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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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

DEEMED DISPOSAL OF INTEREST IN LUCK KEY GROUP

The Board is pleased to announce that on 5 October 2010, Luck Key and the Subscriber entered into the Subscription Agreement in relation to the allotment and issue of the Subscription Shares to the Subscriber at the consideration of HK\$8.1 million. The Subscription Shares represent 6.50% of the existing issued share capital of Luck Key and approximately 6.10% of the issued share capital of Luck Key as enlarged by the allotment and issue of the Subscription Shares.

As at the date of this announcement, Luck Key is a non wholly-owned subsidiary of the Company. Upon the allotment and issue of the Subscription Shares to the Subscriber by Luck Key under the Subscription Agreement, the Company's interest in Luck Key will be diluted from 51.00% to approximately 47.89%, representing a decrease of approximately 3.11% of the issued share capital of Luck Key as enlarged by the allotment and issue of the Subscription Shares. Such decrease in approximately 3.11% interest in the enlarged issued share capital of Luck Key constitutes a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As the applicable percentage ratio exceeds 75%, the Subscription constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. The Subscriber is a connected person of the Company under the Listing Rules by virtue of (i) the Subscriber being a director of Luck Key and other subsidiaries of the Group; and (ii) he was a Director within 12 months preceding the date of the Subscription Agreement. Therefore, the Subscription also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which will be subject to approval of the Independent Shareholders at the SGM to be convened for the purpose of considering, and if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Subscription; (ii) a letter of advice from the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee; (iv) a notice to convene the SGM; and (v) other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 29 October 2010, taking into account the time expected to be required for the preparation of the financial information on the Group and the Luck Key Group for inclusion in the circular.

The Board is pleased to announce that on 5 October 2010, Luck Key and the Subscriber entered into the Subscription Agreement in relation to the allotment and issue of the Subscription Shares to the Subscriber at the consideration of HK\$8.1 million.

THE SUBSCRIPTION AGREEMENT

Date

5 October 2010

Parties

Issuer: Luck Key, a non wholly-owned subsidiary of the Company

Subscriber: The Subscriber

The Subscriber is a director of Luck Key and other subsidiaries of the Group. He was also a Director within 12 months preceding the date of the Subscription Agreement. Accordingly, the Subscriber is a connected person of the Company under the Listing Rules.

Subscription Shares

Luck Key has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for the Subscription Shares. The Subscription Shares represent (i) 6.50% of the existing issued share capital of Luck Key; and (ii) approximately 6.10% of the issued share capital of Luck Key as enlarged by the allotment and issue of the Subscription Shares.

Consideration and payment term

The consideration for the Subscription Shares amounts to HK\$8.1 million which has been determined after arm's length negotiations between the parties thereto with reference to the unaudited net asset value of the Luck Key Group as at 30 June 2010 of approximately HK\$124.0 million. Such consideration will be paid by the Subscriber by way of cheque drawn in favour of Luck Key or such party as it may direct upon Completion.

Condition

Completion shall be subject to and conditional upon the passing by the Independent Shareholders at the SGM of the necessary resolution to approve the Subscription Agreement and the transactions contemplated thereunder.

If the above condition is not fulfilled on or before 31 December 2010 (or such later date as may be agreed between Luck Key and the Subscriber in writing), the Subscription Agreement will terminate and cease to have effect and none of the parties thereto shall have any claim against the other save for any antecedent breaches of the provisions thereof.

Completion

Completion will take place within two business days from the date on which the condition referred to above is fulfilled (or such later date as Luck Key and the Subscriber may agree in writing).

Immediately after Completion, the Company's shareholding interest in Luck Key will decrease from 51.00% to approximately 47.89%, and each company in the Luck Key Group will cease to be a subsidiary of the Company. Accordingly, the results of the Luck Key Group will no longer be consolidated into the financial statements of the Group after Completion. Instead, the Group will equity-account for the results of the Luck Key Group in its financial statements. Details of the change in shareholding structure of Luck Key following allotment and issue of the Subscription Shares by Luck Key to the Subscriber under the Subscription Agreement are set out in the paragraph headed "Effect on the shareholding structure of Luck Key" below.

