JUN YANG SOLAR POWER INVESTMENTS LIMITED
君陽太陽能電力投資有限公司

(formerly known as 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)

ANNUAL REPORT **2012**

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Printing & Production: GenNex Financial Media Limited www.gennexfm.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Bai Liang *(Chairman)*
Mr. Jiang You *(Chief Executive Officer)*
Mr. Siu Kam Chau
Mr. Lawrence Tang
Mr. Peng Libin

Independent Non-executive Directors
Mr. Chan Chi Yuen
Mr. Chik Chi Man
Mr. Yu Chun Fai

AUDIT COMMITTEE

Mr. Chan Chi Yuen *(Chairman)*
Mr. Chik Chi Man
Mr. Yu Chun Fai

REMUNERATION COMMITTEE

Mr. Yu Chun Fai *(Chairman)*
Mr. Chan Chi Yuen
Mr. Chik Chi Man

NOMINATION COMMITTEE

Mr. Chik Chi Man *(Chairman)*
Mr. Chan Chi Yuen
Mr. Yu Chun Fai

COMPANY SECRETARY

Mr. Lam Chun Kei

AUDITORS

HLB Hodgson Impey Cheng Limited
Chartered Accountants
Certified Public Accountants
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Hong Kong

REGISTERED OFFICE

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Hamilton HM12
Bermuda

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Shatin, New Territories, Hong Kong

PRINCIPAL BANKER

Dah Sing Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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WEBSITE

www.chinagogreen.com.hk
(to be changed to www.junyangsolar.com)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company", together with its subsidiaries, the "Group"), it gives me great pleasure to present to you the annual report for the year ended 31 December 2012. During the year, the Group adjusted its strategy, focused on the development of the downstream solar power generation business, and put into place a series of strategies to strengthen its core business. Steady progress had been achieved.

RESULTS PERFORMANCE

For the year ended 31 December 2012, the Group's revenue from continuing operations amounted to approximately HK$17,659,000 (for the year ended 31 December 2011: HK$92,775,000).

BUSINESS PERFORMANCE

2012 marked a year of stability, changes, adjustments and positioning for the Group. The Group has followed a definite strategic direction on the focused development of downstream solar power generation business, especially the large-scale ground-mounted and rooftop solar photovoltaic power stations. Benefiting from the strong support from the country's policy and cost advantages brought by the decrease in raw material prices, the Group is well-positioned to capture the opportunities in the industry. During the year, by playing an active part in a number of large-sized high-quality projects, the Group has explored a clearer breadth of vision for its development strategy. The Group's large quality projects include:

a. the 20-megawatt rooftop power station project in Zhengzhou, Henan Province, of which 1.5-megawatt construction has been completed and the construction of the remaining 18.5-megawatt will commence after the application for the further "Golden Sun Demonstration Project (金太陽示範工程)" subsidy is successful. Barring on unforeseen circumstances, the Group plans to apply for the further subsidy in 2013, the grant of which will be dependent on the approval process of the People's Republic of China government;

b. the 10-megawatt large-scale ground-mounted solar photovoltaic power station project in Golmud, Qinghai Province which has been completed and put into commercial operation and has been generating revenue from the second half of 2012; and

c. the 20-megawatt rooftop power station project in Xuchang, Henan Province which has recently been completed and is now undergoing the process of applying for the electricity power generation permit and is expected to be put into operation soon.

CHAIRMAN'S STATEMENT

In order to focus its resources on the development of its principal operation, the downstream solar power generation business, the Group disposed the operation of manufacturing thin-film solar modules and intends to dispose the investment in health check business, and gradually divested from non-core business. Efforts were made on business structure adjustment and resources restructuring of the Group, in order to consolidate the long-term development of the main business. Meanwhile, the Group made a step to lending business. Taking advantage of the diversified portfolio of financial investment and broader base of money-lending platform, more resources were put on the development of downstream solar power station projects, with a view to enhancing the competitive edges and growth potential of the downstream business.

Early 2013, the Group made a series of intensive strategic moves to carry out the re-planning of its core downstream solar power station business. The Group endeavoured to seize a flurry of business opportunity by fostering its own development, cementing strategic alliances with other industry peers, and seeking for mergers and acquisitions.

The Group has recently unveiled a series of strategies, which include:

– The Group's proposed cooperation in solar energy projects with Sky Solar Holdings Co., Ltd. This cooperation enables the Group to tap into a wider range of potential projects and to further consolidate its portfolio of downstream projects, thereby sharpening its overall strength.

– The Group's acquisition of approximately 11.25% equity interest in Jun Yang Solar Power Investment Holdings Limited ("Jun Yang Holdings"). This acquisition enables the Group to increase its equity interest in Jun Yang Holdings to approximately 67.9%, and is an indication that the Group is confident of the future prospect of the downstream solar energy market.

– And the Group's collaboration with 寧夏眾力科技園有限公司 (unofficial English translation being Ningxia Zhongli Science & Technology Park Co., Ltd.) in building a solar photovoltaic power station with a total installed capacity of 20 megawatts. The geographical coverage of the solar energy project will be extended from Henan and Qinghai to Ningxia.

– The Group's signing of a memorandum of cooperation on construction of 60-megawatt rooftop solar farms with Xuchang Municipal People's Government, Henan Province, which represents a significant move into a total constructed and planned installed capacity of over 100 megawatts and a recognition of the Group's execution capability.

– The Group's partnership with Energy Systems Italy S.r.l., one of the leading solar photovoltaic energy solutions developers in Europe in respect of the exploration of solar energy markets in Italy and other European countries.

– The Group's effort in retaining a management team of industry elites and building a elite team through the appointment of Mr. Jiang You as the chief executive officer and an executive director of the Company and Mr. Peng Libin as an executive director of the Company.

– The management's intention to increase its shareholdings in the Company to approximately 29.59% (subject to the approval of the shareholders of the Company) through the acquisition of an additional equity interest thereby becoming a major shareholder of the Company and proposing for the change of the name of the Company. Both of these initiatives have cast a vote of strong confidence in the prospect of the downstream solar power generation business and highlighted the Group's business positioning.

BUSINESS PROSPECTS

As a leading-niche player in the industry, the Group has structured a series of strategic plans. Riding on our edges in technology, human resources, capital and experience, coupled with the supportive policies on photovoltaic clean power generation from the government departments, we are confident that the prosperity of the downstream solar energy generation business will add fresh impetus to the long-term development of our core business. In the future, we will continue to explore investment opportunities, with an aim to reap more promising profitability in praise of the enduring support of shareholders and investors.

Last but not least, I would like to take this opportunity to express heartfelt thanks to all fellow colleagues for their dedication and diligence, and to our shareholders and investors for their loyalty on behalf of the board of directors of the Company. Now, with a clear positioning and development strategy in place, the Group has made a solid step into further growth through a series of vigorous moves. We are committed to attaining sustainable business development and reaping prominent performance. We will make best efforts to attain our strategic objectives in 2013.

I hereby extend sincere thanks to all of you!

Chairman
Bai Liang
27 March 2013

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2012, Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company") and its subsidiaries (the "Group") recorded revenue of approximately HK$17,659,000 (2011: approximately HK$92,775,000). Loss for the year attributable to owners of the Company amounted to approximately HK$418,000,000 (2011: approximately HK$522,537,000). The loss was mainly due to the loss arising from the change in fair value of the Group's held-for-trading investments (forming part of the Group's investment business) and impairment loss on property, plant and equipment. The relevant factors, which were mainly of non-cash nature, had no immediate impact on the cash flow and business operations of the Group.

BUSINESS REVIEW

Solar Energy Business

The rising global demand for energy, the persistent high levels of traditional energy prices plus the increasing concerns of environmental issues have driven the rapid development of renewable energy around the world. Given the People's Republic of China (the "PRC") government's explicit intention to strengthen the adjustment of energy structure, stimulate the production of renewable energy and change the energy consumption patterns, a favorable condition has been created for the expansion into the mainland market. The rapid decrease in costs of photovoltaic ("PV") power generation in recent years is set to add fuels to the development of the downstream solar power generation enterprises.

According to Macquarie's year-end release of the "Report on Mainland China's Solar Industry", which reveals the central government's supportive policy on demand, the development of rooftop solar projects will turn into a boom cycle. The market size of solar energy is predicted to grow by 1.5 to 2 times in the coming three years. The new policy demonstrates the central government's intentions to focus on distributed solar power such as rooftop solar power stations rather than centralised large-scale ground-mounted solar farms. The development in solar power station sector is expected to surge from 4 gigawatts in 2012 to 10 gigawatts in 2015. Power generation volume produced by rooftop projects will account for 50% of the total solar installation. The Group divested from the midstream PV cell and module production business during the year and shifted its focus to dynamic downstream solar power generation projects, in order to stay ahead of the country's policy. During the year under review, the Group's solar power station projects, which are invested and operated through 北京君陽投資有限公司 (unofficial English translation being Beijing Jun Yang Investment Company Limited) ("Beijing Jun Yang"), have achieved substantial progress and reached a total installed capacity of 31.5 megawatts in operation.

- **10-megawatt large-scale ground-mounted power station project in Golmud, Qinghai Province**

  In 2011, the Group invested in the construction of a 10-megawatt large-scale solar PV ground-mounted power station in Golmud, Qinghai Province. The project has been completed and put into operation, and is the first batch of projects that are connected to Qinghai power grid. In relation to the project, a feed-in-tariff of RMB1.15 per kilowatt-hour has been granted by the National Development and Reform Commission. The subsidies for the feed-in-tariff are expected to be paid into the accounts starting from this year. The project has been launched into operation, and basic electricity tariff has been charged in 2012. In year 2012, the power generated by the project was 13 million kilowatt-hour. The power generation in 2013 is expected to reach 15 million kilowatt-hour.

- **20-megawatt rooftop power station project in Zhengzhou**

  The 20-megawatt rooftop power station project of the Group in Zhengzhou, Henan Province is a demonstration project for the government, and is the first of its kind that passed the grid connection safety assessment in Henan Province. The project has been granted the preliminary power generating permit from Henan Electricity Regulatory Bureau. The Group has completed phase-1 construction of thirteen rooftop power stations with a total installed capacity of 1.525 megawatt. The power generation capacity on an annual basis is approximately 2,126,000 kilowatt-hour.

- **20-megawatt rooftop power station project in Xuchang**

  Xuchang Project represents a major progress in the construction of rooftop solar power stations in Henan Province. Following the completion of the construction, the power station has been put into operation. As one of the largest projects among the second-batch "Golden Sun Demonstration Projects" granted by the central government, the project is included in the PRC's 12th Five-Year Plan. A total financial subsidies of RMB180,000,000 were granted by the Ministry of Finance of PRC and the Finance Department of Henan Province. The majority of the subsidies have been received.

In order to further optimise our downstream project portfolio, the Group entered into a framework agreement with Sky Solar Holdings Co., Ltd ("Sky Solar") in late 2012. This agreement offers the Group an opportunity to participate in the investment in solar energy projects of Sky Solar, thus broadening the scope of potential projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Business

We pursue an investment direction which is based on listed and unlisted securities and quality properties in Hong Kong, so as to provide resources to finance our core downstream solar energy business. During the year under review, our investment business reaped stable returns. The Group will continue to make investment in businesses, so as to generate a stable source of income.

Money lending business

In September 2012, the Group entered into money lending business through the acquisition of the entire issued share capital in E Finance Limited. The newly-acquired business will enable the Group to diversify the sources of income and provide additional resources to finance our core downstream solar energy operations, which will in turn enhance the Group's competitive edges.

Health Check Business

During the year under review, the Group continued to engage in health check and health care business through Luck Key Investment Limited ("Luck Key") and its subsidiaries (the "Luck Key Group"). Luck Key Group is dedicated to offering customers with an entire range of high-quality medical diagnostic and laboratory services through a number of inspection facilities including state-of-the-art medical imaging equipment and a seasoned team of health care professionals. In connection with the adjustment of our strategies relating a shifted focus to the development of the downstream solar energy business, the Board proposed to divest from our non-core business in early 2013. Following the entering of formal sale and purchase agreement and the completion of the transaction, the Group will cease to hold any interests in Luck Key, and the health check business will no longer be included in the Group's scope of business operations.

Business Prospect

Fuelled by support from relevant policy of the PRC Government, renewable energy in 2020 will account for about 15% of the total energy consumption, which is equivalent to a renewable energy power generating capacity of 300 gigawatts. In addition, it is apparent that the PV industry is blessed with strong support from the central government, whose policies are related to a number of aspects such as fiscal and financial spectrums and are aimed at encouraging industry consolidation, expanding applications market, and improving the overall technology and equipment standards. Meanwhile, the government intends to flourish the healthy development of the industry through the optimisation of the electricity tariff pricing mechanism and the subsidy and effect assessment mechanism.

Under this backdrop, the Group endeavour to become a leading downstream solar independent power producer (IPP). Our goal is to reach a total installed capacity of 500 megawatts in the coming five years. A series of development blueprints have been formulated by the Group in respect of this direction. We have also worked out a strategies in three spectrums, stretching from the strengthening of our own development, the establishment of strategic alliances with other industry leaders and seeking opportunities of mergers and acquisitions. At the same time, the Group have accelerated the divestment from non-core business to allocate consolidated resources to our core downstream solar energy business. We have cemented stronger partnership with a number of leading players within and outside the country to build a broader project foundation. Industry leaders were recruited to strengthen our management team. Thanks to a solid business foundation, a clearer corporate positioning and an elite team of management, the Group is set to reinforce its edges and deliver better performance, so as to reward shareholders and investors for their enduring support.

MANAGEMENT DISCUSSION AND ANALYSIS

Partnering with industry leaders within and outside the country to build broader project pipelines

Starting from 2013, the Group has been making unwaving efforts on implementing a number of cooperation projects. With the Group's partnership with industry leaders within and outside the country in relation to the co-development of downstream solar power generation business, the Group has driven a remarkable surge in the total number of projects and market presence.

In January 2013, the Group announced to increase its interests in Jun Yang Solar Power Investment Holdings Limited ("Jun Yang Holdings") by increasing its shareholding to approximately 67.9% through the acquisition of an additional approximately 11.25% equity interest in Jun Yang Holdings. The Group further strengthened its grasp on resources. In the same month, the Group entered into a memorandum of understanding with 寧夏眾力科技園有限公司 (unofficial English translation being Ningxia Zhongli Science & Technology Park Co., Ltd) to develop solar PV power stations, whereby the Group will invest in the construction of a solar PV power station with a total installed capacity of 20 megawatts. The investment will extend the Group's business presence to Ningxia.

