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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 subsidiary and disposal of interests in a subsidiary

On 16 August, 2007, the Company and the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Acquisition Agreement with the Vendor for the acquisition of 13% of the entire issued share capital of Global Cosmetics.

Global Cosmetics is a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Company indirectly holds 87% of the entire issued share capital of Global Cosmetics and the Vendor holds the remaining 13% of the entire issued share capital of Global Cosmetics. By virtue of the Vendor 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 Acquisition, on a stand alone basis, constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Group entered into the January Acquisition Agreement with the Vendor in January 2007 for the acquisition of 17% of the entire issued share capital of Global Cosmetics. The Acquisition and the transaction under the January Acquisition Agreement are therefore aggregated as a single transaction as they involve the acquisition of an interest in one particular company pursuant to Rule 14.23 of the Listing Rules. Consequently, as the highest applicable percentage ratio exceeds 5% but less than 25%, the Acquisition, on an aggregated basis, still constitutes a discloseable transaction.

Further, the transfer of 13,936,390 BBG Consideration Shares by the Company to the Vendor constitutes a disposal of interest in a subsidiary of the Company. Since the applicable percentage ratios set forth in Chapter 14 of the Listing Rules in relation to the disposal are more than 5% but less than 25%, the disposal of interest in BBG constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders.

* *For identification purposes only*

A circular containing, among other things, (i) details of the Acquisition Agreement; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in shares of the Company.

THE ACQUISITION AGREEMENT

Date of the Acquisition Agreement

16 August, 2007

Parties to the Acquisition Agreement

Purchaser: Global Chemical Investment Limited, an indirect wholly-owned subsidiary of the Company

Vendor: Cristal Marketing Management Company Limited

Company: Global Green Tech Group Limited

Shareholding interest to be acquired: 13% of the entire issued share capital of Global Cosmetics

Consideration: HK\$274,057,887 which shall be payable by the Company transferring 13,936,390 BBG Consideration Shares to the Vendor upon Completion, which represents approximately 15.34% of the entire issued share capital of BBG (excluding the REPS issued or to be issued by BBG). Assuming all the REPS are converted into 9,150,000 ordinary shares of BBG, the BBG Consideration Shares will represent approximately 13.94% of the enlarged issued share capital of BBG immediately after such conversion.

Completion Date: Completion shall taken place on the 5th business day after the date of all the conditions set out in the paragraph below are fulfilled

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 (including without limitation the approval of the Independent Shareholders in general meeting being obtained) in connection with the Acquisition Agreement and the transactions contemplated thereby;

- (b) the Board (the Company being the ultimate shareholder of the Purchaser) 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, inaccurate, incomplete 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.

None of the above conditions can be waived by the Vendor or 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, 34,800,000 shares are beneficially owned by and registered in the name of the Purchaser and 5,200,000 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 its wholly owned subsidiary established in the People's Republic of China, namely, Global Cosmetics (China) Co., Ltd.

The original acquisition cost for the Vendor of 13% of the entire issued share capital of Global Cosmetics was HK\$5,200,000, being the subscription price for the allotment of shares at par by Global Cosmetics.

As at 31 December, 2006, the unaudited net asset value of Global Cosmetics was approximately HK\$63,611,000. For each of the two years ended 31 December 2006, the unaudited consolidated net profit before tax of Global Cosmetics amounted to HK\$75,829,000 and HK\$195,708,000, respectively. For each of the two years ended 31 December 2006, the unaudited consolidated net profit after tax attributable to the shareholders of Global Cosmetics amounted to HK\$75,829,000 and HK\$165,168,000, respectively.

The unaudited net asset value of BBG as at 31 December 2006 was approximately HK\$20,738,000. The unaudited consolidated net profit before taxation of BBG for the financial year ended 31 December 2005 and 2006 was approximately HK\$55,368,000 and approximately HK\$184,553,000, respectively, and the unaudited consolidated net profit after taxation of BBG for the financial year ended 31 December 2005 and 2006 was approximately HK\$55,368,000 and approximately HK\$154,014,000, respectively.

The financial statements of Global Cosmetics and BBG were prepared in accordance with Hong Kong Financial Reporting Standards.

Upon completion of the Acquisition, the Purchaser will own the entire issued share capital of Global Cosmetics and the Vendor will own approximately 15.34% of the entire issued share capital of BBG (excluding the REPS issued or to be issued by BBG). Assuming all the REPS are converted into ordinary shares of BBG, the BBG Consideration Shares will represent approximately 13.94% of the enlarged issued share capital of BBG immediately after such conversion.

