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## IMPORTANT

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in Global Green Tech Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)*

(stock code: 274)

### DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF INTERESTS IN A COMPANY

**Independent financial adviser**



**REXCAPITAL (Hong Kong) Limited**

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A letter from the Board is set out on pages 3 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular. A letter from REXCAPITAL containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this circular.

Notice of the EGM to be held at Room 3402-08, 34/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 5 February, 2007 at 11:00 a.m. is set out on pages 24 to 25 of this circular. If you are unable to attend the EGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM if you so wish.

19 January, 2007

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## DEFINITIONS

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

“Acquisition”	the acquisition of 17% of the entire issued share capital of Global Cosmetics under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 2 January, 2007 and made between the Vendor and the Purchaser in respect of the sale and purchase of 17% of the entire issued share capital of Global Cosmetics
“Board”	the board of Directors
“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 Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Acquisition Agreement
“Consideration”	HK\$241,090,000, being the total consideration for the Acquisition under the Acquisition Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held on Monday, 5 February, 2007 at 11:00 a.m. at Room 3402-08, 34/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for approving the Acquisition Agreement by the Independent Shareholders
“Global Cosmetics”	Global Cosmetics (HK) Company Limited (高寶化妝品(香港)有限公司), a company incorporated in Hong Kong with limited liability on 6 August, 2004
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the committee of the Board established on 2 January, 2007 for the purpose of advising the Independent Shareholders on the Acquisition, the members of which include all the independent non-executive Directors, namely Mr. Ou Ying Ji, Mr. Lin Jian and Mr. Lee Pak Chung

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## DEFINITIONS

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“Independent Shareholders”	any shareholder of the Company that is not required to abstain from voting at a general meeting, if necessary, to approve a connected transaction
“Latest Practicable Date”	17 January, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange which is in parallel with, and distinct from, the Growth Enterprise Market of the Stock Exchange
“Purchaser”	Global Success Properties Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company
“REXCAPITAL”	REXCAPITAL (Hong Kong) Limited, a licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activity and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the connected transaction as contemplated under the Acquisition Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Vendor”	Cristal Marketing Management Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

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## LETTER FROM THE BOARD

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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)*

*(stock code: 274)*

***Executive Directors:***

Mr. Lau Jin Wei, Jim  
Mr. Wong Ying Yin  
Mr. Bang Young Bae

***Independent non-executive Directors:***

Mr. Ou Ying Ji  
Mr. Lin Jian  
Mr. Lee Pak Chung

***Registered office:***

Century Yard, Cricket Square,  
P.O. Box 2681 GT  
George Town, Grand Cayman  
British West Indies

***Head office and principal place  
of business in Hong Kong:***

Room 3402-08, 34/F., Office Tower,  
Convention Plaza,  
1 Harbour Road,  
Wanchai,  
Hong Kong

19 January, 2007

### DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF INTERESTS IN A COMPANY

Dear Sir or Madam,

*To the Shareholders*

#### 1. INTRODUCTION

By the announcement of the Company dated 2 January, 2007, it was announced that the Vendor and the Purchaser entered into the Acquisition Agreement in relation to the sale and purchase of 17% of the entire issued share capital of Global Cosmetics.

The purpose of this circular is to provide you with information in relation to the Acquisition as contemplated under the Acquisition Agreement, the advice of the Independent Board Committee and the letter of advice from REXCAPITAL to the Independent Board Committee and the Independent Shareholders.

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## LETTER FROM THE BOARD

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### 2. ACQUISITION AGREEMENT

#### Date

2 January, 2007

#### Parties

Purchaser: Global Success Properties Limited, a direct wholly-owned subsidiary of the Company

Vendor: Cristal Marketing Management Company Limited

Shareholding interest to be acquired: 17% of the entire issued share capital of Global Cosmetics

Consideration: HK\$241,090,000

Completion Date: Not later than 31 March, 2007 or such other date as the Vendor and the Purchaser may agree

Conditions: Completion is conditional upon the following conditions:

- (a) (where applicable) the compliance by the Company of (or, as the case may be, obtaining of waiver from) any requirement under the Listing Rules as may be applicable in connection with the Acquisition Agreement and the transactions contemplated thereby;
- (b) the Board approving and authorising the execution and completion of the Acquisition Agreement;
- (c) none of the warranties and representations of the Vendor contained in the Acquisition Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- (d) if required, all approvals, consents, authorisations and licences (so far as are necessary) in relation to the transactions contemplated under the Acquisition Agreement having been obtained from the relevant parties.