In February 2013, the Group entered into a memorandum of understanding with Xuchang Municipal People's Government of Xuchang City, Henan Province to build a new solar PV power station with a total installed capacity of 60 megawatts on top of the existing 20-megawatt rooftop power station in Xuchang City which was built in 2012. With the support of the government, the Group have received strong recognition for our project execution capability. The project has enabled us to hit a record-breaking total installed capacity of over 100 megawatts. In the same month, the Group entered into a framework agreement with Energy Systems Italy S.r.l., one of the leading solar PV energy solutions developers in Europe to diversify market strategies. This agreement has helped us to expand our solar power business to Italy and other European countries.

Recruiting talents in the field and the management to become the major shareholder of the Company

In line with the Group's strategy to expand into the downstream solar energy operations, the Group always endeavours to build an elite management team of industry-wide talents by retaining high caliber people. The Company has newly appointed Mr. Jiang You as an executive director and the chief executive officer of the Company, and Mr. Peng Libin as an executive director of the Company. Both of them are well-renowned experts in the industry, and are distinguished for their profound knowledge and extensive practical experience in PV power generation. Mr. Jiang and Mr. Peng will work with Mr. Bai Liang, the Chairman of the Company, in formulating a comprehensive and detailed strategic planning for our solar energy power generation business and leading us to enter a rapid development in the industry.

In addition, the management team of the Company proposed to increase their shareholding in the Company to approximately 29.6%, thereby becoming our major shareholder. They have also undertaken to a 3-year lockup on the shares they will subscribe, a clear gesture that they share the Group's strategy and that they have great confidence in the future of our business. The name of the Company has been changed to "Jun Yang Solar Power Investments Limited", in order to better match up the Group's business strategy and corporate image.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OUTLOOK

Strive to achieve profitability in FY2013

In 2012, we disposed the non-performing assets, and made adequate provisions in respect thereof, so that the Company can concentrate on the development of its downstream solar power station business. As at 31 December 2012, the Group held bank balances and cash, loans receivable, and held-for-trading investments totaling approximately HK$614,693,000, empowering the Group of engaging in the downstream solar power generation business with strong liquidity. The Company will make investment decision in solar power business according to the solar power generation market conditions and the returns on the investments. To ensure efficient application of fund and maximising returns to our shareholders, we will manage and make use of our financial resources to their greatest efficiency. This may include placing them in highly liquid financial products like bank deposits, bonds, stocks and loans. The Company will strive to achieve profitability in FY2013.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group held bank balances and cash of approximately HK$260,411,000 (2011: approximately HK$146,272,000). Net current assets amounted to approximately HK$479,371,000 (2011: approximately HK$592,643,000). Current ratio (defined as total current assets divided by total current liabilities) was 2.92 times (2011: 2.63 times).

The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 30% (2011: 25%).

As at 31 December 2012, the Group had no outstanding bank borrowings (2011: approximately HK$115,900,000). 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 31 December 2012, the Group had shareholders' equity of approximately HK$126,180,000 (2011: approximately HK$126,180,000).

CHARGES ON GROUP ASSETS

As at 31 December 2012, certain investment properties of the Group with fair value of HK$121,000,000 (2011: approximately HK$97,900,000) were pledged to secure general bank facilities granted to the Group.

As at 31 December 2011, the bank loan was secured by the Group's property, plant and equipment with a carrying amount of approximately HK$554,730,000.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2012, the Group employed approximately 55 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.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Bai Liang, aged 45, has been the Chairman and an executive director (the "Director") of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company", together with its subsidiaries, the "Group") since 24 November 2010. He is also a director and the legal representative of the subsidiaries of the Company. He graduated from Beijing Jiaotong University (formerly known as Northern Jiaotong University) in the People's Republic of China (the "PRC") with a bachelor degree in engineering in 1990. Mr. Bai had worked at the energy and electrical power sectors of the senior authority of electrical power industry in the PRC, and the Chinese Institute of Electrical Engineering of the China Electricity Council for over 8 years and was responsible for the science and technology managerial work in the electrical power industry. Mr. Bai has extensive experience and good understanding in the China electrical power and electrical equipment industry. Besides, Mr. Bai has established and participated in many energy and electrical power related enterprises and has also participated in many energy and resources related investment projects in coal and nonferrous metals, and green energy like wind power and solar energy, and has vast experience in management and coordination. Since 2006, Mr. Bai has been engaging in the solar energy industry and had involved in establishing a leading PRC enterprise principally engaged in the manufacture and sale of silicon based thin-film solar photovoltaic modules. Mr. Bai is also a director of Sense Lights Group Limited ("Sense Lights"), which has an interest in the shares of the Company (the "Shares") that has been reported under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

Mr. Jiang You, aged 54, has been the chief executive officer of the Company and an executive Director since 22 January 2013. He graduated from 上海立信會計學院 (Shanghai Lixin University of Commerce) in 1984 and completed a graduate course in Specialized Historical Studies of Corporate Development and Modernization of Corporate Management in 華東師範大學 (East China Normal University) in July 2002. In March 2003, Mr. Jiang obtained a Master of Business Administration from Macau University of Science and Technology. From 1998 to 2005, he was the chief executive officer of the PRC branch office of IPC Corporation Limited, a company listed on the Mainboard of the Singapore Exchange Limited. From 2005 to 2007, Mr. Jiang served as the chief executive officer in 上海埃力生(集團)有限公司 (unofficial English translation being Shanghai Alison (Group) Company Limited). From 2007 to August 2009, Mr. Jiang was the chief executive officer of GCL Solar Energy Technology Holdings Inc. From September 2009 to October 2012, Mr. Jiang was the President (Solar Business) of GCL-Poly Energy Holdings Limited (stock code: 3800), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Jiang is also a director of Sense Lights, which has an interest in the Shares that has been reported under the provisions of Divisions 2 and 3 of Part XV of the SFO as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Siu Kam Chau, aged 48, has been an executive Director since 10 October 2011. He is also a director of a number of subsidiaries of the Company. Mr. Siu graduated from the City University of Hong Kong with a bachelor degree in accountancy. Mr. Siu is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Certified Public Accountant (practising) in Hong Kong. Mr. Siu has over 23 years of working experience in auditing, accounting, company secretarial and corporate finance. Mr. Siu is currently an independent non-executive director of two companies whose shares are listed on the Stock Exchange, namely China New Economy Fund Limited (stock code: 0080) and Wang On Group Limited (stock code: 1222). Mr. Siu is also a director of Sense Lights, which has an interest in the Shares that has been reported under the provisions of Divisions 2 and 3 of Part XV of the SFO as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

Mr. Lawrence Tang, aged 37, has been an executive Director since 7 December 2009. He is also a director of a number of subsidiaries of the Company. Mr. Tang graduated from the University of Staffordshire in the United Kingdom with a Bachelor of Arts Degree in Law and Accounting. He has over 13 years' experience in international trade and marketing in Europe, North America, Hong Kong and the PRC out of which 9 years were at top management level. Mr. Tang also possesses extensive knowledge and hands-on experience in the PRC market and industrial management. Prior to joining the Company, Mr. Tang had been working in the manufacturing sector for 6 years and held a chief executive officer position in a manufacturing company for 3 years. Mr. Tang is also a director of Sense Lights, which has an interest in the Shares that has been reported under the provisions of Divisions 2 and 3 of Part XV of the SFO as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

Mr. Peng Libin, aged 47, has been an executive Director since 14 January 2013. He is also a director and the legal representative of a subsidiary of the Company. He is also a general manager of another subsidiary of the Company. He obtained a Bachelor's Degree in Economics (Statistics) from 湖南財經學院 (Hunan College of Economics and Finance) (currently known as 湖南大學 (Hunan University)) in 1989. He has been qualified as a senior economist in the PRC since November 1999. Mr. Peng has over 20 years of experience in power generation industry in the PRC. Mr. Peng has extensive experience and knowledge in (i) the development of solar energy industry; and (ii) the management, operation, and planning of solar power generation projects. Before joining the Group, he held various positions in a number of power companies. Mr. Peng was an executive director of Apollo Solar Energy Technology Holdings Limited (currently known as Hanergy Solar Group Limited) (stock code: 566), the shares of which are listed on the Main Board of the Stock Exchange, from 25 November 2009 to 12 December 2011. Mr. Peng is also a director of Sense Lights, which has an interest in the Shares that has been reported under the provisions of Divisions 2 and 3 of Part XV of the SFO as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Yuen, aged 46, has been an independent non-executive Director since 12 January 2005. He is also the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Mr. Chan holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance. Mr. Chan is currently the chairman and an executive director of Kong Sun Holdings Limited (stock code: 295) and an executive director and chief executive officer of Noble Century Investment Holdings Limited (formerly known as Sam Woo Holdings Limited) (stock code: 2322), both of which are companies listed on the Stock Exchange. Mr. Chan is also an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), China Gamma Group Limited (stock code: 164), China Sandi Holdings Limited (formerly known as China Grand Forestry Green Resources Group Limited) (stock code: 910), Media Asia Group Holdings Limited (stock code: 8075), U-RIGHT International Holdings Limited (stock code: 627) and New Times Energy Corporation Limited (stock code: 166), all of which are companies listed on the Stock Exchange. He was an independent non-executive director of Richly Field China Development Limited (stock code: 313) from February 2009 to August 2010, Superb Summit International Timber Company Limited (currently known as Superb Summit International Group Limited) (stock code: 1228) from April 2007 to June 2010 and The Hong Kong Building and Loan Agency Limited (stock code: 145) from October 2009 to February 2011.

Mr. Chik Chi Man, aged 59, has been an independent non-executive Director since 23 October 2006. He is also the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company. Mr. Chik has over 45 years of experience in the building and construction industry in Hong Kong. He is currently a co-opted member of Finance and General Affairs Committee of Sha Tin District Council, the vice chairman of Sha Tin East District Scout Council and also the treasurer of the committee in Sha Tin District of the Friends of the Community Chest. In July 2006, Mr. Chik was awarded the Chief Executive's Commendation for Community Service by The Government of the Hong Kong Special Administrative Region.

Mr. Yu Chun Fai, aged 50, has been an independent non-executive Director since 4 June 2012. He is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. He holds a bachelor degree in business administration from University of North Texas in the United States of America. He has over 27 years of experience in the financial industry. Mr. Yu is currently an independent non-executive director of New World Department Store China Limited (stock code: 825), the shares of which are listed on the Stock Exchange. He was the founder, the chairman and executive director of Oriental City Group Holdings Limited (stock code: 8325) from December 2007 to November 2011. He was also a non-executive director and the chairman of Oriental City Group Plc, the shares of which are listed on PLUS Markets Group plc in the United Kingdom, until June 2011. Prior to establishing Oriental City Group, Mr. Yu was a senior employee at Morgan Stanley, AIG Asset Management (Asia) Ltd. and Allianz Dresdner Asset Management (Asia) Ltd.

SENIOR MANAGEMENT

Mr. Lam Chun Kei, aged 37, currently the Financial Controller and the Company Secretary of the Company. He is also a director of the subsidiaries of the Company. Mr. Lam holds a bachelor degree in Accountancy from the City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Lam has over 14 years of experience in accounting, auditing and financial management and previously worked in an international accounting firm and a listed group. He joined the Group in August 2007.

Mr. Liu Guangdian, aged 51, currently the Investor Relations Director of the Company. Mr. Liu obtained a degree of Doctor of Philosophy in Economics from University of Sussex in 1995. He has over 14 years of experience in investor relations and corporate management. Before joining the Group, he was the Investor Relations Director in Apollo Solar Energy Technology Holdings Limited (currently known as Hanergy Solar Group Limited) (stock code: 566) and GST Holdings Limited. He joined the Group in February 2013. Mr. Liu is also a director of Sense Lights, which has an interest in the Shares that has been reported under the provisions of Divisions 2 and 3 of Part XV of the SFO as a result of the entering into of the subscription agreement with the Company on 23 January 2013 in relation to the subscription of 2,466,000,000 Shares. Completion of such subscription has not yet taken place.

Mr. Wang Zhiwei, aged 45, currently a director of the subsidiaries of the Company and the Vice President of a subsidiary of the Company. He is mainly responsible for the management of the operation of amorphous silicon thin-film solar photovoltaic power stations. Mr. Wang has over 20 years of experience in the energy and resources-related industry in the PRC out of which he was a senior management for 6 years, and has extensive coordination and management experience. He joined the Group in June 2010.

Mr. Wu Yongli, aged 50, currently the Technical Director of a subsidiary of the Company. He is mainly responsible for construction project management and engineering technology of the subsidiaries of the Company. Mr. Wu has over 30 years of experience in the management, analysis, research and development of energy and new energy businesses in the PRC. He joined the Group in January 2010.

Mr. Xue Feng, aged 44, currently a director of the subsidiaries of the Company and the legal representative of a subsidiary of the Company. He graduated from Beijing Jiaotong University (formerly known as Northern Jiaotong University) in the PRC with a bachelor degree in engineering in 1990. He has also passed the national examinations of the PRC and certified with intermediate qualification level of speciality and technology in finance and economics, and accounting in 1996 and 2003 respectively. Mr. Xue has many years of experience in the areas of engineering, corporate management, accounting and asset valuation.

CHANGES IN INFORMATION OF DIRECTORS

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Name of Director	Details of Changes
Mr. Bai Liang	– the total emoluments increased by approximately HK$101,000 to approximately HK$341,000 compared to the year ended 31 December 2011
Mr. Siu Kam Chau	– the total emoluments increased by approximately HK$1,609,000 to approximately HK$2,213,000 compared to the year ended 31 December 2011*
Mr. Lawrence Tang	– the total emoluments increased by approximately HK$199,000 to approximately HK$715,000 compared to the year ended 31 December 2011

* Mr. Siu was appointed as an executive director of the Company on 10 October 2011.

REPORT OF THE DIRECTORS

The directors (the "Directors") of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company") present their report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012 (the "Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 22 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the Year is set out in note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Company and of the Group as at the year end date are set out in the consolidated financial statements on pages 35 to 117 of this annual report.

