of authorising the Group to dispose of up to 1 billion ordinary shares (“Apollo Shares”) of Apollo Solar Energy Technology Holdings Limited (“Apollo Solar”) (stock code: 566) at the general meeting on 10 June 2011. The disposal can be carried out within the twelve-month period commencing on 10 June 2011. The Group will apply the net proceeds of the disposal for further investment in green energy related business, solar energy related business and other asset investment and as general working capital of the Group. No Apollo Shares have been disposed of by the Group since 10 June 2011.

Taking into account the current market sentiment and the prevailing market price of the Apollo Shares, the Company has proceeded to put forward a revised proposal to the shareholders relating to the disposal of Apollo Shares on 18 August 2011. The major difference under the revised proposal is the adjustment of the minimum disposal price of the Apollo Shares. Details are set out in an announcement of the Company dated 18 August 2011.

PROSPECTS

The trend of substantially lowering the solar energy subsidy among the European countries reflects the inevitable trend of falling costs of solar power and large-scale applications. The report from Solarbuzz considered such transformation precisely marks the solar energy industry is gradually moving towards an era of mature applications. In the medium run, this paved the way for the grid parity of solar energy, as well as sounded the prelude to the reform of solar energy corporations in the PRC. The second half of the year will be the industry’s “reshuffling” and restructuring period.

In the process of elimination of PV corporations, although the PRC government plays a pivotal role, the overall strengths of the corporations should be the key to success. China Gogreen believes that leading technologies and a keen sense of projects are the golden rules for standing out in the solar energy industry. In the second half of the year, the Group will focus its efforts in these two areas.

Obtain quality solar energy projects and explore domestic and overseas opportunities

The PV Insights data showed that there was no further falling in prices of solar energy products in July 2011 and some segments even showed a rebound in prices. It is expected that product prices will gradually go up again. We expect that after the falling over of prices, the solar energy markets in the PRC, the US and Japan will regain momentum. The installed capacity of the global solar energy market will maintain an optimistic level of growth next year.

In the PRC, in the next five years, further acceleration of urbanization drives the rapid growth of demand for energy, and the swift increase in the targets of energy-saving and emission reduction are the great driving force for promoting the development of new energy industry. The solar energy industry which crosses both “new energy” and “energy-saving and environmental protection” industries at the same time will become one of the beneficiaries of the 12th Five-Year Plan. It is expected that in 2015, the

accumulative domestic installed capacity target of PV system will reach 10,000 megawatts and this target will at least reach 50,000 megawatts in 2020. In addition, renewable energy will account for 15% of the overall energy usage before 2020. Various data indicate that PV industry in the PRC will develop on an “accelerated” mode in the next decade.

Therefore, the solar PV industry in the PRC, after experiencing the adjustment of survival of the fittest, will enjoy greater room for development. As a leading company in the industry, China Gogreen has prepared well to grasp the opportunities when the industry is about to take off. The Group actively looks for the best projects both inside and outside the PRC. As for the PRC market, due to our established cooperation relationship with Henan and Qinghai provincial governments as well as our project experience, China Gogreen will continue to promote the solar power station concept in regions with abundant solar resources and to seek for possibilities to cooperate with the local governments. Regarding the overseas markets, China Gogreen has tried to establish cooperation relationships and partnerships with solar power station operators, intermediaries, and sub-contractors in European countries like Italy and Germany, thus gaining access to the overseas markets particularly in Europe.

Solar energy is one of the clean and inexhaustible energy resources. China Gogreen strives to explore various opportunities in the solar energy area with an aim to become a leading green energy corporation in the PRC and in the world.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, the Group held cash and bank balances of approximately HK\$322,611,000 (31 December 2010: approximately HK\$601,497,000). Net current assets amounted to approximately HK\$992,158,000 (31 December 2010: approximately HK\$1,216,841,000). Current ratio (defined as total current assets divided by total current liabilities) was 3.40 times (31 December 2010: 4.13 times).

The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 19.5% (31 December 2010: 16.5%).

As at 30 June 2011, the Group had outstanding bank borrowings of approximately HK\$120,000,000 (31 December 2010: Nil). As the Group's bank balances and borrowings were denominated in Hong Kong dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

CAPITAL STRUCTURE

As at 30 June 2011, the Group had shareholders' equity of approximately HK\$1,581,602,000 (31 December 2010: approximately HK\$1,818,663,000).

On 21 January 2011, 200,000,000 subscription shares of the Company were allotted and issued at a price of HK\$0.15 per subscription share pursuant to the subscription agreement, details of which are set out in the announcement of the Company dated 13 December 2010.

CHARGES ON GROUP ASSETS

As at 30 June 2011, certain land and buildings of the Group with carrying value of approximately HK\$88,500,000 was pledged to secure general banking facilities granted to the Group.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2011, the Group employed approximately 320 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

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 listed securities during the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Company endeavours in maintaining good corporate governance for the enhancement of shareholders' value. The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules. The Company has complied with all the applicable code provisions in the Code throughout the six months ended 30 June 2011, except that under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. None of the existing independent non-executive Directors was appointed for a specific term. However, the independent non-executive Directors are subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years in accordance with the provisions of the bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

DIRECTORS' SECURITIES TRANSACTIONS

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 the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen (the chairman of the audit committee), Mr. Lo Chun Nga and Mr. Chik Chi Man. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2011.

On behalf of the Board
China Gogreen Assets Investment Limited
Bai Liang
Chairman

Hong Kong, 18 August 2011

As at the date of this announcement, the executive Directors are Mr. Bai Liang, Mr. Cho Kwai Yee, Kevin, Mr. Lawrence Tang and Mr. Xue Feng; and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Lo Chun Nga and Mr. Chik Chi Man.