All of the above conditions cannot be waived by the Vendor and the Purchaser. As at the Latest Practicable Date, the conditions set out in paragraphs (b) and (d) above have been fulfilled.

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## LETTER FROM THE BOARD

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Payment method: The Consideration shall be payable as follows: –

- (a) an initial deposit equal to 20% of the Consideration shall be paid upon signing of this Agreement; and
- (b) the balance of the Consideration shall be payable upon Completion

All payment shall be made by way of cheque(s) and/or cashier's order issued by a licensed bank in Hong Kong in favour of the Vendor or as it shall direct or in such other manner as may be agreed between the Vendor and the Purchaser.

In the event any of the conditions referred to above not having been fulfilled on or before 31 March, 2007, the initial deposit paid by the Purchaser to the Vendor shall be forthwith refunded to the Purchaser without interest by way of a cashier's order drawn in favour of the Purchaser.

### **Subject matter of the Acquisition**

Global Cosmetics is a company incorporated in Hong Kong on 6 August, 2004 having an authorised capital of HK\$40,000,000 divided into 40,000,000 shares of HK\$1 each, all of which have been issued and are fully paid or credited as fully paid. Of the 40,000,000 issued shares, 28,000,000 shares are beneficially owned by and registered in the name of Global Chemical Investment Limited (an indirect wholly-owned subsidiary of the Company) and 12,000,000 shares are beneficially owned by and registered in the name of the Vendor. Global Cosmetics is principally engaged in the wholesale of cosmetics and skincare products manufactured by the members of the Group.

The original purchase cost of the Vendor regarding 17% of the entire issued share capital of Global Cosmetics was HK\$6,800,000, being the subscription price for the allotment of shares at par by Global Cosmetics.

As at 30 June, 2006, the unaudited net asset value of Global Cosmetics was approximately HK\$250,219,000. For the period from 6 August, 2004 (being the date of incorporation of Global Cosmetics) to 31 December, 2005, the net profit before tax and extraordinary items and the net profit after tax and extraordinary items attributable to the equity shareholders of Global Cosmetics amounted to approximately HK\$110,141,000 and HK\$73,911,000 respectively.

Upon completion of the Acquisition, the Company will indirectly own in aggregate 87% of the entire issued share capital of Global Cosmetics.

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## LETTER FROM THE BOARD

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### 3. CONSIDERATION FOR THE ACQUISITION AND THE BASIS FOR ITS DETERMINATION

The Consideration of HK\$241,090,000 is determined having regard to the net asset value and earnings of Global Cosmetics and its subsidiary, namely Global Cosmetics (China) Co. Ltd. and the market potential of their business. On the basis of the existing and expected continual growth of the business of Global Cosmetics and its subsidiary, the Board is of the view that the value of the equity interest of Global Cosmetics will further increase in the future. As it is the plan of the Company to own a larger portion of shareholding in Global Cosmetics, to avoid paying at a later stage a higher amount of consideration as a result of any future increase of value, the Board considered it appropriate to acquire 17% of the entire issued share capital at the current consideration offered by the Vendor.

The Acquisition will be funded by internal resources of the Group.

Upon completion of the Acquisition, the Group shall, on consolidation basis, be entitled to 87% of the net earnings/loss of Global Cosmetics.

As at 31 December, 2005, the Group had total current assets of approximately HK\$766,269,000 while the total current liabilities were approximately HK\$223,945,000. The cash payment of approximately HK\$241,090,000 for the Acquisition represented approximately 31.5% of the Group's total current assets. The Group has sufficient funds to pay for the Consideration, and after the Acquisition, the Group still has sufficient funds to settle its debts. According to the audited financial statements of Global Cosmetics for the period from 6 August, 2004 (being the date of incorporation of Global Cosmetics) to 31 December, 2005, the net profit before tax and extraordinary items and the net profit after tax and extraordinary items attributable to the equity shareholders of Global Cosmetics amounted to approximately HK\$110,141,000 and HK\$73,911,000 respectively, upon completion of the Acquisition, the Group's sharing of the profits after tax of Global Cosmetic and its subsidiary would have increased from existing 70% to 87%. As the results of Global Cosmetics have been consolidated into and fully reflected on the Group's consolidated accounts, the net asset value of the Group immediately before and after the Acquisition will remain the same. For these reasons, the Board believes that the Acquisition will have positive effect on the earnings of the Group and will not give rise to any material effect on the assets and liabilities of the Group.