The Directors do not recommend the payment of a final dividend for the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results of the Group for the last five financial years is set out on page 118 of this annual report.

SUBSIDIARIES

Details of acquisition/disposal of subsidiaries during the Year are set out in notes 39 and 40 to the consolidated financial statements.

Details of the Company's principal subsidiaries as at 31 December 2012 are set out in note 22 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment of approximately HK$256,261,000 for the expansion of its business.

Details of movements in property, plant and equipment of the Group during the Year are set out in note 19 to the consolidated financial statements.

INVESTMENT PROPERTIES

Particulars of investment properties of the Group are set out in note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 35 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 36 to the consolidated financial statements.

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 Year.

RESERVES

Details of movements in the reserves of the Group during the Year are set out on pages 40 and 41 of this annual report.

Details of movements in the reserves of the Company during the Year are set out in note 38 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2012, the Company had no reserves available for distribution calculated in accordance with the Companies Act 1981 of Bermuda (as amended). The contributed surplus may only be distributable in certain circumstances.

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the five largest customers in aggregate accounted for approximately 94% of the turnover of the Group and the largest customer accounted for approximately 51% of the turnover of the Group while the largest supplier accounted for approximately 67% of the Group's total purchases.

As far as the Directors are aware, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest at any time during the Year in any of the Group's five largest suppliers.

BANK BORROWINGS

Details of bank borrowings of the Group are set out in note 33 to the consolidated financial statements.

DIRECTORS

The Directors who held office during the Year and up to the date of this annual report are:

Executive Directors	
Mr. Bai Liang *(Chairman)*	
Mr. Jiang You *(Chief Executive Officer)*	(appointed on 22 January 2013)
Mr. Siu Kam Chau	
Mr. Lawrence Tang	
Mr. Peng Libin	(appointed on 14 January 2013)
Mr. Xue Feng	(resigned with effect from 14 January 2013)
Independent Non-executive Directors	
Mr. Chan Chi Yuen	
Mr. Chik Chi Man	
Mr. Yu Chun Fai	(appointed on 4 June 2012)
Mr. Lo Chun Nga	(retired on 4 June 2012)

In accordance with bye-law 99 of the Company's bye-laws and to comply with the requirements of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Bai Liang, Mr. Lawrence Tang and Mr. Chik Chi Man will retire by rotation at the forthcoming annual general meeting of the Company (the "AGM") and, being eligible, offer themselves for re-election at the AGM.

The biographical details of the Directors as at the date of this annual report are set out in "Profiles of Directors and Senior Management" on pages 12 to 15 of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of Directors and the five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group during the Year.

CONNECTED TRANSACTIONS

Connected transactions undertaken by the Group during the Year and up to the date of this annual report are set out below:

1. On 17 January 2013, the Company entered into the sale and purchase agreement (the "SP Agreement") with Mr. Bai Liang, Mr. Duan Lun and Mr. Liu Xinglang as vendors (collectively, the "Vendors") pursuant to which the Company has conditionally agreed to acquire, and each of the Vendors has conditionally agreed to sell a total of 4,000 shares of US$1.00 each in the share capital of Jun Yang Solar Power Investment Holdings Limited ("Jun Yang Holdings"), representing approximately 11.247% of the issued share capital of Jun Yang Holdings, at a consideration of HK$42,284,991.36. Subject to the fulfilment of the conditions precedent to the completion of the SP Agreement, the consideration will be satisfied by the Company allotting and issuing, credited as fully paid, of 264,281,196 consideration shares to the Vendors.

   As at the date of the SP Agreement, one of the Vendors, Mr. Bai Liang, was an executive Director and the Chairman of the Company and the other Vendors, namely Mr. Duan Lun and Mr. Liu Xinglang, were respectively, the nephew and father-in-law of Mr. Peng Libin, an executive Director. As such, all the Vendors are connected persons of the Company within the meaning of the Listing Rules and therefore, the said acquisition constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The SP Agreement and the transactions contemplated thereunder were approved at the special general meeting of the Company held on 22 March 2013 and completion of the transactions took place on 26 March 2013. Details of the SP Agreement and the transactions contemplated thereunder are set out in the announcement of the Company dated 17 January 2013 and the circular of the Company dated 5 March 2013.

2. On 23 January 2013, the Company entered into the subscription agreement (the "Subscription Agreement") with Sense Lights Group Limited (the "Subscriber"), a company incorporated in the British Virgin Islands with limited liability and owned as to 95% in aggregate by the executive Directors, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 2,466,000,000 subscription shares (the "Subscription Shares") at the subscription price of HK$0.15 per subscription share.

   As the Subscriber is beneficially owned as to 95% by the executive Directors in aggregate, the Subscriber is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Therefore, the subscription of the Subscription Shares by the Subscriber constituted a non-exempt connected transaction of the Company under the Listing Rules and was subject to the reporting, announcement and independent shareholders' approval requirements. Details of the Subscription Agreement and the transactions contemplated thereunder are set out in the announcement of the Company dated 23 January 2013.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long position in shares of the Company

Name of Director	Capacity	Number of shares of the Company held	Approximate percentage of the issued shares of the Company
Mr. Lawrence Tang	Beneficial owner	18,400,000	0.29%

(b) Long position in shares in associated corporation

Name of Director	Name of associated corporation	Capacity	Number of shares of the associated corporation held	Approximate percentage of the issued shares of the associated corporation
Mr. Bai Liang	Jun Yang Solar Power Investment Holdings Limited (Note)	Beneficial owner	2,000 ordinary shares	5.62%

Note: Jun Yang Solar Power Investment Holdings Limited is a non wholly-owned subsidiary of the Company.

Save as disclosed above, as at 31 December 2012, none of the Directors or the chief executives of the Company had recorded any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company adopted a share option scheme on 17 November 2003 (the "Scheme"), for the primary purpose of providing incentives to Directors and employees. Under the Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for shares of the Company.

Particulars of the Scheme and details of movements of share options during the Year are set out in note 36 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company, its subsidiaries, its fellow subsidiaries or its holding companies, a party to any arrangement to enable the Directors or chief executives of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2012, the Company has not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 46 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules as at the date of this annual report.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the corporate governance report on pages 24 to 32 of this annual report.

AUDITORS

The consolidated financial statements for the year ended 31 December 2012 were audited by HLB Hodgson Impey Cheng Limited who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company is to be proposed at the forthcoming annual general meeting.

The consolidated financial statements for the years ended 31 December 2010 and 2011 were audited by HLB Hodgson Impey Cheng. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. Save for the above, there has been no other change in the auditors of the Company in any of the preceding three years.

On behalf of the Board

Bai Liang
Chairman
27 March 2013

CORPORATE GOVERNANCE REPORT

The board of directors (the "Directors") of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company") is committed to maintaining a good corporate governance standard. The board of Directors (the "Board") believes that a good corporate governance standard will provide a framework for the Company and its subsidiaries (the "Group") to formulate the business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the shareholders (the "Shareholders") and creditors of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the applicable code provisions in the Code on Corporate Governance Practices (the "Former CG Code") during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (the "New CG Code") during the period from 1 April 2012 to 31 December 2012 set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that:

(a) under code provision A.2.1 of the Former CG Code and the New CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Mr. Cho Kwai Yee, Kevin ("Mr. Cho") as an executive Director and the chief executive officer of the Company, the post of the chief executive officer of the Company was vacant during the year under review and the previous job responsibilities of Mr. Cho were discharged by the executive Directors collectively. The Company has appointed Mr. Jiang You as an executive Director and chief executive officer of the Company on 22 January 2013; and

(b) under code provision A.4.1 of the Former CG Code, non-executive directors of the company should be appointed for a specific term and subject to re-election. None of the independent non-executive Directors was appointed for a specific term during the period from 1 January 2012 to 31 March 2012. 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 (the "Bye-Laws"). 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 Former CG 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 year ended 31 December 2012 (the "Year").

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises eight members, five of which are executive Directors, namely Mr. Bai Liang (the Chairman of the Board), Mr. Jiang You (Chief Executive Officer), Mr. Siu Kam Chau, Mr. Lawrence Tang and Mr. Peng Libin. The other three members are independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Yu Chun Fai. The biographical details of the Directors are set out in "Profiles of Directors and Senior Management" on pages 12 to 15 of this annual report.

The Board held four meetings during the Year. The Board is responsible for the formulation of the Group's business strategies and overall policies, and monitoring the performance of the management. The executive Directors are delegated with the power to execute the business strategies, develop and implement the policies in the daily operation of the Group. The independent non-executive Directors provide their professional advices to the Group whenever necessary. The management, under the leadership of the Board, will be empowered to implement the Group's strategies and business objectives.

Composition of the Board, including names of the independent non-executive Directors, is disclosed in all corporate communications to Shareholders.

All the Directors have full and timely access to all the information and accounts of the Group. The Directors may seek independent professional advice in appropriate circumstances, at the expense of the Company. The Company will, upon request, provide separate independent professional advice to the Directors to assist them to discharge their duties to the Company. The Company has arranged appropriate insurance cover for the Directors.

The attendance of the Directors at the Board meetings and general meetings during the Year are set out below:

Directors	Number of meetings attended/eligible to attend Board	Annual General Meeting	Special General Meeting
Executive Directors			
Mr. Bai Liang	4/4	1/1	1/1
Mr. Jiang You (appointed on 22 January 2013)	0/0	0/0	0/0
Mr. Siu Kam Chau	4/4	1/1	1/1
Mr. Lawrence Tang	4/4	1/1	1/1
Mr. Peng Libin (appointed on 14 January 2013)	0/0	0/0	0/0
Mr. Xue Feng (resigned with effect from 14 January 2013)	4/4	1/1	1/1
Independent non-executive Directors			
Mr. Chan Chi Yuen	4/4	1/1	1/1
Mr. Chik Chi Man	4/4	1/1	1/1
Mr. Yu Chun Fai (appointed on 4 June 2012)	2/2	0/0	1/1
Mr. Lo Chun Nga (retired on 4 June 2012)	2/2	1/1	0/0

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company has arranged a training course conducted by the professional firm in November 2012 relating to the Listing Rules. Mr. Bai Liang, Mr. Lawrence Tang, Mr. Xue Feng, Mr. Chan Chi Yuen and Mr. Chik Chi Man attended this seminar. In addition, Mr. Siu Kam Chau and Mr. Yu Chun Fai also attended relevant seminars arranged by a number of professional firms.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

After the resignation of Mr. Cho Kwai Yee, Kevin as an executive Director and the chief executive officer of the Company, the post of the chief executive officer of the Company was vacant during the year under review and the previous job responsibilities of Mr. Cho were discharged by the executive Directors collectively. The Company has appointed Mr. Jiang You as an executive Director and the chief executive officer of the Company on 22 January 2013.

Mr. Bai Liang, Chairman of the Company, is responsible for the leadership for the Board. While Mr. Jiang You, chief executive officer of the Company, is responsible for the Group's business development and daily management generally.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to rule 3.10 of the Listing Rules, the Company has three independent non-executive Directors, one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received an annual written confirmation of independence from each of the independent non-executive Directors pursuant to rule 3.13 of the Listing Rules. The Company considers that each of the independent non-executive Directors is independent.

During the period from 1 January 2012 to 31 March 2012, none of the independent non-executive Directors was appointed for a specific term but 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.

During the period from 1 April 2012 to 31 December 2012, each of the independent non-executive Directors was appointed for a specific term of one year and is subject to the retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the provisions of the Bye-Laws.

REMUNERATION COMMITTEE

The Board has established a remuneration committee (the "Remuneration Committee") with specific written terms of reference in accordance with the provisions set out in the New CG Code. The principal duties of the Remuneration Committee are to formulate the Company's remuneration policy and recommend remuneration packages for the Directors and senior management to the Board for approval. The Company's remuneration policy is to provide a competitive level of remuneration in accordance with current market conditions to attract and motivate the Directors and staff for their contribution.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Yu Chun Fai (the chairman of the Remuneration Committee), Mr. Chan Chi Yuen and Mr. Chik Chi Man.

The Remuneration Committee held two meetings during the Year. During the Year, the Remuneration Committee reviewed the remuneration policy of the Company, assessed the performance of the executive Directors and senior management and recommended specific remuneration packages of the Directors and senior management to the Board.

The attendance of the members of the Remuneration Committee at the meetings during the Year is set out below:

Committee members	Number of meetings attended/eligible to attend
Mr. Yu Chun Fai (appointed on 4 June 2012)	1/1
Mr. Chan Chi Yuen	2/2
Mr. Chik Chi Man	2/2
Mr. Lo Chun Nga (retired on 4 June 2012)	1/1

NOMINATION COMMITTEE

The Board has established a nomination committee (the "Nomination Committee") with specific written terms of reference in accordance with the provisions set out in the New CG Code. The principal duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board, to make recommendation on proposed changes to the Board, and to assess the independence of the independent non-executive Directors.

The Nomination Committee comprises three independent non-executive Directors, namely Mr. Chik Chi Man (the chairman of the Nomination Committee), Mr. Chan Chi Yuen and Mr. Yu Chun Fai.

The Nomination Committee held one meeting during the Year. During the Year, the Nomination Committee reviewed the structure, size and composition of the Board and the re-election of all the retiring Directors at the forthcoming annual general meeting of the Company.

The attendance of the members of the Nomination Committee at the meeting during the Year is set out below:

Committee members	Number of meeting attended/eligible to attend
Mr. Chik Chi Man	1/1
Mr. Chan Chi Yuen	1/1
Mr. Yu Chun Fai (appointed on 4 June 2012)	1/1
Mr. Lo Chun Nga (retired on 4 June 2012)	0/0

AUDIT COMMITTEE

The Board has established an audit committee (the "Audit Committee") with specific written terms of reference in accordance with the provisions set out in the New CG Code. The principal duties of the Audit Committee is to consider the appointment and remuneration of the external auditors, to monitor the integrity of the Group's financial statements with focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system and internal control procedures.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen (the chairman of the Audit Committee), Mr. Chik Chi Man and Mr. Yu Chun Fai.

The Audit Committee held two meetings during the Year. During the Year, the Audit Committee reviewed the Group's audited financial statements for the year ended 31 December 2011 and the unaudited financial statements for the six months ended 30 June 2012 respectively, discussed audit scope and findings with the Company's independent auditors and reviewed the Group's financial reporting system and internal control procedures.