Ranking

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with all other Luck Key Shares in issue on the date of allotment and issue of the Subscription Shares save that they shall not entitle the Subscriber to any dividends and distributions declared by Luck Key the record date for entitlement of which shall fall on a date before the date of Completion.

INFORMATION ON THE LUCK KEY GROUP

Luck Key is a company incorporated under the laws of the British Virgin Islands. The Luck Key Group is principally engaged in the provision of health check and health care related services, and the production of radioactive isotopes used for medical diagnostic purposes. The major assets of the Luck Key Group mainly consist of medical equipment, real properties, leasehold improvements, goodwill, trade and other receivables, and bank balances and cash.

The audited loss before and after taxation of the Luck Key Group for the financial year ended 31 March 2009 were approximately HK\$61.1 million and HK\$60.2 million respectively. The audited loss before and after taxation of the Luck Key Group for the financial year ended 31 December 2009 were approximately HK\$24.4 million and HK\$24.3 million respectively. The audited net asset value of the Luck Key Group as at 31 December 2009 was approximately HK\$122.4 million.

INFORMATION ON THE GROUP

The Group is principally engaged in the (i) development, production and sale of silicon based thin-film solar photovoltaic cells and modules; (ii) assets investment; and (iii) provision of health check and health care related services.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscriber is a registered medical practitioner registered in accordance with the Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong) who has been a practicing registered medical practitioner for over 16 years. He was an executive Director and the chairman of the Company from 22 May 2006 and 13 March 2007 to 14 June 2010 respectively. Currently, the Subscriber is the chairman of Luck Key's wholly-owned subsidiary which oversees the health check and health care related services of the Group. He has been responsible for the strategic development of the Group's health check business and in-charge of the overall supervision of the medical health check division of the Group. In light of the contribution made by the Subscriber to the business and operation of the Luck Key Group, the Directors consider that it will be in the interests of the Company and the Shareholders as a whole to secure his long term commitment and contribution to the Luck Key Group which will be significant to the growth and development of the Luck Key Group. With the Subscriber becoming a shareholder of Luck Key after Completion, it is expected that the Subscriber's long term commitment and contribution to the Luck Key Group will be secured.

Currently, Luck Key is owned as to 51.00% by the Company and 49.00% by Town Health (BVI) Limited which is a company within the Town Health Group. As stated above, the Company's shareholding interest in Luck Key will decrease from 51.00% to approximately 47.89% immediately after Completion. Accordingly, the Group will not have absolute majority interest in the Luck Key Group. In this regard, the Company will not be able to secure the passing of resolutions that only require simply majority votes. Notwithstanding the aforesaid, the Company has good relationships with the Town Health Group which has been acting in the interests and benefits of Luck Key. There has not been any material disagreement between the Company and the Town Health Group in the operation, management and development of the Luck Key Group. Further, the Directors are not aware of any matters arising from the Subscription which will prejudice the operation, management and development of the Luck Key Group after Completion. As such, the Directors do not foresee the Group's loss of absolute majority interest in the Luck Key Group will have any material adverse effect on the Group's interest therein. Given the significance of the Subscriber's long term commitment and contribution to the growth and development of the Luck Key Group, the Directors consider that the benefits of the Subscription outweigh the disadvantage to the Group. The Company has no present intention to further dispose of or dilute its interest in Luck Key.

Further, the Subscriber is a medical director in the employ of the Town Health Group. The Group has been benefited from client referrals relating to health check and health care related services by the Town Health Group. The Directors consider that the Subscription will boost business referrals by the Town Health Group in relation thereto.