### 4. REASONS FOR THE TRANSACTION

The Group is principally engaged in, among other things, the manufacture of cosmetics and skin care products. For the period from 6 August, 2004 (being the date of incorporation of Global Cosmetics) to 31 December, 2005, the net profit before tax and extraordinary items and the net profit after tax and extraordinary items attributable to the equity shareholders of Global Cosmetics amounted to approximately HK\$110,141,000 and HK\$73,911,000 respectively. The Directors are optimistic about the future growth of cosmetics and skin care products manufactured by Global Cosmetics. The transaction will enable the Group to have larger share of return in Global Cosmetics. Therefore, the Directors, including independent non-executive Directors, consider that the terms of the Acquisition Agreement are in ordinary course of business and on normal commercial terms fair and reasonable and in the interest of the Shareholders as a whole.



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## LETTER FROM THE BOARD

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### 5. GENERAL

The principal activities of the Group are manufacture and trading of home and personal care products, industrial products, cosmetics and skin care products and biotechnology products with medical and cosmetic applications.

The principal activities of the Vendor are retailing of cosmetics and provision of beauty treatment services. Otherwise than it being a substantial shareholder of Global Cosmetics, the Vendor and its beneficial owner are independent third parties, which are not connected with the Company or any of the Company's connected persons.

The Vendor currently holds 30% of the entire issued share capital of Global Cosmetics. By virtue of its being a substantial shareholder of Global Cosmetics, the Vendor constitutes a connected person (as such term is defined under the Listing Rules). As such, the Acquisition constitutes a connected transaction (as such term is defined under the Listing Rules) for the Company and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The applicable ratios set forth in Chapter 14 of the Listing Rules are more than 5% but less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

As a result, Completion is subject to the approval of the Independent Shareholders by poll at the EGM.

### 6. EGM

The Company will convene the EGM at Room 3402-08, 34/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 5 February, 2007 at 11:00 a.m. to consider and, if thought fit, approve the connected transaction as contemplated under the Acquisition Agreement. A notice of the EGM is set out on pages 24 to 25 of this circular.

No Shareholder is required to abstain from voting in respect of the ordinary resolution proposed to approve the connected transaction as contemplated under the Acquisition Agreement at the EGM.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

### 7. POLL PROCEDURE

Pursuant to article 66 of the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

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## LETTER FROM THE BOARD

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- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders taken at the EGM to approve the connected transaction as contemplated under the Acquisition Agreement will be taken by poll, the results of which will be announced after the EGM.

### **8. RECOMMENDATION**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Ou Ying Ji, Mr. Lin Jian and Mr. Lee Pak Chung, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the connected transaction as contemplated under the Acquisition Agreement and whether such connected transaction is in the interests of the Company and its Shareholders as a whole. Your attention is drawn to the advice of the Independent Board Committee set out in its letter on page 10 of this circular. Your attention is also drawn to the letter of advice from REXCAPITAL to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction as contemplated under the Acquisition Agreement set out on page 11 to page 18 of this circular.

The Independent Board Committee, having taken into account the advice of REXCAPITAL, considers that the Acquisition Agreement is on normal commercial terms. The Independent Board Committee also considers that the terms of the connected transaction as contemplated under the Acquisition Agreement are fair and reasonable and such connected transaction is in the interests of the Company and its Shareholders as a whole. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the connected transaction as contemplated under the Acquisition Agreement at the EGM.

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## LETTER FROM THE BOARD

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### 9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Global Green Tech Group Limited**  
**Lau Jin Wei, Jim**  
*Chairman*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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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)*

*(stock code: 274)*

19 January, 2007

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION:  
ACQUISITION OF INTERESTS IN A COMPANY**

We refer to the circular issued by the Company to its shareholders and dated 19 January, 2007 (“Circular”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the transaction contemplated under the Acquisition Agreement constitute a connected transaction for the Company and are normally subject to the approval of the Independent Shareholders.

We have been appointed by the Board to consider the terms of the Acquisition Agreement and to advise the Independent Shareholders in connection with the connected transaction as contemplated under the Acquisition Agreement as to whether, in our opinion, the terms of the Acquisition Agreement are fair and reasonable and whether such connected transaction is in the interests of the Company and its Shareholders as a whole. REXCAPITAL has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from REXCAPITAL as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, REXCAPITAL as set out in its letter of advice, we consider that the Acquisition Agreement is on normal commercial terms. We also consider that the terms of the connected transaction as contemplated under the Acquisition Agreement are fair and reasonable and such connected transaction is in the interests of the Company and its Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders to vote in favour of the ordinary resolutions to approve the connected transaction as contemplated under the Acquisition Agreement at the EGM.