In the meeting of the Audit Committee of March 2013, the Audit Committee reviewed the Group's audited financial statements for the year ended 31 December 2012 prior to recommending them to the Board for approval.

The attendance of the members of the Audit Committee at the meetings during the Year is set out below:

Committee members	**Number of meetings attended/eligible to attend**
Mr. Chan Chi Yuen	2/2
Mr. Chik Chi Man	2/2
Mr. Yu Chun Fai (appointed on 4 June 2012)	1/1
Mr. Lo Chun Nga (retired on 4 June 2012)	1/1

CORPORATE GOVERNANCE FUNCTION

The Board is collectively responsible for performing the corporate governance duties with written terms of reference which include the applicable code provisions as set out in the New CG Code. During the Year, the Board reviewed the training and continuous professional development of the Directors and senior management of the Company, the Company's compliance with the New CG Code and disclosure in this Corporate Governance Report and the policy on compliance with legal and regulatory requirements.

AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's auditors, HLB Hodgson Impey Cheng Limited, for their audit services and non-audit services for the Year are set out as follows:

	Fees paid/ payable HK$'000
Services rendered	
Audit for the Year	690
Non-audit services	
Review of interim financial information	330
Acting as reporting accountants to report on certain financial information included in the Company's circulars issued during the Year	530
Total	1,550

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group and of the profit and cash flows for the year ended 31 December 2012. The Directors have prepared the financial statements of the Group on a going concern basis, and have selected appropriate accounting policies and applied them consistently, with applicable disclosures required under the Listing Rules and pursuant to the relevant statutory requirements.

The auditors' responsibilities are set out in the Independent Auditors' Report on pages 33 to 34 of this annual report.

The consolidated financial statements for the year ended 31 December 2012 were audited by HLB Hodgson Impey Cheng Limited who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting.

INTERNAL CONTROLS

The Board has the overall responsibility for the internal control of the Group, including risk management, and sets appropriate policies having regard to the objectives of the Group. The Board, through the Audit Committee, reviews the effectiveness of the Group's system of financial and non-financial controls. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Controls are monitored by management review.

COMMUNICATION WITH SHAREHOLDERS

The Company provides information in relation to the Group to the Shareholders in a timely manner through a number of formal channels, including interim and annual reports, announcements and circulars. Such published documents together with the corporate information of the Group are also available on the Company's website.

During the Year, separate resolutions were proposed at the general meetings of the Company for each substantial issue, including the re-election of Directors.

The chairman of the general meetings of the Company explained the procedures for conducting a poll at the beginning of each general meeting of the Company held during the Year. The results of the poll were published on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively.

COMPANY SECRETARY

The Company Secretary is an employee of the Group and has day-to-day knowledge of the Group's affairs. During the Year, the Company Secretary has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene a general meeting

1. The Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times may by written requisition deposit at the Company's head office at Room 509, 5th Floor, Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong, for the attention to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

2. The written requisition must state the purposes of the meeting, and must be signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

3. The signatures and the requisition will be verified by the Company's branch share registrar. The Board will proceed to convene a special general meeting for the transaction of any business specified in the requisition within twenty-one days from the date of deposit of such requisition.

4. If the Board does not within twenty-one days from the date of the deposit of a valid requisition, proceed duly to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. In addition, such meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

Shareholders' Enquiries

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Tricor Tengis Limited.

Shareholders may send written enquiries to the Company, for the attention of the Board or the Company Secretary, by email: info@chinagogreen.com.hk/contact@junyangsolar.com, fax: (852) 2212 1117, or mail to Room 509, 5th Floor, Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong. Shareholders may call the Company at (852) 2212 1100 for any assistance.

Procedures for Shareholders to put forward proposals

1. The Shareholders holding not less than one-twentieth of the total voting rights of those Shareholders having the right to vote at such meeting or not less than one hundred Shareholders, at the expenses of the Shareholders concerned, can submit a written requisition to move a resolution at a general meeting.

2. The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution, signed by all the Shareholders concerned and may consist of several documents in like form (which between them contain the signatures of all the Shareholders concerned).

3. The written requisition must be deposited at Room 509, 5th Floor, Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong, the head office of the Company, for the attention of the Board or the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution and not less than one week in the case of any other requisition.

4. The signatures and the requisition will be verified by the Company's branch share registrar. Upon verification that the request is valid, the Company Secretary will ask the Board to (i) include the resolution in the agenda for the annual general meeting; or (ii) convene a special general meeting by serving sufficient notice in accordance with the statutory requirements to all the Shareholders, provided that the Shareholders concerned have deposited a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
JUN YANG SOLAR POWER INVESTMENTS LIMITED (FORMERLY KNOWN AS CHINA GOGREEN ASSETS INVESTMENT LIMITED)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 117, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Chartered Accountants
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 27 March 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012 HK$'000**	2011 HK$'000
Gross proceeds from operations	8	**523,507**	272,782
Revenue	8	**17,659**	92,775
Cost of sales		**(2,247)**	(94,974)
Gross profit/(loss)		**15,412**	(2,199)
Other income and gains	10	**4,043**	5,107
Employee benefits expense		**(12,234)**	(7,160)
Depreciation of property, plant and equipment	19	**(60,024)**	(16,668)
Loss arising on change in fair value of held-for-trading investments		**(176,113)**	(382,658)
Gain arising on change in fair value of derivative financial instruments		**663**	–
Gain on disposals of subsidiaries	40	**29,147**	–
Impairment loss of property, plant and equipment	19	**(315,193)**	(59,761)
Impairment loss of value-added tax recoverable		**–**	(75,286)
Gain arising on change in fair value of investment properties	20	**23,100**	9,400
Write-down of inventories		**(2,400)**	(19,000)
Selling and distribution expenses		**(1,186)**	(2,499)
Finance costs	11	**(9,432)**	(8,254)
Other operating expenses		**(35,740)**	(37,107)
Impairment loss of interests in associates	23	**(28,567)**	–
Share of results of associates	23	**10,372**	(1,375)
Loss before tax		**(558,152)**	(597,460)
Income tax expense	12	**(336)**	(1,687)
Loss for the year	14	**(558,488)**	(599,147)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012 HK$'000**	2011 HK$'000
Other comprehensive (expense)/income			
Exchange differences on translating foreign operations		**5,139**	19,457
Release of translation reserve upon disposals of subsidiaries		**(25,976)**	–
Other comprehensive (expense)/income for the year, net of income tax		**(20,837)**	19,457
Total comprehensive expense for the year		**(579,325)**	(579,690)
Loss for the year attributable to:			
Owners of the Company	17	**(418,000)**	(522,537)
Non-controlling interests		**(140,488)**	(76,610)
		(558,488)	(599,147)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(437,823)**	(504,818)
Non-controlling interests		**(141,502)**	(74,872)
		(579,325)	(579,690)
Loss per share			
– Basic (HK cents per share)	18	**(6.63)**	(7.56)
– Diluted (HK cents per share)	18	**(6.63)**	(7.56)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment	19	**444,964**	719,805
Investment properties	20	**121,000**	97,900
Goodwill	21	**3,077**	2,941
Interests in associates	23	**8,178**	13,873
Available-for-sale investments	24	**11,723**	–
		588,942	834,519
Current assets			
Inventories	26	**–**	11,190
Trade and other receivables	27	**21,218**	33,037
Loans receivable	28	**67,300**	–
Value-added tax recoverable		**24,709**	14,312
Amount due from an associate	23	**67,022**	104,138
Held-for-trading investments	29	**286,982**	594,380
Derivative financial instruments	30	**940**	–
Tax recoverable		**75**	–
Bank balances and cash	31	**260,411**	146,272
		728,657	903,329
Assets classified as held for sale	13	**–**	52,500
		728,657	955,829
Current liabilities			
Trade and other payables	32	**248,985**	99,709
Amounts due to non-controlling interests	25	**–**	42,700
Amount payable for acquisition of property, plant and equipment		**–**	182,634
Tax payable		**–**	1,543
Derivative financial instruments	30	**301**	–
Bank borrowings	33	**–**	36,600
		249,286	363,186
Net current assets		**479,371**	592,643
Total assets less current liabilities		**1,068,313**	1,427,162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	**2012 HK$'000**	2011 HK$'000
Non-current liabilities			
Deferred income	34	**143,579**	5,819
Bank borrowings	33	**–**	79,300
		143,579	85,119
Net assets		**924,734**	1,342,043
Capital and reserves			
Share capital	35	**126,180**	126,180
Reserves		**698,008**	1,151,387
Equity attributable to owners of the Company		**824,188**	1,277,567
Non-controlling interests		**100,546**	64,476
Total equity		**924,734**	1,342,043

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2013 and are signed on its behalf by:

Bai Liang
Director

Siu Kam Chau
Director

STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment	19	**1,289**	–
Interests in subsidiaries	22	**148,167**	125
Interest in an associate	23	**8,178**	13,873
		157,634	13,998
Current assets			
Amounts due from subsidiaries	22	**444,823**	796,290
Amount due from an associate	23	**67,022**	104,138
Other receivables	27	**800**	5,421
Held-for-trading investments	29	**51,615**	382,915
Bank balances and cash	31	**70,245**	20,318
		634,505	1,309,082
Current liabilities			
Other payables	32	**1,815**	1,485
Derivative financial instruments	30	**14**	–
		1,829	1,485
Net current assets		**632,676**	1,307,597
Net assets		**790,310**	1,321,595
Capital and reserves			
Share capital	35	**126,180**	126,180
Reserves	38	**664,130**	1,195,415
		790,310	1,321,595

Bai Liang
Director

Siu Kam Chau
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Attributable to owners of the Company								Attributable to non-controlling interests	Total
	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Translation reserve	Share-based payments reserve	Retained earnings/ (accumulated losses)	Sub total		
	HK$'000	HK$'000	HK$'000	HK$'000 (Note (i))	HK$'000 (Note (ii))	HK$'000 (Note (iii))	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2011	136,155	1,194,328	861	311,790	8,673	34,485	132,371	1,818,663	139,306	1,957,969
Total comprehensive expense for the year	–	–	–	–	17,719	–	(522,537)	(504,818)	(74,872)	(579,690)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	42	42
Lapse of share option previously recognised in share-based payments	–	–	–	–	–	(7,041)	7,041	–	–	–
Issue of new shares by way of placements	4,000	26,000	–	–	–	–	–	30,000	–	30,000
Repurchase of shares	(13,975)	(52,303)	–	–	–	–	–	(66,278)	–	(66,278)
At 31 December 2011	126,180	1,168,025	861	311,790	26,392	27,444	(383,125)	1,277,567	64,476	1,342,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Capital redemption reserve**	**Contributed surplus**	**Translation reserve**	**Share-based payments reserve**	**Accumulated losses**	**Sub total**	**Attributable to non-controlling interests**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000 (Note (i))	HK$'000 (Note (ii))	HK$'000 (Note (iii))	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2012	126,180	1,168,025	861	311,790	26,392	27,444	(383,125)	1,277,567	64,476	1,342,043
Total comprehensive expense for the year	–	–	–	–	(19,823)	–	(418,000)	(437,823)	(141,502)	(579,325)
Lapse of share option previously recognised in share-based payments	–	–	–	–	–	(16,268)	16,268	–	–	–
Disposals of subsidiaries	–	–	–	–	–	–	–	–	75,269	75,269
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	86,747	86,747
Changes in ownership interest in a subsidiary without loss of control	–	–	–	–	–	–	(15,556)	(15,556)	15,556	–
At 31 December 2012	**126,180**	**1,168,025**	**861**	**311,790**	**6,569**	**11,176**	**(800,413)**	**824,188**	**100,546**	**924,734**

Notes:

(i) The contributed surplus represents reserves arising from (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the corporate reorganisation prior to the listing of the Company's shares on the Stock Exchange in 1993; and (ii) the Company's capital reorganisation exercises in current and prior financial years. Under the Companies Act of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

(ii) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

(iii) The share-based payments reserve relates to share options granted to employees and service providers under the Company's share option scheme and other agreement. Further information about share-based payments to employees and service providers is set out in Note 37.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	2012 HK$'000	2011 HK$'000
Operating activities		
Loss for the year	**(558,488)**	(599,147)
Adjustments for:		
Income tax expense	**336**	1,687
Gain on disposals of subsidiaries	**(29,147)**	–
Gain on disposal of assets classified as held for sale	**(2,000)**	–
Gain arising on change in fair value of investment properties	**(23,100)**	(9,400)
Gain arising on change in fair value of derivative financial instruments	**(663)**	–
Loss arising on change in fair value of held-for-trading investments	**176,113**	382,658
Loss on disposal of property, plant and equipment	**19**	5
Finance costs	**9,432**	8,254
Interest income	**(495)**	(778)
Depreciation of property, plant and equipment	**60,024**	64,877
Share of results of associates	**(10,372)**	1,375
Impairment loss of interests in associates	**28,567**	–
Impairment loss of property, plant and equipment	**315,193**	59,761
Impairment loss of value-added tax recoverable	**–**	75,286
Write-down of inventories	**2,400**	19,000
Operating cash flows before movements in working capital	**(32,181)**	3,578
Inventories	**2,804**	2,791
Trade and other receivables	**10,693**	8,418
Loans receivable	**(67,300)**	–
Value-added tax recoverable	**(17,846)**	(6,049)
Held-for-trading investments	**131,285**	(245,565)
Derivative financial instruments	**24**	–
Trade and other payables	**89,045**	32,828
Deferred income	**–**	5,819
Cash generated from/(used in) operations	**116,524**	(198,180)
Income tax paid	**(1,966)**	(432)
Net cash generated from/(used in) operating activities	**114,558**	(198,612)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
Investing activities			
Interest received		**495**	778
Purchase of available-for-sale investments		**(11,723)**	–
Proceeds from disposal of an investment property		**54,500**	–
Payments for property, plant and equipment		**(118,501)**	(309,806)
Payment for an investment property		**–**	(52,500)
Proceeds from disposal of property, plant and equipment		**8**	–
Net cash outflow on acquisition of a subsidiary	39	**(150)**	(7,008)
Repayment from an associate		**37,116**	19,410
Advance to an associate		**(12,500)**	–
Net cash inflow on disposals of subsidiaries	40	**49,903**	–
Net cash used in investing activities		**(852)**	(349,126)
Financing activities			
Interest paid		**(9,432)**	(8,254)
Proceeds from issue of shares		**–**	30,000
Capital contribution from non-controlling interests		**86,747**	–
Payments for repurchase of shares		**–**	(66,278)
Advance from non-controlling interests		**6,017**	19,100
Advance from bank borrowings		**40,000**	122,000
Repayment of bank borrowings		**(122,185)**	(6,100)
Net cash generated from financing activities		**1,147**	90,468
Net increase/(decrease) in cash and cash equivalents		**114,853**	(457,270)
Cash and cash equivalents at beginning of the year		**146,272**	601,497
Effect of foreign exchange rate changes		**(714)**	2,045
Cash and cash equivalents at end of the year		**260,411**	146,272
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**260,411**	146,272

1. GENERAL

Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 October 1993. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, and its head office and principal place of business in Hong Kong is situated at Room 509, 5th Floor, Town Health Technology Centre, 10 – 12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), while the functional currencies of certain subsidiaries are presented in Renminbi ("RMB"). The Company has selected Hong Kong dollars as its presentation currency as the management considered it is more beneficial to the user of the consolidated financial statements.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment.

