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GLOBAL GREEN TECH GROUP LIMITED

高寶綠色科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

ISSUE OF US\$4,080,000 2.5 PER CENT. UNLISTED AND UNSECURED CONVERTIBLE BONDS DUE 2004

The Directors are pleased to announce that on 30 January 2004, the Company issued and the Subscriber subscribed for the Additional Tranche 1 Bonds in the aggregate principal amount of US\$4,080,000 (equivalent to approximately HK\$31,824,000), which form part of the Bonds. The Additional Tranche 1 Bonds were issued pursuant to the exercise of the Additional Option granted by the Company to the Subscriber under the Subscription Agreement.

The Additional Tranche 1 Bonds are convertible into new Shares at the conversion price detailed below, bearing interest at 2.5% per annum payable semi-annually in arrears. Unless previously redeemed, converted or purchased, the Company will redeem all outstanding Additional Tranche 1 Bonds at their principal amount on the Maturity Date, which is 13 December 2004.

The reason for the issue of the Tranche 2 Bonds is to provide the Company with medium term financing at a fixed and below commercial lending rate of interest and to expand the Company's capital base. The Company has no specific plan for the use of proceeds arising from the issue of the Additional Tranche 1 Bonds save for funding the Group's general working capital requirements.

No application will be made for the listing of, or permission to deal in, the Additional Tranche 1 Bonds on the Stock Exchange or any other stock exchange.

Shares falling to be issued upon conversion of the Additional Tranche 1 Bonds will be issued pursuant to the Specific Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, a maximum of 76,531,759 Shares falling to be issued pursuant to the Additional Tranche 1 Bonds, being the conversion limit placed on the Additional Tranche 1 Bonds.

EXERCISE OF THE ADDITIONAL OPTION AND ISSUE OF THE ADDITIONAL TRANCHE 1 BONDS

Reference is made to the three press announcements dated respectively 13 December 2001, 9 April 2002 and 9 July 2002 of the Company in respect of the Subscription Agreement and the Bonds. Under the Subscription Agreement, the Company granted to the Subscriber the Additional Option to require the Company to issue the Additional Tranche 1 Bonds in aggregate principal amount of up to US\$4,080,000 (equivalent to approximately HK\$31,824,000).

The Subscriber, Credit Suisse First Boston (Hong Kong) Limited, is one of the public shareholders of the Company and holds an option to subscribe for up to 3,000,000 new Shares on the terms of the Subscription Agreement. The shareholding of the Subscriber in the Company does not exceed 5% of the total issued capital of the Company as at the date of this announcement. Save for its shareholding interest in the Company, the Subscriber is an independent third party not connected with the Company, the directors, chief executive, substantial shareholders of the Company or its subsidiaries or any of their respective associates. The Subscriber is not a connected person (as defined in the Listing Rules) of the Company.

The Subscriber has exercised the Additional Option and the Additional Tranche 1 Bonds were issued on the Closing Date of 30 January 2004.

Conversion of the Additional Tranche 1 Bonds is conditional on the Company having obtained approval from the Listing Committee of the Stock Exchange for the listing on the Stock Exchange of Shares falling to be issued upon exercise of the conversion right attaching to the Additional Tranche 1 Bonds. If such approval is not obtained within 14 calendar days from the Closing Date, the Subscriber may by written notice require the Company to redeem all the Additional Tranche 1 Bonds at 110% of their principal amount plus interest accrued thereon.

The Original Tranche 1 Bonds, being the first tranche of the Bonds in the aggregate principal amount of US\$4,080,000 (equivalent to approximately HK\$31,824,000) were issued by the Company to the Subscriber on the same date as the entering into of the Subscription Agreement. The Tranche 2 Bonds in the aggregate principal amount of US\$3,840,000 (equivalent to approximately HK\$29,952,000) were issued by the Company to the Subscriber on 9 July 2002. The Additional Tranche 1 Bonds are the final tranche of the Bonds issued under the Subscription Agreement.