Yours faithfully,

For and on behalf of

**Independent Board Committee**

**Ou Ying Ji**

**Lin Jian**

**Lee Pak Chung**

*Independent non-executive Directors*

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## LETTER OF ADVICE FROM REXCAPITAL

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*The following is the text of a letter of advice from REXCAPITAL to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and is prepared for inclusion in this circular.*



**REXCAPITAL (Hong Kong) Limited**

34th Floor, COSCO Tower  
Grand Millennium Plaza  
183 Queen's Road Central  
Hong Kong

19 January, 2007

*The Independent Board Committee and  
the Independent Shareholders*

**Global Green Tech Group Limited**

Room 3402, 34/F., Office Tower  
Convention Plaza  
1 Harbour Road  
Hong Kong

Dear Sirs,

### **CONNECTED TRANSACTION ACQUISITION OF INTERESTS IN A COMPANY**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Acquisition Agreement, details of which are set out in this circular of which this letter forms a part. We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Acquisition Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders on how to vote. Unless the context otherwise requires, terms used in this letter shall have the same meaning as those defined in this circular.

On 2 January, 2007, the Purchaser, a direct wholly-owned subsidiary of the Company entered into the Acquisition Agreement with the Vendor for the acquisition of 17% of the entire issued share capital of Global Cosmetics. Global Cosmetics is currently a non-wholly owned subsidiary of the Company in which the Company indirectly holds as to 70% while the Vendor holds the remaining 30% of the total issued share capital of Global Cosmetics. Being the substantial shareholder of Global Cosmetics, the Vendor therefore is a connected person (as defined under the Listing Rules) of the Company. As such, the Acquisition constitutes a connected transaction for the Company and is subject to, amongst other things, the approval of Independent Shareholders at the EGM. Since the applicable ratios (set forth in the Listing

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## LETTER OF ADVICE FROM REXCAPITAL

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Rules) for such transaction are more than 5% but less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

The Independent Board Committee, comprising Mr. Ou Ying Ji, Mr. Lin Jian and Mr. Lee Pak Chung, all being independent non-executive Directors, has been established to consider the terms of the Acquisition Agreement, and to advise the Independent Shareholders on whether the terms of the Acquisition Agreement are fair and reasonable.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in this circular and information provided to us by the Company and its Directors. In particular, we have relied on the audited consolidated financial information for the period from 6 August, 2004 (being the date of incorporation of Global Cosmetics) to 31 December, 2005 and the unaudited management accounts for the six-month period ended 30 June, 2006 of Global Cosmetics and its subsidiary, Global Cosmetics (China) Co., Ltd. (“Global Cosmetics China”) (Global Cosmetics and Global Cosmetics China, collectively the “GC Group”). We have assumed that all statements, information and representations made or referred to in this circular and all information and representations which have been provided by the Company and the Directors, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the date hereof. We have also assumed that all statements of belief, opinion and intention made by the Directors in this circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been confirmed by the Directors that no material facts and representations the omission of which would make any statement in this circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in this circular and to provide a reasonable basis for our recommendation regarding the Acquisition Agreement.

### **THE ACQUISITION AGREEMENT**

#### **Principal Factors Considered**

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Acquisition Agreement, we have taken into consideration the following factors and reasons:

#### **1. Background and reasons for entering into the Acquisition Agreement**

On 2 January, 2007, the Company announced that the Acquisition Agreement was entered into between the Purchaser and the Vendor on 2 January, 2007, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase 17% of the total issued share capital of Global Cosmetics at a total

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## LETTER OF ADVICE FROM REXCAPITAL

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consideration of HK\$241,090,000. Completion of the Acquisition Agreement is conditional upon, among others, the Independent Shareholders' approval of the Acquisition Agreement at the EGM.

As stated in the letter from the Board in this circular, Global Cosmetics is currently a non-wholly owned subsidiary of the Company in which the Company indirectly holds as to 70% while the Vendor holds the remaining 30% of the total issued share capital of Global Cosmetics. Accordingly, upon completion of the Acquisition Agreement, the Company will indirectly own up to 87% interest in Global Cosmetics.

Global Cosmetics is principally engaged in the wholesale of cosmetics and skincare products manufactured by members of the Group. The following table highlights some of the key historical financial figures of the Group for the financial year ended 31 December, 2005 and the six-month period ended 30 June, 2006, and that of the GC Group for the period from 6 August, 2004 (being the date of incorporation of Global Cosmetics) to 31 December, 2005 and for the six-month period ended 30 June, 2006, for comparison purposes.