In addition, disregarding the one-off income on transfer of a management contract by a subsidiary of the Luck Key Group of approximately HK\$3.7 million in the six months ended June 2010, the Luck Key Group has been operating at a loss. The Subscription will enable the Luck Key Group to raise capital to further strengthen its financial position, which, in turn, is beneficial for the business development of the Luck Key Group.

The Company estimates that the dilution of the Company's shareholding interest of approximately 3.11% in Luck Key as a result of the Subscription will give rise to a loss of approximately HK\$15 million for the Group being the difference between (i) the audited net asset value of the Luck Key Group after deducting minority interests as at 31 December 2009 of approximately HK\$77 million; and (ii) the estimated value of the Luck Key Group as enlarged by the proceeds from the Subscription to be transferred to interest in an associate of approximately HK\$62 million. Such loss on dilution is resulted from the accounting treatment under the applicable accounting standards but has no practical adverse impact on the financial, trading or operational conditions of the Group. Such loss on dilution is subject to the final determination of the auditors of the Company.

The proceeds from the Subscription will be used by the Luck Key Group as its general working capital.

In view of the above, the Directors are of the view that the terms of the Subscription Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has no present intention to effect any substantive change to its existing business after Completion. Further, the Company has not entered into and has no present plan to enter into any agreement, arrangement, understanding or negotiation on disposal of any subsidiary, existing business or major assets of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF LUCK KEY

The effect of the Subscription Agreement on the shareholding structure of Luck Key immediately after Completion is set out below:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
The Company	5,100	51.00	5,100	47.89
Town Health (BVI) Limited	4,900	49.00	4,900	46.01
The Subscriber	<u>—</u>	<u>—</u>	<u>650</u>	<u>6.10</u>
Total	<u><u>10,000</u></u>	<u><u>100.00</u></u>	<u><u>10,650</u></u>	<u><u>100.00</u></u>

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Luck Key is a non wholly-owned subsidiary of the Company. Upon the allotment and issue of the Subscription Shares to the Subscriber by Luck Key under the Subscription Agreement, the Company's interest in Luck Key will be diluted from 51.00% to approximately 47.89%, representing a decrease of approximately 3.11% of the issued share capital of Luck Key as enlarged by the allotment and issue of the Subscription Shares. Such decrease in approximately 3.11% interest in the enlarged issued share capital of Luck Key constitutes a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As the applicable percentage ratio exceeds 75%, the Subscription constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

The Subscriber is a connected person of the Company under the Listing Rules by virtue of (i) the Subscriber being a director of Luck Key and other subsidiaries of the Group; and (ii) he was a Director within 12 months preceding the date of the Subscription Agreement. Therefore, the Subscription also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which will be subject to approval of the Independent Shareholders at the SGM to be convened for the purpose of considering, and if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Subscription and is required to abstain from voting at the SGM.

A circular containing, among other things, (i) further information on the Subscription; (ii) a letter of advice from the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee; (iv) a notice to convene the SGM; and (v) other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 29 October 2010, taking into account the time expected to be required for the preparation of the financial information on the Group and the Luck Key Group for inclusion in the circular.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Company”	China Gogreen Assets Investment Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee which will be established and will comprise all the independent non-executive Directors for the purpose of advising the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who have no material interest in the Subscription Agreement and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luck Key”	Luck Key Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement

“Luck Key Group”	Luck Key and its subsidiaries
“Luck Key Share(s)”	ordinary share(s) of US\$1.00 each in the issued share capital of Luck Key
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Dr. Fung Yiu Tong, Bennet
“Subscription”	the conditional subscription of the Subscription Shares by the Subscriber on terms and conditions set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5 October 2010 and entered into between Luck Key as issuer and the Subscriber as subscriber in respect of the Subscription
“Subscription Shares”	650 new Luck Key Shares to be allotted and issued to the Subscriber upon Completion
“Town Health Group”	Town Health International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 3886) and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United State dollars, the lawful currency of the United States of America

“%” per cent.

By order of the Board
China Gogreen Assets Investment Limited
Lawrence Tang
Executive Director

Hong Kong, 5 October 2010

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