Pursuant to the special resolution passed by the shareholders at the special general meeting of the Company held on 4 March 2013, the English name of the Company was changed from "China Gogreen Assets Investment Limited" to "Jun Yang Solar Power Investments Limited" and the adoption of the Chinese name "君陽太陽能電力投資有限公司" as the Company's secondary name to replace the existing Chinese name "中國保綠資產投資有限公司" with effect from 21 March 2013.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets

In prior year, the Group early adopted the Amendments to HKAS 12 "*Deferred Taxes: Recovery of Underlying Assets*" in respect of the recognition of deferred tax on investment properties that are measured using the fair value model in accordance with HKAS 40 "*Investment Property*" and are presumed to be recovered through sale.

The application of the revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
Amendments to HKFRS 1	Government Loans[2]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Libailities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2012.

[2] Effective for annual periods beginning on or after 1 January 2013.

[3] Effective for annual periods beginning on or after 1 January 2014.

[4] Effective for annual periods beginning on or after 1 January 2015.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs in issue but not yet effective *(Continued)*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "*Financial Instruments: Recognition and Measurement*" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs in issue but not yet effective *(Continued)*

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "*Consolidated and Separate Financial Statements*" that deal with consolidated financial statements. HK (SIC) – Int 12 "*Consolidation – Special Purpose Entities*" will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "*Interests in Joint Ventures*". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 "*Jointly Controlled Entities – Non-monetary Contributions by Venturers*" will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted provided that all of these standards are applied at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have a significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs in issue but not yet effective *(Continued)*

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "*Financial Instruments: Disclosures*" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

Other than as described above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material effect on the Group's financial performance and position and/or on the disclosures set out in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the 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 (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income and expense of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "*Financial Instruments: Recognition and Measurement*" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "*Income Taxes*" and HKAS 19 "*Employee Benefits*" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "*Share-based Payment*" at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" are measured in accordance with that standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill *(Continued)*

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "*Impairment of Assets*" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interests in associates *(Continued)*

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

For non-current assets (and disposal groups) classified as held for sale, they are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business and net of discounts and sales related taxes.

Property rental income from operating lease is recognised on a straight-line basis over the terms of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from the sales of electricity is recognised when electricity has been delivered on grid and is measured based on the tariff rates determined by the relevant local government authority.

Revenue from sales of products is recognised on the transfer of risks and rewards of ownership which generally coincide with the time when goods are delivered and title has passed.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset and interest income on loans are recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on acquisitions of foreign operations are treated as assets and liabilities of foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

The fair value of employee services received in a share-based payment transaction is determined by reference to the fair value of share options at the grant date. The fair value of employee services is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payments reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserve.

When the share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained earnings.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of tangible and intangible assets other than goodwill *(Continued)*

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and interests paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets classified as at FVTPL include financial assets held for trading on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at FVTPL *(Continued)*

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "*Financial Instruments: Recognition and Measurement*" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment of financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loans receivable, amount due from an associate and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "*Financial Instruments: Recognition and Measurement*" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL *(Continued)*

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the consolidated statement of comprehensive income.

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to non-controlling interests, amount payable for acquisition of property, plant and equipment and bank borrowings) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original and modified terms of a debt instrument.

Financial guarantee contracts issued by the Group and not designated as at FVTPL are initially measured at their fair values less transaction costs that are directly attributable to the issue of the financial guarantee contracts and are subsequently measured at the higher of:

- the amount of obligation under the contract, as determined in accordance with HKAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*"; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment loss on property, plant and equipment

Property, plant and equipment of the Group are reviewed by management for possible impairment when events or changes in operating environment indicate that the carrying amounts of such assets may not be fully recoverable. In determining the recoverable amounts of these assets, expected cash flows to be generated by the assets are discounted to their present value, which involves significant level of estimates relating to sales volume, selling prices and manufacturing and other operating costs. When a decline in an asset's recoverable amount has occurred, the carrying amount is reduced to its estimated recoverable amount.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Impairment loss on trade and other receivables

The policy for allowance for bad and doubtful debts of the Group is based on the evaluation of collectability of accounts and on management's estimate. In determining whether impairment is required, the Group takes into consideration the likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and the carrying value.

Impairment loss and net realisable value of inventories

Inventories of the Group are carried at the lower of cost and net realisable value. Management conducts assessments on the net realisable value of inventories by reference to their age, obsolescence, estimated net selling price and other economic conditions of the markets in which the Group's customers operate. If the actual selling prices of inventories are substantially less than that expected due to an adverse market condition or other factors, impairment loss on inventories may result.

Impairment allowances on loans receivable

The Group reviews its loan portfolios to assess impairment at least on monthly basis. In determining whether an impairment loss should be recorded in the consolidated statement of comprehensive income, the Group make judgements as to whether there is any observable data indicating that there is a measuring decrease in the estimated future cash flows. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group.

Management uses estimates based on historical loss experience when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt (which includes bank borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

Net debt-to-equity ratio

The Group reviews the capital structure on a semi-annual basis and considers the cost of capital and the risks associated with each class of capital.

The net debt-to-equity ratio at the end of the reporting period was as follows:

	2012 **HK$'000**	2011 HK$'000
Debt (Note (i))	**–**	115,900
Cash and cash equivalents	**(260,411)**	(146,272)
Net debt	**(260,411)**	(30,372)
Equity (Note (ii))	**824,188**	1,277,567
Net debt-to-equity ratio	**N/A**	N/A

Notes:

(i) Debt comprised bank borrowings as detailed in Note 33.

(ii) Equity includes all capital and reserves attributable to owners of the Company.

6. CATEGORIES OF FINANCIAL INSTRUMENTS

	2012 HK$'000	2011 HK$'000
Financial assets		
Loans and receivables:		
– Trade and other receivables	**20,070**	30,953
– Loans receivable	**67,300**	–
– Amount due from an associate	**67,022**	104,138
– Bank balances and cash	**260,411**	146,272
Fair value through profit or loss:		
– Held-for-trading investments	**286,982**	594,380
– Derivative financial instruments	**940**	–
Available-for-sale investments	**11,723**	–
Financial liabilities		
Amortised cost:		
– Trade and other payables	**239,760**	99,709
– Amounts due to non-controlling interests	**–**	42,700
– Amount payable for acquisition of property, plant and equipment	**–**	182,634
– Bank borrowings	**–**	115,900
Fair value through profit or loss:		
– Derivative financial instruments	**301**	–

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include available-for-sale investments, trade and other receivables, loans receivable, amount due from an associate, bank balances and cash, held-for-trading investments, derivative financial instruments, trade and other payables, amounts due to non-controlling interests, amount payable for acquisition of property, plant and equipment and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Market risk

The Group's activities expose it to market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

(i) *Foreign currency risk*

The Group operates mainly in Hong Kong and Mainland China and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The directors consider that the currency risk is not significant and the Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) *Interest rate risk*

The Group's cash flow interest rate risk relates primarily to variable-rate bank deposits and bank borrowings. It is the Group's policy to keep its borrowings at floating interest rate so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of bank deposit interest rate arising from the Group's variable-rate bank deposits and on the fluctuation of lending rate arising from the Group's Renminbi ("RMB") denominated borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been prepared based on the exposure to interest rates for derivative and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis points (2011: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rate.

If interest rates had been 50 basis points (2011: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2012 would decrease/increase by approximately HK$208,000 (2011: increase/decrease by approximately HK$236,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits (2011: its variable-rate bank deposits and borrowings).

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk *(Continued)*

(iii) Price risk

The Group's held-for-trading investments and derivative financial instruments are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk of held-for-trading investments at the end of the reporting period.

If the prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2012 would decrease/increase by approximately HK$12,008,000 (2011: decrease/increase by approximately HK$24,815,000) as a result of the changes in fair value of held-for-trading investments.

Credit risk

At 31 December 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For the loans receivable, prior to the lending of loan, the Group will review the financial strength, purpose of the borrowing, repayment ability of the borrower to ensure that the borrower has sound financial repayment ability. The Group assesses the credit profiles of each individual debtors by analysing many factors that influence the default probability, including (but not limited to) the counterparty's financial profile, business prospects and management, macroeconomic development, industrial and sovereign risk, and historical performance. The Group also meets quarterly and reviews from time to time the financial conditions of the borrowers or the guarantors.

Further quantitative data in respect of the Group's exposure to credit risk arising from loans receivable are disclosed in Note 28 to the financial statements.

Other than above, the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong and Mainland China, which accounted for 100% (2011: 100%) of the total trade receivables and loans receivable as at 31 December 2012. The Group has no significant concentration of credit risk by customers, with exposure spread over a number of counterparties and customers.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At 31 December 2012, the Group did not have any bank borrowings (2011: approximately HK$115,900,000).

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or less than 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
At 31 December 2012						
Non-derivative financial liabilities						
Trade and other payables	**239,760**	**–**	**–**	**–**	**239,760**	**239,760**
At 31 December 2011						
Non-derivative financial liabilities						
Trade and other payables	99,709	–	–	–	99,709	99,709
Amounts due to non-controlling interests	42,700	–	–	–	42,700	42,700
Amount payable for acquisition of property, plant and equipment	182,634	–	–	–	182,634	182,634
Bank borrowings	36,600	79,300	–	–	115,900	115,900
	361,643	79,300	–	–	440,943	440,943

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

Fair value of financial instruments *(Continued)*

	At 31 December 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Financial assets				
Derivative financial instruments	**940**	**–**	**–**	**940**
Held-for-trading investments	**286,982**	**–**	**–**	**286,982**
Available-for-sale investments	**–**	**–**	**11,723**	**11,723**
Financial liabilities				
Derivative financial instruments	**301**	**–**	**–**	**301**

	At 31 December 2011			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets				
Held-for-trading investments	594,380	–	–	594,380
Financial liabilities				
Derivative financial instruments	–	–	–	–

There were no transfers between Levels 1 and 2 in both years.

8. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

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

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 revenue and gross proceeds from operations for the year is as follows:

	2012 HK$'000	2011 HK$'000
Revenue – rental income from investment properties	**2,849**	2,440
Revenue – sales of silicon based thin-film solar photovoltaic modules	**835**	72,335
Revenue – income from the provision of green energy related consultancy services	**9,065**	18,000
Revenue – income from sales of electricity	**4,315**	–
Revenue – interest income from loan financing	**595**	–
	17,659	92,775
Gross proceeds from securities trading and investments	**505,848**	180,007
Gross proceeds from operations	**523,507**	272,782

9. SEGMENT INFORMATION

Application of HKFRS 8 Operating Segments

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of allocating resources to segments and assessing their performance.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- Assets investment segment – Investment in listed and unlisted securities and investment properties;
- Green energy segment – Production of silicon based thin-film solar photovoltaic modules, provision of green energy related consultancy services and sales of electricity in the People's Republic of China (the "PRC"); and
- Money lending segment – Provision of loan financing in Hong Kong.

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

REVENUE AND RESULTS	Assets investment segment		Green energy segment		Money lending segment		Total	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000	**2012 HK$'000**	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Gross proceeds from operations	**508,697**	182,447	**14,215**	90,335	**595**	–	**523,507**	272,782
Revenue								
Segment revenue	**2,849**	2,440	**14,215**	90,335	**595**	–	**17,659**	92,775
Results								
Segment results	**(152,570)**	(375,151)	**(390,469)**	(207,585)	**649**	–	**(542,390)**	(582,736)
Unallocated income							**495**	778
Unallocated corporate expenses							**(17,777)**	(5,873)
Gain on disposals of subsidiaries							**29,147**	–
Finance costs							**(9,432)**	(8,254)
Impairment loss of interests in associates							**(28,567)**	–
Share of results of associates							**10,372**	(1,375)
Loss before tax							**(558,152)**	(597,460)
Income tax expense							**(336)**	(1,687)
Loss for the year							**(558,488)**	(599,147)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 December 2012 (2011: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit/(loss) represents the profit/(loss) earned or generated by each segment without allocation of central administration costs including directors' emoluments, share of results of associates, other income and gains, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

9. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

	2012 HK$'000	2011 HK$'000
Segment assets		
Assets investment segment	**489,786**	800,884
Green energy segment	**486,398**	772,175
Money lending segment	**68,045**	–
Total segment assets	**1,044,229**	1,573,059
Unallocated assets	**273,370**	217,289
Consolidated total assets	**1,317,599**	1,790,348
Segment liabilities		
Assets investment segment	**2,705**	2,357
Green energy segment	**390,148**	328,408
Money lending segment	**1**	–
Total segment liabilities	**392,854**	330,765
Unallocated liabilities	**11**	117,540
Consolidated total liabilities	**392,865**	448,305

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than current tax recoverable, bank balances and cash and interests in associates; and
- all liabilities are allocated to operating segments other than bank borrowings and current tax payable.