<i>(HK\$' million)</i>	<b>Financial year ended 31 December, 2005 <i>(audited)</i></b>	<b>Six-month period ended 30 June, 2006 <i>(unaudited)</i></b>
<b>The Group</b>		
Turnover	769.9	402.3
Net profit after tax	249.4	105.6
	<b>From 6 August, 2004 to 31 December, 2005 <i>(audited)</i></b>	<b>Six-month period ended 30 June, 2006 <i>(unaudited)</i></b>
<b>The GC Group</b>		
Turnover	249.8	185.8
<b><i>% to total turnover of the Group</i></b>		
	<b>32.5%</b>	<b>46.2%</b>
Net profit after tax contributed to the Group	73.9	69.3
<b><i>% to net profit after tax of the Group</i></b>		
	<b>29.6%</b>	<b>65.6%</b>

From the above table, we note that turnover as well as net profit of the GC Group for the first half of 2006 have both shown significant growth as compared with its performance in year 2005 as evidenced by the fact that the turnover and net profit of the GC Group for the six-month period ended 30 June, 2006 have almost approached its respective figures for the period from 6 August, 2004 to 31 December, 2005.

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## LETTER OF ADVICE FROM REXCAPITAL

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We also note that the turnover of the GC Group for the period from 6 August, 2004 to 31 December, 2005 represented approximately 32.5% of the Group's total turnover in 2005, while for the six-month period ended 30 June, 2006, the turnover of the GC Group further represented approximately 46.2% of the Group's total turnover in the corresponding period. We observed that turnover of the GC Group has, therefore, represented over 30% of the Group's total turnover for both the 2005 financial year and the six-month period ended 30 June, 2006. Also from the table, it shows that the net profit after tax attributable to the GC Group for the period from 6 August, 2004 to 31 December, 2005 and that for the six-month period ended 30 June, 2006 also represented approximately 29.6% and 65.6% to the net profit after tax of the Group for the 2005 financial year and for the six-month period ended 30 June, 2006 respectively. The GC Group has been one of the Company's key revenue and income contributors among the Group's major business segments.

As stated in the letter from the Board in this circular, the Directors are optimistic about the future growth of cosmetics and skincare products manufactured by the GC Group and it is the plan of the Company to own a larger portion of shareholding in Global Cosmetics. In view of the existing and expected continual growth of the business of the GC Group, the Board is of the view that the value of the equity interest in Global Cosmetics will further increase in the future and that it is appropriate to acquire the 17% interest in Global Cosmetics at the current Consideration offered by the Vendor in order to avoid paying a higher amount of consideration at a later stage.

Having considered that:

- (i) the Group is principally engaged in, amongst others, the manufacture and trading of cosmetics and skincare products, the proposed Acquisition is in line with its current principal business;
- (ii) the contributions from the GC Group represented over 30% of the Group's total turnover and over 29% of the Group's net profit for both the financial year ended 31 December, 2005 and the six-month period ended 30 June, 2006, and has been the Company's key revenue contributor among the Group's major business segments;
- (iii) turnover as well as net profit of the GC Group for the first half of 2006 have both shown significant growth as compared with its performance in year 2005 as evidenced by the fact that the turnover and net profit of the GC Group for the six-month period ended 30 June, 2006 have almost approached its respective figures for the period from 6 August, 2004 to 31 December, 2005; and
- (iv) the acquisition of further 17% interest in Global Cosmetics will enable the Group to benefit from the continuous growth in the profitability of and to gain a larger share of return from Global Cosmetics,

we consider that the Acquisition represents a consistent strategy to the Group's core business which may further enhance the future profitability of the Group.



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## LETTER OF ADVICE FROM REXCAPITAL

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### 2. Consideration of the Acquisition Agreement

The Consideration payable by the Purchaser under the Acquisition Agreement is HK\$241,090,000 and according to the Directors, the Consideration will be funded by internal resources of the Group. The Directors confirmed that the Consideration for the Acquisition Agreement was arrived at after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms having regard to the net asset value and earnings of the GC Group and the market potential of its business.

