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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)**

### **Voluntary Announcement Disposal of a wholly-owned subsidiary**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 4 February 2013 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares at a total consideration of HK\$43 million. The principal asset of the Target is the Property, which is currently leased to a fellow subsidiary of the Purchaser, an Independent Third Party. Completion of the SP Agreement is unconditional and will take place on 6 February 2013 (or such later date as the Vendor and the Purchaser may agree in writing).

The Group intends to use the proceeds from the Disposal to finance future business development of the Group's main focused business, being the operation of the downstream solar power stations.

This is a voluntary announcement made by the Company.

#### **THE SP AGREEMENT**

The Board wishes to announce that the Vendor, a wholly-owned subsidiary of the Company, has entered into the SP Agreement with the Purchaser in relation to the Disposal. Major terms of the SP Agreement are set out below.

Date: 4 February 2013

Parties:

- (i) the Vendor, a wholly-owned subsidiary of the Company (as the Vendor); and
- (ii) the Purchaser, an Independent Third Party (as the purchaser).

## **Subject matter of the SP Agreement:**

Pursuant to the SP Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing the entire issued share capital of the Target. The principal asset of the Target is the Property, which is currently leased to a fellow subsidiary of the Purchaser, an Independent Third Party at a monthly rental (exclusive of rates and management fees, air conditioning charges and other outgoings and expenses) of HK\$75,000.

The Property, which is owned by the Target, is currently subject to a mortgage to secure a banking facilities granted in favour of the Company and the Vendor has undertaken in the SP Agreement that such mortgage will be released within three months of the Completion Date.

## **Consideration**

The Consideration payable by the Purchaser for the Disposal is HK\$43 million which shall be settled by the Purchaser in cash (or in such other manner as the Vendor may agree) on the Completion Date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of the Property of similar size and location. No formal valuation has been conducted in respect of the Property at the time of entering into the SP Agreement.

## **Completion and use of proceeds**

Completion of the SP Agreement is unconditional and will take place on 6 February 2013 (or such later date as the Vendor and the Purchaser may agree in writing).

It is expected that the Group will record a book gain of approximately HK\$19.2 million as a result of the Disposal which represents the difference between the Consideration (after the estimated expenses to be incurred for the Disposal) and the unaudited net asset value of the Target as at 31 December 2012. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit. Immediately after Completion, the Target will cease to be a subsidiary of the Company.

The Group intends to use the proceeds from the Disposal to finance future business development of the Group's main focused business, being the operation of the downstream solar power stations.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in (i) solar energy business with a current focus on development, construction, operation and maintenance of power station projects; (ii) money lending business; and (iii) assets investment. The Directors (including the independent non-executive Directors) are of the view that the SP Agreement was entered into the ordinary course of business of the Group and on normal terms after arm's length negotiation between the parties and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board considers that the Disposal represents a good opportunity for the Group to realise its investment in the Target (and effectively, the Property) taking into account, in particular, the expected gain to be recorded and the proceeds thereof can enhance the Group's cash position so as to enable the Group to re-allocate more financial resources on its solar energy business which is in line with its continuing business strategy.

The Disposal does not constitute a notifiable transaction of the Company for the purpose of Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

|                             |  |
|-----------------------------|--|
| “Board”                     | the board of Directors   |
| “BVI”                       | the British Virgin Islands   |
| “Company”                   | China Gogreen Assets Investment Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange |
| “Completion”                | completion of the Disposal   |
| “Completion Date”           | 6 February 2013 (or such later date as the Vendor and the Purchaser may agree in writing), being the date on which Completion is to take place                               |
| “Consideration”             | the total consideration of HK\$43 million payable by the Purchaser to the Vendor for the Disposal  |
| “Director(s)”               | the director(s) of the Company   |
| “Disposal”                  | the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the SP Agreement   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the People's Republic of China  |
| “Independent Third Parties” | third parties independent of the Company and connected persons of the Company  |
| “Listing Rules”             | Rules Governing the Listing of Securities on the Stock Exchange  |

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| “Property”       | the property located at Shop F, Ground Floor, Yenfu Mansion, Nos. 121-125, 129-135, 139 and 141 Hip Wo Street and 92-112 Shui Wo Street, Kowloon, Hong Kong  |
| “Purchaser”      | Town Health Asset Management Limited, a company incorporated in the BVI with limited liability and a non-wholly-owned subsidiary of Town Health International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 3886) |
| “SP Agreement”   | the sale and purchase agreement dated 4 February 2013 entered into between the Vendor and the Purchaser in relation to the Disposal  |
| “Sale Shares”    | two issued shares of US\$1.00 each in the Target, representing the entire issued share capital of the Target   |
| “Shareholder(s)” | shareholder(s) of the Company  |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Target”         | Dragon Oriental Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by the Company   |
| “Vendor”         | Plenty Cash Investment Limited, a wholly-owned subsidiary of the Company and the sole owner of the Target  |
| “HK\$”           | Hong Kong dollar(s), the lawful currency of Hong Kong  |
| “%”              | per cent   |

By order of the Board  
**China Gogreen Assets Investment Limited**  
**Bai Liang**  
*Chairman*

4 February 2013

*As at the date of this announcement, the executive Directors are Mr. Bai Liang, Mr. Jiang You, Mr. Siu Kam Chau, Mr. Lawrence Tang and Mr. Peng Libin, and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Yu Chun Fai.*