9. SEGMENT INFORMATION *(Continued)*

OTHER SEGMENT INFORMATION	Assets investment segment		Green energy segment		Money lending segment		Total	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000	**2012 HK$'000**	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
Capital addition (excluding goodwill)	**1,388**	–	**254,873**	189,362	**-**	–	**256,261**	189,362
Addition of goodwill	**-**	–	**-**	–	**136**	–	**136**	–
Gain arising on change in fair value of investment properties	**(23,100)**	(9,400)	**-**	–	**-**	–	**(23,100)**	(9,400)
Loss arising on change in fair value of held-for-trading investments	**176,113**	382,658	**-**	–	**-**	–	**176,113**	382,658
Gain arising on change in fair value of derivative financial instruments	**(663)**	–	**-**	–	**-**	–	**(663)**	–
Depreciation of property, plant and equipment	**99**	–	**59,925**	64,877	**-**	–	**60,024**	64,877

Geographical information

The Group operates in two principal geographical areas – the PRC and Hong Kong.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
PRC	**14,215**	90,335	**446,252**	722,677
Hong Kong	**3,444**	2,440	**134,512**	97,969
	17,659	92,775	**580,764**	820,646

Non-current assets excluding interests in associates.

Information about major customers

For the year ended 31 December 2012, there was one customer with revenue of approximately HK$9,065,000 which accounted for more than 10% of the total revenue related to green energy segment.

For the year ended 31 December 2011, there were three customers with revenue of approximately HK$42,838,000, HK$28,359,000 and HK$18,000,000 respectively which accounted for more than 10% of the total revenue related to green energy segment.

10. OTHER INCOME AND GAINS

	2012 HK$'000	2011 HK$'000
Interest income on bank deposits	**495**	778
Government grant (Note 34)	**901**	4,271
Gain on disposal of assets classified as held for sale	**2,000**	–
Sundry income	**647**	58
	4,043	5,107

Note: The government grant represented the amount received from the local government by operating subsidiaries of the Group to encourage activities carried out by the Group in green energy business. No specific conditions are attached to the grant.

11. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest on:		
– Bank borrowings wholly repayable within five years	**6,917**	5,624
– Amounts due to non-controlling interests	**2,515**	2,630
	9,432	8,254

12. INCOME TAX EXPENSE

	2012 **HK$'000**	2011 HK$'000
Current tax:		
– Hong Kong Profits Tax	**321**	219
– PRC Enterprise Income Tax	**55**	1,468
– Over provision in prior years	**(40)**	–
Total income tax recognised in profit or loss	**336**	1,687

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both current and prior years.

The tax charge for the year can be reconciled to loss before tax per the consolidated statement of comprehensive income as follows:

	2012 **HK$'000**	2011 HK$'000
Loss before tax	**(558,152)**	(597,460)
Tax at the Hong Kong profits tax rate of 16.5%	**(92,095)**	(98,581)
Tax effect of expenses not deductible for tax purpose	**106,958**	104,791
Tax effect of income not taxable for tax purpose	**(5,021)**	(2,373)
Effect of different tax rates of subsidiaries operating in other countries	**(33,732)**	(4,802)
Over provision in prior years	**(40)**	–
Tax effect of tax losses not recognised	**24,266**	2,652
Income tax expense for the year	**336**	1,687

13. ASSETS CLASSIFIED AS HELD FOR SALE

	2012 HK$'000	2011 HK$'000
Investment property (Note (i))	–	52,500

Note:

(i) The fair value of the Group's investment property at 31 December 2011 had been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuer not connected to the Group. The independent qualified professional valuer is member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of properties in the relevant locations. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was carried at by reference to market evidence of transaction prices for similar properties.

14. LOSS FOR THE YEAR

	2012 HK$'000	2011 HK$'000
Loss for the year has been arrived at after charging/(crediting):		
Staff costs:		
– Directors' emoluments (Note 15)	3,654	2,492
– Other staff costs	8,498	4,629
– Other staff retirement benefits scheme contributions	82	39
	12,234	7,160
Dividend income from listed securities	(4,537)	(2,338)
Cost of inventories recognised as an expense	2,247	94,974
Depreciation of property, plant and equipment	60,024	16,668
Loss on disposal of property, plant and equipment	19	5
Auditors' remuneration	1,020	624
Operating lease rentals in respect of land and buildings	2,348	1,749
Net foreign exchange loss	527	4,529

15. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to every director of the Company were as follows:

For the year ended 31 December 2012	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
Executive directors					
Mr. Bai Liang	–	341	–	–	341
Mr. Lawrence Tang	–	647	54	14	715
Mr. Xue Feng	–	173	–	–	173
Mr. Siu Kam Chau	–	2,030	169	14	2,213
Independent non-executive directors					
Mr. Chan Chi Yuen	96	–	–	–	96
Mr. Chik Chi Man	58	–	–	–	58
Mr. Yu Chun Fai (appointed on 4 June 2012)	33	–	–	–	33
Mr. Lo Chun Nga (retired on 4 June 2012)	25	–	–	–	25
	212	3,191	223	28	3,654

15. DIRECTORS' EMOLUMENTS *(Continued)*

For the year ended 31 December 2011	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
Executive directors					
Mr. Bai Liang	–	240	–	–	240
Mr. Lawrence Tang	–	468	36	12	516
Mr. Xue Feng	–	182	–	–	182
Mr. Siu Kam Chau (appointed on 10 October 2011)	–	439	162	3	604
Mr. Cho Kwai Yee, Kevin (resigned with effect from 1 November 2011)	–	652	–	10	662
Mr. Liu Wenmao (retired on 24 May 2011)	–	76	–	–	76
Independent non-executive directors					
Mr. Chan Chi Yuen	96	–	–	–	96
Mr. Lo Chun Nga	58	–	–	–	58
Mr. Chik Chi Man	58	–	–	–	58
	212	2,057	198	25	2,492

16. EMPLOYEES' EMOLUMENTS

The emoluments of the five individuals with the highest emoluments of the Group were as follows:

	2012 HK$'000	2011 HK$'000
Salaries and other benefits	**4,785**	2,660
Performance bonus	**306**	347
Contributions to retirement benefits scheme	**67**	49
	5,158	3,056

16. EMPLOYEES' EMOLUMENTS *(Continued)*

Their emoluments fell within the following bands:

	2012 **HK$'000**	2011 HK$'000
Nil – HK$1,000,000	**3**	5
HK$1,000,001 – HK$1,500,000	**1**	–
HK$1,500,001 – HK$2,000,000	**–**	–
HK$2,000,001 – HK$2,500,000	**1**	–
HK$2,500,001 – HK$3,000,000	**–**	–
HK$3,000,001 – HK$3,500,000	**–**	–
HK$3,500,001 – HK$4,000,000	**–**	–
	5	5

During the years ended 31 December 2012 and 2011, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

17. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company includes loss of approximately HK$531,285,000 (2011: HK$495,682,000) which has been dealt with in the financial statements of the Company.

18. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company for the year ended 31 December 2012 of approximately HK$418,000,000 (2011: HK$522,537,000) by the weighted average number of 6,308,982,430 (2011: 6,914,648,746) ordinary shares in issue during the year.

Diluted

The computation of diluted loss per share for the years ended 31 December 2011 and 2012 did not assume the exercise of the Company's share options outstanding during the years ended 31 December 2011 and 2012 as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

19. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1 January 2011	12,498	635,695	1,114	672	1,826	–	651,805
Additions	5,476	493	734	131	1,639	167,547	176,020
Acquisition of a subsidiary	–	–	55	1	491	13,065	13,612
Disposals	–	(6)	–	–	–	–	(6)
Exchange realignment	515	19,098	50	25	97	217	20,002
At 31 December 2011	18,489	655,280	1,953	829	4,053	180,829	861,433
Additions	318	–	1,562	25	271	254,085	256,261
Disposals of subsidiaries	(18,640)	(655,110)	(1,352)	(429)	(1,330)	(958)	(677,819)
Disposals	–	–	(32)	(11)	–	–	(43)
Transferred from construction in progress	–	173,961	–	–	–	(173,961)	–
Exchange realignment	152	5,269	15	7	34	1,295	6,772
At 31 December 2012	319	179,400	2,146	421	3,028	261,290	446,604
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2011	293	13,979	52	13	88	–	14,425
Provided for the year	1,165	62,741	351	134	486	–	64,877
Impairment provided for the year	–	59,761	–	–	–	–	59,761
Eliminated on disposals	–	(1)	–	–	–	–	(1)
Exchange realignment	29	2,515	8	3	11	–	2,566
At 31 December 2011	1,487	138,995	411	150	585	–	141,628
Provided for the year	1,543	57,210	488	186	597	–	60,024
Disposals of subsidiaries	(3,019)	(511,746)	(617)	(172)	(542)	–	(516,096)
Impairment provided for the year	–	315,193	–	–	–	–	315,193
Eliminated on disposals	–	–	(12)	(4)	–	–	(16)
Exchange realignment	18	875	5	2	7	–	907
At 31 December 2012	29	527	275	162	647	–	1,640
CARRYING AMOUNTS							
At 31 December 2012	**290**	**178,873**	**1,871**	**259**	**2,381**	**261,290**	**444,964**
At 31 December 2011	17,002	516,285	1,542	679	3,468	180,829	719,805

19. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Company	**Office equipment HK$'000**
COST	
At 1 January 2011 and 31 December 2011	–
Additions	1,388
At 31 December 2012	1,388
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 January 2011 and 31 December 2011	–
Provided for the year	99
At 31 December 2012	99
CARRYING AMOUNTS	
At 31 December 2012	**1,289**
At 31 December 2011	–

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	:	10% to 20%
Plant, machinery and equipment	:	10% to 20%
Office equipment	:	10% to 40%
Furniture and fixtures	:	10% to 40%
Motor vehicles	:	20%

At 31 December 2011, depreciation of property, plant and equipment of approximately HK$48,209,000 was included in cost of inventories.

Impairment losses recognised in the current year
During the year ended 31 December 2012, the Group carried out a review of the recoverable amount of the manufacturing plants and the related equipment. These assets are used in the Group's green energy reportable segment. The review led to the recognition of an impairment loss of approximately HK$315,193,000 (2011: HK$59,761,000), which has been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of market approach.

The valuation was carried out by an independent professional valuer.

Assets pledged as security
At 31 December 2011, property, plant and equipment with a carrying amount of approximately HK$554,730,000 was pledged to secure a bank loan granted by a bank to the Group amounting to approximately HK$115,900,000 (Note 33).

20. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2011	88,500
Addition	52,500
Transfer to assets classified as held for sale	(52,500)
Gain arising on change in fair value	9,400
At 31 December 2011	97,900
Gain arising on change in fair value	23,100
At 31 December 2012	**121,000**

The Group's property interest held under operating lease to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2012 and 2011 have been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuer not connected with the Group. Messrs DTZ are members of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was arrived at by reference to market evidence of transaction prices for similar properties.

The carrying amounts of investment properties shown above comprises:

	2012 **HK$'000**	2011 HK$'000
Land in Hong Kong		
Medium-term lease	**121,000**	97,900

21. GOODWILL

	HK$'000
COST	
At 1 January 2011	509
Acquisition of GS-Solar (Qinghai) Company Limited (Note 39(b))	2,941
At 31 December 2011	3,450
Acquisition of E Finance Limited (Note 39(a))	136
At 31 December 2012	3,586
IMPAIRMENT	
At 1 January 2011, 31 December 2011 and 31 December 2012	509
CARRYING AMOUNTS	
At 31 December 2012	**3,077**
At 31 December 2011	2,941

Impairment testing on goodwill

(a) For the purposes of impairment testing at 31 December 2012, goodwill has been allocated to two cash-generating units ("CGUs") representing (i) the operating activities of GS-Solar (Qinghai) Company Limited (the "GS-Solar") which are construction and operation of 10 megawatt grid-connected silicon based thin-film solar photovaltaic power plant in Golmud, Qinghai Province, the PRC; and (ii) the operating activity of E Finance Limited ("E Finance") which is money lending business.

The recoverable amount of the CGUs were determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by the management. Cash flows beyond five-year period are extrapolated using growth rate of 3.60% for GS-Solar and 3.00% for E Finance. The cash flow projections of GS-Solar and E Finance are discounted at pre-tax discount rates of 14.41% and 8.96% per annum respectively which reflect the specific risks relating to these CGUs.

The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and managements' expectations for the market development.

21. GOODWILL *(Continued)*

Impairment testing on goodwill *(Continued)*

(b) For the purpose of impairment testing at 31 December 2011, goodwill has been allocated to a CGU representing the operating activities of GS-Solar which are construction and operation of 10 megawatt grid-connected silicon based thin-film solar photovoltaic power plant in Golmud, Qinghai Province, the PRC.

The recoverable amount of the CGU was determined based on value-in-use calculation using a cash flow projection based on financial budgets covering a five-year period approved by the management. Cash flows beyond five-year period is extrapolated using consumer price inflation. The cash flow projection of the GS-Solar is discounted at pre-tax discount rates of 16.41% per annum which reflects the specific risks relating to these CGU.

The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and managements' expectations for the market development.