We have reviewed the audited financial statements for the period from 6 August, 2004 to 31 December, 2005 and the unaudited management accounts as at 30 June, 2006 of the GC Group which reported an unaudited consolidated net asset value of approximately HK\$250,219,000. We note that the Consideration of HK\$241,090,000 represents:

- (i) a premium of approximately 466.8% of the consolidated net asset value as at 30 June, 2006 shared by the Vendor according to its 17% interest in Global Cosmetics, being approximately HK\$42.5 million, which represents a price to book ratio of approximately 5.7 times; and
- (ii) a price to earnings ratio of approximately 12.9 times based on the latest audited net profits after taxation and extraordinary items of the GC Group for the period from 6 August, 2004 (the incorporation date of Global Cosmetics) to 31 December, 2005 shared by the Vendor according to its 17% interest in the Global Cosmetics, being approximately HK\$18.7 million.

For analysis purposes, we have identified 7 comparable companies being listed companies on the Stock Exchange with similar businesses of the GC Group including but not limited to, the manufacturing and/or trading of beauty products. The comparables are identified by searching through published information, and may not contain all listed companies in the related industries. Shareholders should note that the stated price to earnings ratios and price to book ratios of the respective companies could be sensitive to, amongst other things, each of their particular businesses, financial position and market price performance of the shares of the respective companies and therefore, the price to earnings ratios and price to book ratios of the comparables listed below are for information and reference purposes only.

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**LETTER OF ADVICE FROM REXCAPITAL**

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Name of comparables	Business activities	Price to earnings ratio <i>(times)</i>	Price to book ratio <i>(times)</i>
<b>The GC Group</b>		<b>12.9</b>	<b>5.7</b>
Natural Beauty Bio-Technology Limited	Manufacture and selling of skin care, beauty and aromatherapeutic products and provision of skin treatments, beauty and spa services and skin care consulting and beauty training	22.7	2.8
Water Oasis Group Limited	Distribution of branded skin-care products, and operation of retail outlets, spa centres and internet portal in Hong Kong, Taiwan, Macau and the PRC	36.8	1.5
Nubrands Group Holdings Limited	Sale of medical equipment and supplies and health and beauty products	–	7.6
B.A.L. Holdings Limited	Retails of beauty products and provision of beauty services in Hong Kong, Macau and China	6.3	3.6
Sau San Tong Holdings Limited	Sale of a range of health and beauty products and provision of a wide range of health and beauty services with emphasis on weight management at its slimming centers	–	2.5
Blu Spa Holdings Limited	Development, distribution and marketing of personal care treatment products	–	–
The Company		5.1	0.8
	Range	5.1 to 36.8	0.8 to 7.6
	Mean	17.7	3.1

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## LETTER OF ADVICE FROM REXCAPITAL

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As illustrated above, the price to earnings ratios of the respective comparable companies identified vary widely, with a range from 5.1 times to 36.8 times and a mean value of approximately 17.7 times. From the above, we observed that the price to earnings ratio incorporated in the Consideration, being 12.9 times, is within the range and also is well below the mean value of price to earnings ratios of the above comparables, which is in the interest of the Company.

Despite the fact that the price to book ratio incorporated in the Consideration, being 5.7 times, is higher than the mean value of the price to book ratios of the comparables, it nevertheless falls within the range of the price to book ratios of the above comparables. In addition, given the recent remarkable business growth and profitability of the GC Group, and the reasons for and benefits from the Acquisition as mentioned under the paragraphs headed “*Background and reasons for entering into the Acquisition Agreement*” above, we are of the view that the Consideration under the Acquisition Agreement is considered reasonable and commercially acceptable to the Company.

### **3. Financial effects on the Group as a result of the Acquisition Agreement**

#### *(i) Income effect*

We note from the annual report of the Company for the year ended 31 December, 2005 that, the Group recorded an annual turnover of approximately HK\$624.9 million and HK\$769.9 million for the years ended 31 December, 2004 and 2005, respectively. The Group reported net profit after taxation and minority interests of approximately HK\$105.1 million and HK\$223.3 million respectively for the financial years ended 31 December, 2004 and 2005. For the six-month period ended 30 June, 2006, the Group reported turnover and net profit after taxation and minority interests of approximately HK\$402.3 million and HK\$75.9 million respectively.

According to the audited financial statements of the GC Group for the period from 6 August, 2004 (the incorporation date of Global Cosmetics) to 31 December, 2005 and the unaudited management accounts for the six-month period ended 30 June, 2006, the GC Group reported a net profit after tax of approximately HK\$110.1 million and HK\$99.0 million respectively. Prior to the entering into of the Acquisition Agreement, Global Cosmetics has been a 70% indirectly-owned subsidiary of the Company and its results have been consolidated into and fully reflected on the Group’s consolidated income statement.