All the Original Tranche 1 Bonds and the Tranche 2 Bonds have been converted or redeemed in accordance with their respective terms, save for a portion of the Original Tranche 1 Bonds in the aggregate principal amount of US\$1,780,000 (equivalent to approximately HK\$13,884,000) which were redeemed by the issue of the Redemption Bonds under the Supplemental Agreement. All the Redemption Bonds have been converted in accordance with their respective terms. A total of 44,005,700 Shares (equivalent to about 5.24% of the existing issued capital of the Company) have been issued upon conversion of the Original Tranche 1 Bonds, the Tranche 2 Bonds and the Redemption Bonds.

TERMS AND CONDITIONS OF THE ADDITIONAL TRANCHE 1 BONDS

The Additional Tranche 1 Bonds were issued upon identical terms as the Original Tranche 1 Bonds save for the date of issue, the first interest payment date, the conversion period and the number of Shares falling to be issued upon conversion. A summary of the principal terms and conditions of the Additional Tranche 1 Bonds is given below:

Principal Amount of the Additional Tranche

1 Bonds: US\$4,080,000 (equivalent to approximately HK\$31,824,000).

Interest: 2.5% per annum payable semi-annually in arrears on 30 June and 30 December in each year, with the first interest payment date falling on 30 June 2004. The Additional Tranche 1 Bonds will bear interest from 30 January 2004, being the date of issue of the Additional Tranche 1 Bonds.

Conversion Provisions

Conversion Right: The Additional Tranche 1 Bonds are convertible at any time during the Conversion Period into new Shares at the conversion price (as detailed below). Such Shares shall rank pari passu in all respects with all other Shares in issue on the date of allotment and issue of such Shares.

Conversion Period: At any time from and including the date on which approval shall have been granted by the Listing Committee of the Stock Exchange for the listing on the Stock Exchange of Shares falling to be issued upon exercise of the conversion right attaching to the Additional Tranche 1 Bonds up to the day falling one week prior to the Maturity Date.

Conversion Price: The price at which each Share shall be issued upon exercise of the Conversion Right shall be, at the option of the converting Bondholder either:

- (1) HK\$1.8019 (“Fixed Conversion Price”), subject to adjustment on account of dilutive events; or
- (2) 93% of the average of any 5 consecutive closing prices per Share as selected by the converting Bondholder during the period of 30 consecutive business days immediately prior to the Conversion Date,

provided that the conversion price shall not be less than the par value of the Shares on the Conversion Date (currently HK\$0.10) unless permitted by law and in compliance with all applicable rules and regulations.

The Fixed Conversion Price established at time of the Subscription Agreement and applied to the Original Tranche 1 Bonds was HK\$2.1623 per Share. By reason of the bonus share issue by the Company announced on 27 August 2002, it was adjusted to HK\$1.8019 per Share in accordance with the adjustment provisions contained in the Subscription Agreement.

The Fixed Conversion Price, as so adjusted, applies to the Additional Tranche 1 Bonds and represents a premium of approximately 35.48% over the closing price of one Share at HK\$1.33 on the Stock Exchange on 30 January 2004 (being the Closing Date) and a premium of approximately 34.27% over the average of the closing prices of one Share at HK\$1.342 on the Stock Exchange for 10 business days immediately prior to 30 January 2004.

Conversion Limit: The maximum number of Shares into which the Additional Tranche 1 Bonds may be converted is limited to 76,531,759 which represents about 9.11% of the existing issued share capital of the Company of 839,955,114 Shares, or 8.35% of the issued capital of the Company as enlarged by the allotment and issue of such Shares.

Mandatory Conversion: If on any date during the Conversion Period the closing price per Share is greater than or equal to HK\$2.4948 for the 15 consecutive business days immediately preceding such date, the Company may require the Bondholders to convert all outstanding Additional Tranche 1 Bonds at the then prevailing Fixed Conversion Price.

The mandatory conversion trigger price of HK\$2.4948 is the trigger price established for the Original Tranche 1 Bonds after adjustment for the Company's bonus share issue announced on 27 August 2002, in accordance with adjustment provisions contained in the Subscription Agreement.

Maturity

Maturity date: 13 December 2004, being the 3rd anniversary of the date on which the Original Tranche 1 Bonds were issued

Price of redemption at maturity: On maturity, unless previously redeemed, converted or purchased and cancelled, all outstanding Additional Tranche 1 Bonds will be redeemed by the Company at their principal amount.