Immediately after Completion, approximately 84.66% of the entire issued share capital of BBG will be held by the Company and BBG will remain a subsidiary of the Company and the accounts of BBG and its subsidiaries will continue to be consolidated in the accounts of the Company.

Consideration for the Acquisition and the basis for its determination

The Consideration of HK\$274,057,887 is determined with reference to, among other things, the fair value of Global Cosmetics and BBG which were determined on the basis of (i) the unaudited consolidated net profit after tax of Global Cosmetics and the unaudited consolidated net profit after tax of BBG for the year ended 31 December 2006 and (ii) the profit/earning ratio of BBG calculated with reference to the subscription price of US\$21,000,000 for the issue of REPS as announced by the Company on 3 July 2007. The number of BBG Consideration Shares to be transferred to the Vendor also takes into account of the potential dilution effect of the issue of shares of BBG upon conversion of the REPS.

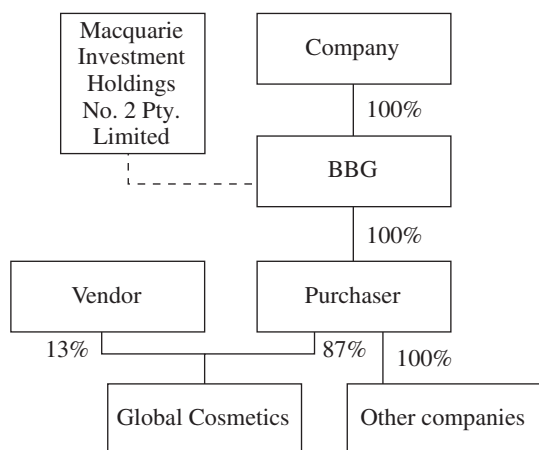
Since the transaction contemplated under the Acquisition Agreement is part of the reorganization of the corporate structure of the BBG Group for preparation of its proposed spin-off as announced by the Company on 8 August 2007, the Directors do not expect there will be any material gain or loss accruing to the Company as a result of the exchange of shares under the Acquisition Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable.

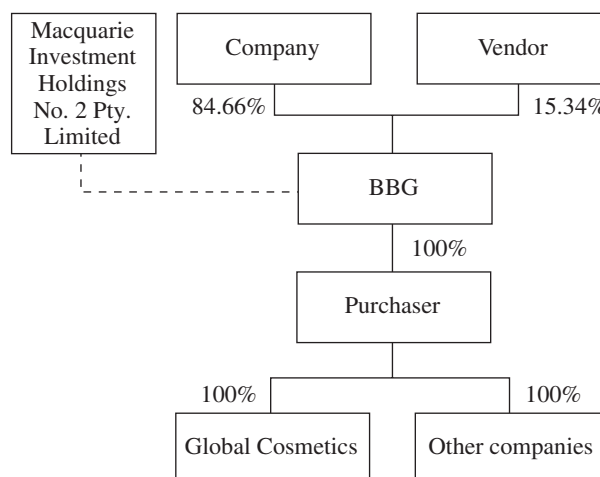
Change in shareholding structure of the Group

For illustration purpose, the following charts depict the shareholding structure of the Group as at the date of this announcement and upon completion of the Acquisition Agreement:

**Shareholding of the Group
as at the date of this announcement**



**Shareholding of the Group upon
completion of the Acquisition Agreement**



BACKGROUND INFORMATION ON THE GROUP AND THE VENDOR

The principal activities of the Group are the manufacturing and sale of home and personal care products, industrial products, cosmetics and skincare products and biotechnology products with pharmaceutical and cosmetics applications and investment and/or trading in marketable securities, bonds, foreign currencies, various funds and income generating fixed assets' portfolios. BBG and its subsidiaries are principally engaged in the manufacture and sale of cosmetics and skincare products.

The principal activities of the Vendor are retailing of cosmetics and provision of beauty treatment services. Other than it being a substantial shareholder and a distributor for the products of Global Cosmetics, the Vendor and its beneficial owner are third parties independent of the Company and any of the Company's connected persons.