As discussed under the paragraphs headed “*Background and reasons for entering into the Acquisition Agreement*” above, the Directors are optimistic about the future business growth of cosmetics and skincare products manufactured by the GC Group and given the historical and current profitability of the GC Group, the Directors are of the view that the profitability of the GC Group will be sustainable. As such, we concur with the Directors’ view that the GC Group will be able to remain a key revenue contributor to the Group in the foreseeable future.

#### *(ii) Cash position*

As stated in the letter from the Board in this circular, the Acquisition will be satisfied by internal resources of the Group. As at 30 June, 2006, the cash and cash equivalents of the Group were maintained at approximately HK\$599.9 million. Upon the completion of the Acquisition

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## LETTER OF ADVICE FROM REXCAPITAL

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Agreement, the Group's cash and cash equivalents will decrease by the amount of HK\$241,090,000, which is the Consideration payable by the Company for the Acquisition pursuant to the Acquisition Agreement. Accordingly, we concur with the Directors' view that the Group has adequate financial resources to fulfill the payment obligation and the cash payment will not have a material adverse impact on the Group's financial or cash flow condition upon completion of the Acquisition.

*(iii) Net asset value*

Since Global Cosmetics has been a 70% indirectly-owned subsidiary of the Company and its results have been consolidated into and fully reflected on the Group's consolidated accounts, the net asset value of the Group immediately before and after the Acquisition will remain the same at approximately HK\$1,633.3 million, being the reported unaudited consolidated net asset value of the Group as at 30 June, 2006. Accordingly, we consider that the Acquisition will not have material adverse impact on the Group's consolidated net asset value and it is in the interest of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that the entering into and the terms of the Acquisition Agreement are fair and reasonable and are in the interests of the Company so far as the Shareholders as a whole are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition Agreement.

Yours faithfully,  
For and on behalf of  
**REXCAPITAL (Hong Kong) Limited**  
**Sam Lum**  
*Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under section 344 of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Number of ordinary shares/underlying shares held			Approximate percentage of interest
	Personal interests	Corporate interests	Family interests	
Mr. Lau Jin Wei, Jim	5,400,000 <i>note (a)</i>	–	80,712,000 <i>note (b)</i>	8.45%
Mr. Wong Ying Yin	650,000 <i>note (c)</i>	–	–	0.06%
Mr. Bang Young Bae	500,000 <i>note (d)</i>	–	–	0.05%

*Notes:*

- (a) The personal interest of Mr. Lau Jin Wei, Jim comprises of 5,400,000 ordinary shares of the Company.
- (b) There are 80,712,000 ordinary shares of the Company as shown above held by Motivated Workforce Consultants Limited (“MWC”), a company incorporated in the British Virgin Islands. The entire share capital of MWC is owned by Mr. Lau Ru Dong, the father of Mr. Lau Jin Wei, Jim.
- (c) The personal interest of Mr. Wong Ying Yin comprises of 300,000 ordinary shares and 350,000 underlying shares in respect of share options granted by the company to him.
- (d) The personal interest of Mr. Bang Young Bae comprises of 200,000 ordinary shares and 300,000 underlying shares in respect of share options granted by the company to him.

Name of Director	Number of 2007 Warrants granted		
	Personal interests	Corporate interests	Family interests
Mr. Lau Jin Wei, Jim	540,000 <i>note (a)</i>	–	6,020,000 <i>note (b)</i>

Name of Director	Number of 2008 Warrants granted		
	Personal interests	Corporate interests	Family interests
Mr. Lau Jin Wei, Jim	540,000 <i>note (a)</i>	–	6,020,000 <i>note (b)</i>

Each of the 2007 Warrant entitles the holder thereof to subscribe for one ordinary share at subscription price of HK\$0.9654 per share, payable in cash and subject to adjustment, at any time during the period from 8 July, 2005 to 7 July, 2007 (both dates inclusive). Each of the 2008 Warrant entitles the holder thereof to subscribe for one ordinary share at subscription price of HK\$1.3 per share, payable in cash and subject to adjustment, at any time during the period from 8 July, 2005 to 7 July, 2008 (both dates inclusive). Any shares falling to be issued upon the exercise of the subscription rights attaching to the 2007 Warrants and 2008 Warrants rank *pari passu* in all respects with the existing fully- paid ordinary shares in issue on the relevant subscription date.