22. INTERESTS IN SUBSIDIARIES

Company	**2012** **HK$'000**	2011 HK$'000
Unlisted shares at cost, net of provision for impairment losses	**148,167**	125

Particulars of the Company's subsidiaries at 31 December 2012 are as follows:

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Indirectly
Classictime Investments Limited	British Virgin Islands	Ordinary share US$1	Investment holding and securities trading	100%	–
Colour Brave Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
Hong Kong Gogreen Management Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
Fast Choice Limited	Hong Kong	Ordinary share HK$1	Personnel management	–	100%
Top Sense Worldwide Ltd	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–
Value Trend Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
Plenty Cash Investment Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–
Funa Assets Limited ("Funa Assets")	British Virgin Islands/Hong Kong	Ordinary share US$1	Property investment	–	100%
Dragon Oriental Investment Limited ("Dragon Oriental")	British Virgin Islands/Hong Kong	Ordinary shares US$2 (2011: US$1)	Property investment	–	100%
Talent Link Holdings Limited	British Virgin Islands	Ordinary shares US$100	Investment holding	–	100%
Vanta (Hong Kong) Management Limited	Hong Kong	Ordinary shares HK$10,000	Property investment	–	100%
Speedway Profit Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
Easy Connect Investments Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
Favour Brightness Limited	British Virgin Islands	Ordinary share US$1	Investment holding	–	100%
E Finance Limited	Hong Kong	Ordinary shares HK$100	Finance	–	100%
Jun Yang Solar Power Investment Holdings Limited	Cayman Islands	Ordinary shares US$35,566 (2011: US$16,000)	Investment holding	56.66% (2011: 100%)	–
Wink Sky Company Limited	British Virgin Islands	Ordinary share US$1	Investment holding	–	56.66% (2011: 100%)
Jun Yang Solar Power Investment Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	56.66% (2011: 100%)
北京君陽投資有限公司	PRC	Registered capital US$30,000,000 (of which US$30,000,000 has been paid up at 31 December 2012) (2011: US$15,000,000)	Investment holding	–	56.66% (2011: 100%)

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Indirectly
河南君陽電力有限公司	PRC	Registered capital US$3,400,000 (2011: US$9,000,000) (of which US$3,400,000 has been paid up at 31 December 2012) (2011: US$3,400,000)	Operation of amorphous silicon thin-film solar photovoltaic power station	–	56.66% (2011: 100%)
許昌君陽電力有限公司	PRC	Registered capital RMB40,000,000 (of which RMB20,000,000 has been paid up at 31 December 2012) (2011: RMB8,000,000)	Operation of amorphous silicon thin-film solar photovoltaic power station	–	56.66% (2011: 100%)
青海鈞石能源有限公司 (translated as GS-Solar (Qinghai) Company Limited)	PRC	Registered capital RMB38,167,939 (of which RMB38,167,939 has been paid up at 31 December 2012) (2011: RMB1,000,000)	Operation of amorphous silicon thin-film solar photovoltaic power station	–	56.64% (2011: 99.97%)
廣東國華君陽電力有限公司	PRC	Registered capital RMB15,000,000 (of which RMB3,000,000 has been paid up at 31 December 2012)	Not yet commence business	–	42.50%

Amounts due from subsidiaries

The amounts due from subsidiaries as shown on the Company's statement of financial position are unsecured, interest-free and with no fixed terms of repayment.

23. INTERESTS IN ASSOCIATES

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cost of investments in associates:				
– Unlisted associates in Hong Kong	**16,682**	16,682	**16,682**	16,682
Share of post acquisition profits/ (losses) and other comprehensive income, net of dividend received	**7,563**	(2,809)	**7,563**	(2,809)
	24,245	13,873	**24,245**	13,873
Amount due from an associate (Note (a))	**12,500**	–	**–**	–
	36,745	13,873	**24,245**	13,873
Less: provision for impairment loss	**(28,567)**	–	**(16,067)**	–
	8,178	13,873	**8,178**	13,873

Note:

(a) On 4 September 2012, the Group acquired 50% equity interests in Island Best Developments Limited at a cash consideration of HK$5.

The Group further advanced HK$12,499,995 to Island Best Developments Limited for funding its normal operations during the year ended 31 December 2012.

The amount is unsecured, interest-free and with no fixed terms of repayment. The associate is not expected to repay within twelve months from the end of the reporting period and the balance is classified as non-current.

In determining whether there exist any objective evidence of impairment of the Group's and the Company's interests in associates, the directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its associates. The directors assessed that impairment loss of approximately HK$28,567,000 and approximately HK$16,067,000 of interests in associates would be recognised by the Group and the Company respectively for the year ended 31 December 2012.

23. INTERESTS IN ASSOCIATES *(Continued)*

At 31 December 2012, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation or establishment	Particulars of issued share capital	Attributable equity interest held by the Group	Principal activities
Luck Key Investment Limited ("Luck Key")	Incorporated	British Virgin Islands	Ordinary shares US$10,650	47.89%	Investment holding
Island Best Developments Limited	Incorporated	Hong Kong	Ordinary shares HK$10	50%	Retailing

Summarised financial information in respect of the Group's associates is set out below:

	2012 HK$'000	2011 HK$'000
Total assets	**155,364**	153,189
Total liabilities	**(107,197)**	(124,221)
Net assets	**48,167**	28,968
Group's share of net assets of associates	**24,245**	13,873
Total revenue	**199,024**	193,086
Total profit/(loss) for the year	**17,808**	(2,872)
Group's share of profits/(losses) of associates for the year	**10,372**	(1,375)

23. INTERESTS IN ASSOCIATES *(Continued)*

The Group has discontinued recognition of its share of loss of an associate. The amount of unrecognised share of loss of this associate, extracted from the relevant management account of the associate, both for the year and cumulatively, is as follow:

	2012 **HK$'000**	2011 HK$'000
Unrecognised share of loss of an associate for the year	**1,976**	–
Accumulated unrecognised share of loss of an associate	**1,976**	–

Amount due from an associate

The amount due from an associate as shown on the Group's and Company's statements of financial position is unsecured, interest-free and with no fixed terms of repayment.

24. AVAILABLE-FOR-SALE INVESTMENTS

	Group		**Company**	
	2012 **HK$'000**	2011 HK$'000	**2012** **HK$'000**	2011 HK$'000
Unlisted investment fund outside Hong Kong, at fair value	**11,723**	–	**–**	–

The above unlisted investment fund represents the investment in a private fund established in the Cayman Islands.

25. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

At 31 December 2011, the amounts due to non-controlling interests were unsecured, bearing interest at a rate based on People's Bank of China best lending rate, denominated in RMB and with no fixed terms of repayment.

26. INVENTORIES

	2012 HK$'000	2011 HK$'000
Raw materials	–	3,518
Work in progress	–	27
Finished goods	–	7,645
	–	11,190

27. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
Trade receivables	370	13,235	–	–
Prepayments, deposits and other receivables	20,848	19,802	800	5,421
Total trade and other receivables	21,218	33,037	800	5,421

Notes:

(i) The Group 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 the reporting period:

	Group		Company	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
0-60 days	370	13,235	–	–
61-90 days	–	–	–	–
Over 90 days	–	–	–	–
	370	13,235	–	–

(ii) At 31 December 2012, the Group's trade and other receivables included an amount of approximately HK$15,423,000 (2011: HK$31,633,000) that is denominated in RMB.

28. LOANS RECEIVABLE

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loans receivable	**67,300**	–	**–**	–

Notes:

(i) The receivables were neither impaired nor overdue at the end of the reporting period.

(ii) All these loans receivable are entered with contractual maturity within 1 to 2 year. The Group seeks to maintain tight control over its loan receivable in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

(iii) Loans receivable are interest-bearing at rates mutually agreed with the contracting parties, ranging from 6% to 9% per annum.

29. HELD-FOR-TRADING INVESTMENTS

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Listed equity securities in Hong Kong, at fair value	**275,043**	570,412	**51,615**	382,915
Unlisted investment funds outside Hong Kong, at fair value	**11,939**	23,968	**–**	–
	286,982	594,380	**51,615**	382,915

The fair values of the listed equity securities held for trading were determined based on the quoted market bid prices available on the Stock Exchange. The fair value of unlisted investment is determined with reference to broker's quoted bid price.

At 31 December 2011, the carrying amount of interest in the following company exceeded 10% of total assets of the Company and the Group.

29. HELD-FOR-TRADING INVESTMENTS *(Continued)*

Name	Place of incorporation	Principal activities	Particulars of issued shares held	Interest held
Hanergy Solar Group Limited (formerly known as Apollo Solar Energy Technology Holdings Limited)	Bermuda	Manufacturing of equipment and turnkey production lines for the manufacturing of silicon based thin-film solar photovoltaic modules in the PRC	1,000,000,000 ordinary shares	7.45%

30. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Assets		Liabilities	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Call/put options in listed equity securities	**940**	–	**(301)**	–

Company	Assets		Liabilities	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Call/put options in listed equity securities	**–**	–	**(14)**	–

Call and put options represents right to purchase or sell listed equity securities with predetermined prices on maturity. Duration of these contracts ranges from one to three months.

The fair values of the call and put options were determined based on the quoted market premium prices available on the SEHK Options Clearing House Limited.

31. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.05% to 2.00% (2011: 0.01% to 1.20%) per annum and have original maturity of three months or less.

Bank balances and cash of the Group include an amount of approximately RMB14,528,000 (equivalent to HK$17,689,000) (2011: RMB11,641,000 (equivalent to HK$14,202,000)) that is denominated in RMB. An aggregate amount of bank balances and cash of approximately HK$134,093,000 (2011: HK$85,671,000) is kept in Mainland China and the remittance of these funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**–**	12,342	**–**	–
Other payables	**248,985**	87,367	**1,815**	1,485
Total trade and other payables	**248,985**	99,709	**1,815**	1,485

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

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
0-60 days	**–**	6,780	**–**	–
61-90 days	**–**	1,445	**–**	–
Over 90 days	**–**	4,117	**–**	–
	–	12,342	**–**	–

33. BANK BORROWINGS

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loan, secured	**–**	115,900	**–**	–
Carrying amount repayable:				
Within one year	**–**	36,600	**–**	–
More than one year, but not exceeding two years	**–**	79,300	**–**	–
	–	115,900	**–**	–
Less: amounts shown under current liabilities	**–**	(36,600)	**–**	–
	–	79,300	**–**	–

At 31 December 2011, the bank loan was secured by the Group's property, plant and equipment with a carrying amount of approximately HK$554,730,000 (Note 19) and a corporate guarantee provided by the Group and non-controlling interests of a PRC subsidiary. The bank loan was denominated in RMB and bore interest at a rate based on People's Bank of China best lending rate. The weighted average effective interest rate on the bank loan was 6.65% per annum.

34. GOVERNMENT GRANT

	2012 HK$'000	2011 HK$'000
Amount credited to profit or loss during the year:		
Incentive subsidies (Note (i))	**901**	4,271
Deferred income related to government grants:		
Subsidies related to property, plant and equipment (Note (ii))	**143,579**	5,819
Total deferred income	**143,579**	5,819
Less: current portion	**–**	–
Non-current portion	**143,579**	5,819

Note:

(i) Incentive subsidies were received from the relevant PRC Government for improvement of working capital and financial assistance to the operating activities to enhance the competitiveness in the industry.

(ii) The Group received government subsidies for the compensation of capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

35. SHARE CAPITAL

	Number of shares	Total value HK$'000
Authorised:		
Ordinary shares of HK$0.02 each at 31 December 2011 and 2012	**15,000,000,000**	**300,000**

35. SHARE CAPITAL *(Continued)*

	Number of shares	Total value HK$'000
Issued and fully paid:		
Ordinary shares of HK$0.02 each at 1 January 2011	6,807,762,430	136,155
Issue of shares (Note (a))	200,000,000	4,000
Repurchase of shares (Note (b))	(698,780,000)	(13,975)
Ordinary shares of HK$0.02 each at 31 December 2011 and 2012	**6,308,982,430**	**126,180**

Notes:

The movements of the ordinary share capital for the year ended 31 December 2011 were as follows:

(a) In January 2011, the Company issued 200,000,000 ordinary shares of HK$0.02 each in the share capital of the Company at a price of HK$0.15 per share to a subscriber, pursuant to a subscription agreement.

(b) In November 2011, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares of HK$0.02 each	Price per share: Highest price paid HK$	Price per share: Lowest price paid HK$	Aggregate consideration paid HK$'000
November 2011	698,780,000	0.104	0.085	66,278

All the shares issued during the year ended 31 December 2011 ranked pari passu with the then existing ordinary shares in all respects.

36. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the special general meeting of the Company held on 17 November 2003.

The maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.

36. SHARE OPTION SCHEME *(Continued)*

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on 17 November 2003 unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The Share Option Scheme will remain in force for a period of 10 years commencing from 17 November 2003. Options complying the provisions of the Listing Rules which are granted during the duration of the Share Option Scheme and remain unexercised immediately prior to the end of the 10 year period shall continue to be exercisable in accordance with their terms of grant within the option period for which such options are granted, notwithstanding the expiry of the Share Option Scheme.

The subscription price for shares under the Share Option Scheme shall be a price determined by the Board of Directors of the Company (the "Board"), but shall not be lower than the highest of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date on which the Board approves the making of the offer for the grant of options (the "Date of Grant"), which must be a trading day; (ii) the average closing price of shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of a share.

The following table discloses the details of the Company's share options held by employees and consultants of the Company and the movements in such holdings:

For the year ended 31 December 2012

		Number of share options				
Grant date	Exercise price per share HK$	Outstanding at 1 January 2012	Granted during the year ended 31 December 2012	Exercised during the year ended 31 December 2012	Cancelled/ lapsed during the year ended 31 December 2012	Outstanding at 31 December 2012
Employees						
9 October 2007	7.6672	7,357,308	-	-	-	7,357,308
18 April 2008	4.4532	387,363	-	-	-	387,363
27 May 2010	0.2138	104,458,791	-	-	(104,458,791)	-
31 August 2010	0.1612	169,148,352	-	-	(169,148,352)	-
Total		281,351,814	-	-	(273,607,143)	7,744,671

36. SHARE OPTION SCHEME *(Continued)*

For the year ended 31 December 2011

		Number of options				
Grant date	Exercise Price HK$	Outstanding at 1 January 2011	Granted during the year ended 31 December 2011	Exercised during the year ended 31 December 2011	Lapsed during the year ended 31 December 2011	Outstanding at 31 December 2011
Employees						
9 October 2007	7.6672	7,357,308	–	–	–	7,357,308
18 April 2008	4.4532	387,363	–	–	–	387,363
30 December 2009	0.4957	47,645,604	–	–	(47,645,604)	–
27 May 2010	0.2138	104,458,791	–	–	–	104,458,791
31 August 2010	0.1612	175,604,396	–	–	(6,456,044)	169,148,352
Total		335,453,462	–	–	(54,101,648)	281,351,814

Note:

At 31 December 2012, the Company had 7,744,671 (2011: 281,351,814) share options outstanding for the share options granted under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 7,744,671 (2011: 281,351,814) additional shares of HK$0.02 each in the capital of the Company and additional share capital of approximately HK$155,000 (2011: HK$5,627,000) and share premium of approximately HK$57,980,000 (2011: HK$102,108,000).

37. SHARE-BASED PAYMENTS

Employee share options

Detail of the Share Option Scheme is disclosed in Note 36.

The fair value of 80,900,000 share options granted under the Share Option Scheme on 27 May 2010 was determined by the directors to be approximately HK$8,329,460 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.27, exercise price of HK$0.276 per share, expected volatility of 76.43%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.75%.