Early Redemption

In certain circumstances set out in the terms and conditions of the Bonds, the Bonds may be redeemed early for an amount between 109% and 115% of the principal amount of the Bonds plus accrued interest. Circumstances under which the Bonds may be redeemed early include instances where the price of the Shares falls below a certain amount determined using the formula set out in the Subscription Agreement. Such terms have been agreed between the Company and the Subscriber after arm's length negotiations.

Transferability

The Subscriber may not assign or transfer any of the Additional Tranche 1 Bonds to any third party other than its subsidiary or holding company or subsidiary of such holding company without the prior written consent of the Company (such consent not to be unreasonably withheld or delayed).

The Company and its Directors undertake to the Stock Exchange that they will disclose to the Stock Exchange any dealings by the substantial shareholders, the Directors and the chief executive of the Company or its subsidiaries or their respective associates in the Bonds from time to time immediately upon the Company becoming aware of it.

Impact on issued share capital of the Company

As at the date of this announcement, the issued share capital of the Company is HK\$83,995,511.40 comprising 839,955,114 Shares. Assuming full conversion of the Additional Tranche 1 Bonds in aggregate principal amount of US\$4,080,000 (equivalent to approximately HK\$31,824,000) at the Fixed Conversion Price of HK\$1.8019 per Share, a total of 17,661,357 new Shares will fall to be issued, equivalent to about 2.10% of the existing issued capital of the Company, or 2.06% of the issued capital of the Company as enlarged by the allotment and issue of such new Shares. Based on such assumption, effect on the shareholding structure of the Company following the full conversion of the Additional Tranche 1 Bonds is as follows:

	Existing		Assume full conversion of Additional Tranche 1 Bonds at HK\$2.1623 each	
	Number of Shares held	%	Number of Shares held	%
Motivated Workforce				
Consultants Limited	80,712,000	9.61	80,712,000	9.41
Choi Woon Man	74,306,400	8.85	74,306,400	8.67
Public	684,936,714	81.54	702,598,071	81.92
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Total	<u>839,955,114</u>	<u>100.00</u>	<u>857,616,471</u>	<u>100.00</u>

The shareholding structure of the Company stated above is presented on the basis that the Subscriber is one of the public shareholders, whose shareholding in the Company does not exceed 5% of the total issued capital of the Company as at the date of this announcement. In addition, on the assumption that the Additional Tranche 1 Bonds are fully converted at the Fixed Conversion Price of HK\$1.8019 per Share, the resultant shareholding of the Subscriber in the Company will still be less than 10% of the issued share capital of the Company as enlarged by the allotment and issue of the converted Shares.

REASON FOR THE ISSUE OF THE ADDITIONAL TRANCHE 1 BONDS

The reason for the issue of the Additional Tranche 1 Bonds is to provide the Company with medium term financing at a fixed and below commercial lending rate of interest and to expand the Company's capital base.

USE OF PROCEEDS

The net proceeds derived from the issue of the Additional Tranche 1 Bonds is approximately HK\$31 million, after deducting professional fees and all related expenses. The Company has no specific plans for the use of such proceeds save for funding the Group's general working capital requirements.

Under the Subscription Agreement, the Company has undertaken to the Subscriber that the proceeds from the issue of the Bonds will be used only for capital expenditure in relation to the expansion of production and manufacturing facilities and general working capital purposes and that such proceeds will not be used to pay dividends to the Shareholders, for the purposes of or in relation to any repayment to or reduction of the debt of a related party as defined under Hong Kong Statement of Standard Accounting Practice 20 or to repurchase Shares.

Net cash proceeds of about HK\$60 million arose from the issue of the Original Tranche 1 Bonds and the Tranche 2 Bonds have been applied towards funding the Group's general working capital requirements, as stated in the previous announcements.

ACTIVITIES OF THE GROUP

The Group is principally engaged in the development, manufacture and sale of (i) home and personal care products, such as household detergents, softeners and others, with emphasis on environmental friendly attributes; and (ii) industrial surfactants for the treatment of a broad range of fabrics including cotton, silk, linen and synthetic fibres such as polyester and acrylic.

LISTING

No application will be made for the listing of, or permission to deal in, the Additional Tranche 1 Bonds on the Stock Exchange or any other stock exchange.