*Notes:*

- (a) The personal interest of Mr. Lau Jin Wei, Jim comprises of 540,000 2007 Warrants and 540,000 2008 Warrants of the Company.
- (b) There are 6,020,000 2007 Warrants and 6,020,000 2008 Warrants of the Company held by MWC, a company incorporated in the British Virgin Islands. The entire share capital of MWC is owned by Mr. Lau Ru Dong, the father of Mr. Lau Jin Wei, Jim.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under section 344 of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 31 December, 2005, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group since 31 December, 2005, being the date to which the latest published audited financial statements of the Group were made up, and which was significant in relation to the business of the Group.

### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Number of ordinary shares	Number of 2007/2008 Warrants	Approximate percentage of interest
MWC	80,712,000	12,040,000	9.10%
Inviting Finance Limited <i>note (a)</i>	79,668,000	14,400,000	9.23%

*Note:*

- (a) Inviting Finance Limited is a company incorporated in the British Virgin Islands. The entire share capital of IFL is owned by Mr. Choi Woon Man.

All the interests disclosed above represent long positions in the shares of the Company.

Details of the terms of the 2007 Warrants and the 2008 Warrants are set out in the paragraph headed "Disclosure of Interests" above.

Save as disclosed above, there was no person (not being a Director or chief executive of the Company) known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 4. SUBSTANTIAL SHAREHOLDERS OF SUBSIDIARIES OF THE COMPANY

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) were, either directly or indirectly, interested in shares representing 10% or more of the nominal value of any class of share capital or, as the case may be, registered capital carrying rights to vote in all circumstances at general meetings of a subsidiary of the Company:

Name of subsidiary	Name of shareholder	No. of shares held/ amount of registered capital owned	Percentage of shareholdings
Global Cosmetics	Vendor	12,000,000 ordinary shares of HK\$1 each	30%

**5. SERVICE AGREEMENTS**

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

**6. MATERIAL ADVERSE CHANGES**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December, 2005, being the date to which the latest published audited financial statements of the Group were made up.

**7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against either the Company or any of its subsidiaries.

**8. COMPETING INTEREST**

As at the Latest Practicable Date, none of the Directors and their associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

**9. QUALIFICATION AND CONSENT OF EXPERT**

REXCAPITAL is a corporation licensed to carry on the regulated activities type 6 (advising on corporate finance) as set out in Schedule 5 to the SFO.

REXCAPITAL has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, REXCAPITAL did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

REXCAPITAL does not have any interest, direct or indirect, in any assets which since 31 December, 2005, being the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copy of the Acquisition Agreement will be available for inspection at Room 3402-08, 34/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong during normal business hours from 19 January, 2007 up to and including 5 February, 2007.



**11. MISCELLANEOUS**

- (i) The company secretary and qualified accountant of the Company is Mr. Chow Kai Ming.

Mr. Chow holds a bachelor degree in business administration from the Hong Kong Baptist University and is a fellow member of the Hong Kong Society of Accountants. He has over 16 years of experience in finance and administration.

- (ii) The principal share registrar and transfer office of the Company is the Bank of Butterfield International (Cayman) Limited of Butterfield House, Fort Street, P.O. Box 705, George Town, Grand Cayman, Cayman Islands.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

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## NOTICE OF EGM

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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)*

(stock code: 274)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of Global Green Tech Group Limited (“**Company**”) will be held at Room 3402-08, 34/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 5 February, 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

“**THAT** the acquisition agreement (“**Acquisition Agreement**”) dated 2 January, 2007 (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and entered into between Cristal Marketing Management Company Limited as vendor and Global Success Properties Limited as purchaser and the transactions contemplated thereby be and are hereby approved and that the directors of the Company be and are hereby authorised to take any action and sign any document (under seal, if necessary) as they consider necessary, desirable or expedient in connection with the Acquisition Agreement or the transactions contemplated thereby.”

Yours faithfully  
For and on behalf of  
the board of Directors of  
**Global Green Tech Group Limited**  
**Lau Jin Wei, Jim**  
*Chairman*

Hong Kong  
19 January, 2007

**Registered office:**  
Century Yard, Cricket Square  
P.O. Box 2681 GT  
George Town, Grand Cayman  
British West Indies

**Head office and principal place  
of business in Hong Kong:**  
Room 3402-08, 34/F., Office Tower  
Convention Plaza  
1 Harbour Road  
Wanchai  
Hong Kong

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## NOTICE OF EGM

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*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar, Tengis Limited of 26th Floor, Tesbusy Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
3. As at the date of this notice, the board of directors of the Company comprises Mr. Lau Jin Wei, Jim, Mr. Wong Ying Yin, Mr. Bang Young Bae as executive directors, and Mr. Ou Ying Ji, Mr. Lin Jian, Mr. Lee Pak Chung as independent non-executive directors.