37. SHARE-BASED PAYMENTS *(Continued)*

Employee share options *(Continued)*

The fair value of 136,000,000 share options granted under the Share Option Scheme on 31 August 2010 was determined by the directors to be approximately HK$8,241,600 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.196, exercise price of HK$0.2082 per share, expected volatility of 90.581%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.434%.

The expected volatilities of the share prices were estimated by the best available average annualised standard deviations of the continuously compounded rates of return on the Company's share prices since the date of business transformation of the Group.

For the years ended 31 December 2011 and 2012, the Group had not recognised equity-settled share-based payments expenses in respect of the Share Option Scheme.

38. RESERVES

Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Share-based payments reserve HK$'000	Retained earnings/ (accumulated losses) HK$'000	Total reserves HK$'000
At 1 January 2011	1,194,328	861	311,790	34,485	175,936	1,717,400
Lapse of share option previously recognised in share-based payments	–	–	–	(7,041)	7,041	–
Issue of new shares by way of placements	26,000	–	–	–	–	26,000
Repurchase of shares	(52,303)	–	–	–	–	(52,303)
Loss for the year and total comprehensive expense for the year	–	–	–	–	(495,682)	(495,682)
At 31 December 2011	1,168,025	861	311,790	27,444	(312,705)	1,195,415

38. RESERVES *(Continued)*

Company *(Continued)*

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Share-based payments reserve HK$'000	Accumulated losses HK$'000	Total reserves HK$'000
At 1 January 2012	1,168,025	861	311,790	27,444	(312,705)	1,195,415
Lapse of share option previously recognised in share-based payments	–	–	–	(16,268)	16,268	–
Loss for the year and total comprehensive expense for the year	–	–	–	–	(531,285)	(531,285)
At 31 December 2012	1,168,025	861	311,790	11,176	(827,722)	664,130

39. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2012

(a) *Acquisition of E Finance Limited*

On 25 September 2012, the Group acquired entire equity interest of E Finance Limited at a cash consideration of HK$150,000.

Consideration transferred

	HK$'000
Cash	150

Acquisition-related cost amounting to HK$305 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "other operating expenses" line item in the consolidated statement of comprehensive income.

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2012 *(Continued)*

(a) Acquisition of E Finance Limited (Continued)

Assets acquired and liabilities recognised at the date of acquisition:

	HK$'000
Current assets	
Trade and other receivables	14
Bank balances and cash	–
	14

Goodwill arising on acquisition

	HK$'000
Consideration transferred	150
Less: fair value of identifiable net assets acquired – shown as above	(14)
Goodwill arising on acquisition (Note 21)	136

Goodwill arose in the acquisition of the E Finance Limited because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of E Finance Limited and these benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Such goodwill is not deductible for tax purposes.

Net cash outflow on acquisition of a subsidiary:

	HK$'000
Consideration paid in cash	(150)
Less: cash and cash equivalents acquired	–
	(150)

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2012 *(Continued)*

(a) Acquisition of E Finance Limited (Continued)

Impact of acquisition on the results of the Group

E Finance Limited did not contribute significantly to the revenue or results of the Group for the year ended 31 December 2012.

Had this business combination been effected at 1 January 2012, the revenue of the Group would have been approximately HK$17,659,000, and the loss of the year would have been approximately HK$558,502,000. The directors of the Group consider this "pro-forma" numbers to represent an approximately measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

For the year ended 31 December 2011

(b) Acquisition of GS-Solar (Qinghai) Company Limited

In July 2011, the Group acquired 99% of the registered capital of GS-Solar (Qinghai) Company Limited ("GS-Solar") at a cash consideration of RMB5,900,000 (equivalent to HK$7,080,000)

Consideration transferred

	HK$'000
Cash	7,080

Acquisition-related cost amounting to HK$200,229 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "other operating expenses" line item in the consolidated statement of comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition:

	HK$'000
Current assets	
Other receivables	10,611
Bank balances and cash	72
Non-current assets	
Property, plant and equipment	13,612
Current liabilities	
Trade and other payables	(20,114)
	4,181

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2011 *(Continued)*

(b) Acquisition of GS-Solar (Qinghai) Company Limited (Continued)

Goodwill arising on acquisition

	HK$'000
Consideration transferred	7,080
Non-controlling interests	42
Less: fair value of identifiable net assets acquired – shown as above	(4,181)
Goodwill arising on acquisition (Note 21)	2,941

Goodwill arose in the acquisition of the GS-Solar (Qinghai) Company Limited because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of GS-Solar (Qinghai) Company Limited and these benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Such goodwill is not deductible for tax purpose.

Net cash outflow arising on acquisition:

	HK$'000
Cash consideration paid	(7,080)
Less: cash and cash equivalents acquired	72
	(7,008)

Impact of acquisition on the results of the Group

GS-Solar (Qinghai) Company Limited did not contribute significantly to the revenue or results of the Group for the year ended 31 December 2011.

Had this business combination been effected at 1 January 2011, the revenue of the Group would have been approximately HK$92,775,000, and the loss of the year would have been approximately HK$608,307,000. The directors of the Group consider this "pro-forma" numbers to represent an approximately measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

40. DISPOSALS OF SUBSIDIARIES

Disposal of equity interest of China Gogreen Energy Investment Holdings Limited

On 5 October 2012, the Group disposed entire equity interest of China Gogreen Energy Investment Holdings Limited ("China Gogreen Energy") and its subsidiaries (the "China Gogreen Energy Group") at a cash consideration of HK$50,000,000. The transaction was completed in November 2012.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	50,000

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Inventories	5,986
Trade and other receivables	1,140
Value-added tax recoverable	7,449
Amounts due from fellow subsidiaries	81,397
Bank balances and cash	97
Non-current assets	
Property, plant and equipment	161,723
Current liabilities	
Trade and other payables	(21,166)
Amounts due to non-controlling interests	(48,717)
Amount payable for acquisition of property, plant and equipment	(182,634)
Bank borrowings	(33,715)
Net liabilities disposed of	(28,440)

40. DISPOSALS OF SUBSIDIARIES *(Continued)*

Disposal of equity interest of China Gogreen Energy Investment Holdings Limited *(Continued)*

Gain on disposals of subsidiaries:

	HK$'000
Consideration received	50,000
Net liabilities disposed of	28,440
Non-controlling interests	(75,269)
Cumulative exchange differences reclassified from equity to profit or loss	25,976
Gain on disposal	29,147

Net cash inflow on disposals of subsidiaries:

	HK$'000
Cash consideration received	50,000
Less: bank balances and cash disposed of	(97)
	49,903

41. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum leases payments under non-cancellable operating leases which fall due as follows:

	2012 **HK$'000**	2011 HK$'000
Within one year	**985**	1,466
In the second to fifth years inclusive	**89**	462
	1,074	1,928

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated and rentals are fixed for terms ranging from 1 to 3 years.

41. OPERATING LEASE COMMITMENTS *(Continued)*

The Group as lessor

Property rental income earned during the year ended 31 December 2012 was approximately HK$2,849,000 (2011: HK$2,440,000). The Group's investment properties are held for rental purposes. They are expected to generate rental yields of 2.35% (2011: 2.49%) on an ongoing basis. All of the properties held have committed tenants for the next two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2012 **HK$'000**	2011 HK$'000
Within one year	**1,116**	2,746
In the second to fifth years inclusive	**1,767**	1,421
	2,883	4,167

42. PLEDGE OF ASSETS

At 31 December 2012, certain investment properties of the Group with fair value of HK$121,000,000 (2011: HK$97,900,000) were pledged to secure general bank facilities granted to the Group.

At 31 December 2011, the bank loan was secured by the Group's property, plant and equipment with a carrying amount of approximately HK$554,730,000 (Note 19).

43. CORPORATE GUARANTEES

	Company	
	2012	2011
	HK$'000	HK$'000
Corporate guarantees provided by the Company in respect of banking facilities of the Group:		
– indirect associate	**45,000**	45,000
– subsidiaries	**–**	158,600
	45,000	203,600

At 31 December 2011, the amount of banking facilities used by a subsidiary and covered by the Company's corporate guarantees amounted to approximately HK$115,900,000. In the opinion of the directors of the Company, no material liabilities would arise from the above corporate guarantees which arose in the ordinary course of business and the fair values of the corporate guarantees granted by the Company were immaterial.

44. RETIREMENT BENEFIT SCHEMES

For the operations in Hong Kong, the Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees including Directors in Hong Kong. The assets of the Scheme are held separately from those of the Group in funds under the control of the independent trustee. Both the Group and the employees contribute a fixed percent to the Scheme based on their monthly salary in accordance with government regulations. The Scheme contributions represent contributions payable to the fund by the Group at rates specified in the rules of the Scheme. Where there are employees who leave the Scheme prior to vesting fully in the contributions, the amount of the forfeited contributions will be used to reduce future contributions payable by the Group.

For the operations in the PRC, the employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government. The subsidiaries are required to contribute a fixed percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement scheme is to make the specified contributions.

During the year ended 31 December 2012, the total amount contributed by the Group to the scheme and charged to the consolidated statement of comprehensive income amounted to approximately HK$110,000 (2011: HK$64,000). At 31 December 2012, there were no forfeited contributions available for the Group to offset contributions payable in future years (2011: Nil).

45. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group entered into the following significant related party transactions during the current and prior years:

	2012	2011
	HK$'000	HK$'000
Rental income received from Luck Key	**385**	420

Notes:

(i) The lease agreement with Luck Key, an associate of the Company, was entered into at terms mutually agreed between the contracting parties.

(ii) For the year ended 31 December 2011, a non-controlling interests of the Group, had provided a corporate guarantee to a subsidiary of the Group in respect of the banking facilities which amounting to RMB70,000,000 (equivalent to HK$85,400,000).

The directors of the Company consider that they are the only key management personnel of the Group and details of their compensation are set out in Note 15.

46. EVENTS AFTER THE REPORTING PERIOD

(i) Acquisition of convertible bonds issued by Computech Holdings Limited

In January 2013, the Group acquired zero coupon convertible bonds with an aggregate principal amount of HK$50,000,000 issued by Computech Holdings Limited ("Computech"), a company incorporated in the Cayman Islands with limited liability and whose share are listed on the Growth Enterprise Market of the Stock Exchange, from six vendors at an aggregate consideration of approximately HK$111,874,000. The consideration was satisfied by the allotment and issue, credited as fully paid, of 841,156,626 new ordinary shares of HK$0.02 each in the capital of the Company at a price of HK$0.133 per share.

(ii) Acquisition of additional 11.247% equity interests in Jun Yang Solar Power Investment Holdings Limited ("Jun Yang Holdings"), a non wholly-owned subsidiary of the Company

In March 2013, the Company acquired 4,000 shares of US$1.00 each of the issued share capital of Jun Yang Holdings, representing approximately 11.247% of the issued share capital of Jun Yang Holdings, from an executive director of the Company and two relatives of executive director of the Company at an aggregate consideration of approximately HK$42,285,000. The consideration was satisfied by the allotment and issue, credited as fully paid, of 264,281,196 new ordinary shares of HK$0.02 each in the capital of the Company at an issue price of HK$0.16 per share. Jun Yang Holdings became a 67.91% non wholly-owned subsidiary of the Company upon the completion of the acquisition. The acquisition constituted a connected transaction for the Company under the Listing Rules of the Stock Exchange.

46. EVENTS AFTER THE REPORTING PERIOD *(Continued)*

(iii) Change of company name

Pursuant to the special resolution passed by the shareholders at the special general meeting of the Company held on 4 March 2013, the English name of the Company was changed from "China Gogreen Assets Investment Limited" to "Jun Yang Solar Power Investments Limited" and the adoption of the Chinese name "君陽太陽能電力投資有限公司" as the Company's secondary name to replace the existing Chinese name "中國保綠資產投資有限公司" with effect from 21 March 2013.

(iv) Subscription of new shares of the Company by a connected person

In January 2013, the Company entered into a subscription agreement with Sense Lights Group Limited (the "Subscriber"), a company incorporated in the British Virgin Islands with limited liability and owned as to 95% in aggregate by the executive directors of the Company at the date of the subscription agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 2,466,000,000 new ordinary shares of HK$0.02 each in the capital of the Company at a subscription price of HK$0.15 per share. The issuance of the aforesaid new shares has not been completed as of the date of approval of these financial statements. The subscription constituted a connected transaction for the Company under the Listing Rules of the Stock Exchange.

(v) Disposal of investment properties

In March 2013, the Group entered into a sale and purchase agreement with an independent third party in connection with the disposal of the Group's investment properties situated in Hong Kong to the independent third party at a cash consideration of HK$70,000,000.

(vi) Disposal of subsidiaries

In March 2013, the Group disposed of its entire equity interests in Dragon Oriental to an independent third party at a cash consideration of approximately HK$43,000,000.

In March 2013, the Group disposed of its entire equity interests in Funa Assets to Absolutely Talent Technology Limited, a wholly-owned subsidiary of Computech, at a cash consideration of HK$40,000,000.

(vii) Provision of loan to an independent third party

In March 2013, E Finance, a wholly-owned subsidiary of the Company, entered into a loan agreement with an independent third party (the "Borrower"), pursuant to which E Finance agreed to grant to the Borrower a secured revolving loan facility with a principal amount of HK$120,000,000 for an availability period of thirteen months from the date of the loan agreement.

FIVE-YEAR FINANCIAL SUMMARY
For the year ended 31 December 2012

	Year ended 31 December 2012 HK'000	Year ended 31 December 2011 HK'000	Year ended 31 December 2010 HK'000	Nine months ended 31 December 2009 HK'000 (restated)	Year ended 31 March 2009 HK'000
Revenue	**17,659**	92,775	2,314	105,536	106,538
(Loss)/profit before tax	**(558,152)**	(597,460)	111,910	78,768	(616,660)
Income tax (expense)/ credit	**(336)**	(1,687)	(269)	146	2,220
Loss from discontinued operation	**–**	–	(74,263)	–	–
	(558,488)	(599,147)	37,378	78,914	(614,440)
Attributable to:					
Owners of the Company	**(418,000)**	(522,537)	56,233	87,074	(637,879)
Non-controlling interests	**(140,488)**	(76,610)	(18,855)	(8,160)	23,439
	(558,488)	(599,147)	37,378	78,914	(614,440)