SPECIFIC MANDATE AND LISTING APPROVAL

At the extraordinary general meeting of the Company held on 24 May 2002, the Directors were granted the Specific Mandate to issue and allot such number of new Shares as may be required to be allotted and issued upon the exercise of the conversion rights in full attaching to the Additional Tranche 1 Bonds on and subject to the terms and conditions of the Subscription Agreement.

Shares falling to be issued upon conversion of the Additional Tranche 1 Bonds will be issued pursuant to the Specific Mandate. The maximum number of Shares into which the Additional Tranche 1 Bonds may be converted is limited to 76,531,759.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, a maximum of 76,531,759 Shares falling to be issued pursuant to the Additional Tranche 1 Bonds, being the conversion limit placed on the Additional Tranche 1 Bonds.

DEFINITIONS

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

“Additional Option”	the Subscriber’s option to require the Company to issue the Additional Tranche 1 Bonds, exercisable on and subject to the terms of the Subscription Agreement
“Additional Tranche 1 Bonds”	a tranche of the Bonds in the aggregate principal amount of US\$4,080,000 (equivalent to approximately HK\$31,824,000) issued by the Company and subscribed by the Subscriber pursuant to the exercise of the Additional Option
“associate(s)”	has the same meaning as defined in the Listing Rules
“Bondholder(s)”	holder(s) of the Additional Tranche 1 Bonds from time to time
“Bonds”	the 2.5% unsecured convertible bonds due 2004 in the aggregate principal amount of up to US\$12,000,000 (equivalent to approximately HK\$93,600,000) issued by the Company under the Subscription Agreement by separate tranches
“business day”	a day (which ends at 4:30 pm (Hong Kong time)) on which the Stock Exchange is open for trading in Hong Kong
“Closing Date”	30 January 2004, being the date when the Additional Tranche 1 Bonds were issued
“Company”	Global Green Tech Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Conversion Date”	the date on which notice of exercise of conversion right attaching to the Additional Tranche 1 Bonds is received by the Company
“Conversion Period”	the period commencing from the date on which approval shall have been granted by the Listing Committee of the Stock Exchange for the listing on the Stock Exchange of Shares falling to be issued upon exercise of the Conversion Right up to the day falling one week prior to the Maturity Date

“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	13 December 2004, being the 3rd anniversary of the date on which the Original Tranche 1 Bonds were issued
“Original Tranche 1 Bonds”	the first tranche of the Bonds in the aggregate principal amount of US\$4,080,000 (equivalent to approximately HK\$31,824,000) issued by the Company and subscribed by the Subscriber following and on the same date as the entering into of the Subscription Agreement
“Redemption Bonds”	the convertible bonds in the aggregate principal amount of US\$1,780,000 (equivalent to approximately HK\$13,884,000) issued by the Company to the Subscriber on 9 April 2002 under the Supplemental Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Specific Mandate”	the specific mandate granted to the Directors for the issue and allotment of new Shares which may be required to be issued and allotted upon the exercise of the conversion right in full attaching to the Additional Tranche 1 Bonds pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 24 May 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Credit Suisse First Boston (Hong Kong) Limited
“Subscription Agreement”	the agreement dated 13 December 2001 (as amended by the Supplemental Agreement) entered into between the Company and the Subscriber relating to, inter alia, the issue and subscription of the Bonds
“Supplemental Agreement”	the agreement dated 9 April 2002 entered into between the Company and the Subscriber relating to, inter alia, the issue and subscription of the Redemption Bonds for the purpose of redeeming part of the Original Tranche 1 Bonds in the aggregate principal amount of US\$1,780,000 (equivalent to approximately HK\$13,884,000)
“Tranche 2 Bonds”	a tranche of the Bonds in the aggregate principal amount of US\$3,840,000 (equivalent to approximately HK\$29,952,000) issued by the Company to the Subscriber on 9 July 2002 under the Subscription Agreement
“HK\$”	Hong Kong dollars
“US\$”	United States dollars
“%”	per cent.

Exchange rate adopted

In this announcement, an exchange rate of HK\$7.80 to US\$1 has been adopted in all calculations.

By Order of the Board
Global Green Tech Group Limited
Lau Jin Wei, Jim
Chairman

Hong Kong, 30 January 2004

Please also refer to the publish version of this announcement in the Standard.