REASONS FOR ENTERING INTO THE ACQUISITION AGREEMENT

After a series of corporation reorganisation which took place in June 2007, BBG, through its holding of the entire issued share capital in the Purchaser, became the intermediate holding company of the cosmetics and skincare business of the Group. As at the date of this announcement, save for the 13% shareholding interest of Global Cosmetics which is held by the Vendor, all the subsidiaries under BBG are wholly owned. To enable BBG to take full control of the cosmetics and skincare business arm and as part of the reorganisation of the group of BBG, the Vendor agreed to exchange its shares of Global Cosmetics with the shares of BBG with approximately the same fair value as at the date of this announcement and taking into account the potential dilution effect of BBG upon full conversion of the REPS. The Directors, including independent non-executive Directors, consider that the terms of the Acquisition Agreement are in the ordinary course of business and on normal commercial terms, fair and reasonable and in the interest of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Vendor currently holds 13% of the entire issued share capital of Global Cosmetics. By virtue of it 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.

As a result, Completion is subject to the approval of the Independent Shareholders by poll at the EGM under Chapter 14A of the Listing Rules.

The Acquisition, on a stand alone basis, constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Group, entered into the January Acquisition Agreement with the Vendor in January 2007 for the acquisition of 17% of the entire issued share capital of Global Cosmetics. The Acquisition and the transaction under the January Acquisition Agreement are therefore aggregated as a single transaction as they involve the acquisition of an interest in one particular company pursuant to Rule 14.23 of the Listing Rules. Consequently, as the highest applicable percentage ratio exceeds 5% but less than 25%, the Acquisition, on an aggregated basis, still constitutes a discloseable transaction.

Further, the transfer of 13,936,390 BBG Consideration Shares by the Company to the Vendor constitutes a disposal of interest in a subsidiary of the Company. Since the applicable percentage ratios set forth in Chapter 14 of the Listing Rules in relation to the disposal are more than 5% but less than 25%, the disposal of interest in BBG constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

EGM AND SHAREHOLDERS' CIRCULAR

In view of the foregoing, the Company will seek the approval of the Independent Shareholders for the Acquisition Agreement. Ordinary resolutions will be proposed at the EGM for the Independent Shareholders to consider and, if appropriate, approve by way of poll the Acquisition Agreement.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders.

None of the shareholders of the Company is required to abstain from voting in respect of the proposed resolution to approve the Acquisition.

A circular containing, among other things, (1) further information on the Acquisition Agreement; (2) the recommendation of the Independent Board Committee to the Independent Shareholders; (3) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of 13% of the entire issued share capital of Global Cosmetics under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 16 August, 2007 and made between the Vendor, the Purchaser and the Company in respect of the sale and purchase of 13% of the entire issued share capital of Global Cosmetics
“BBG”	Bio Beauty Group Inc, a company incorporated in the Cayman Islands, an indirect wholly-owned subsidiary of the Company which was incorporated in June 2007 and became the intermediate holding company of the cosmetics and skincare business of the Group as a result of a corporate reorganisation
“BBG Consideration Shares”	the 13,936,390 shares of HK\$0.10 each in BBG to be transferred by the Company to the Vendor in consideration for the sale of 13% of the entire issued share capital of Global Cosmetics to the Purchaser, which represents approximately 15.34% of the entire issued share capital of BBG
“BBG Group”	BBG and its subsidiaries
“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\$274,057,887, being the total consideration for the Acquisition under the Acquisition Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting proposed to be held by the Company for the purpose of approving the Acquisition Agreement, a notice of which will be dispatched by the Company with the Shareholders’ circular
“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 16 August, 2007 for the purpose of advising the Independent Shareholders on the Acquisition, the members of which comprise all the independent non-executive Directors, namely Mr. Ou Ying Ji, Mr. Lin Jian and Mr. Lee Pak Chung
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Board and approved by the Independent Board Committee
“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
“January Acquisition Agreement”	the agreement dated 2 January 2007 and made between the Vendor and Global Success Properties Limited in respect of the acquisition of 17% of the entire issued share capital of Global Cosmetics, brief details of which are contained in the Company’s announcement dated 2 January 2007
“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 Chemical Investment Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company
“REPS”	convertible preference shares with an aggregate par value US\$21,000,000 to be issued with the benefit of and subject to the terms and conditions of the preference share instrument in connection with the subscription agreement dated 3 July 2007 and made between the Company, BBG and Macquarie Investment Holdings No. 2 Pty. Limited, brief details of which are contained in the Company’s announcement dated 3 July 2007
“Shareholders”	shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Cristal Marketing Management Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

As at the date of this announcement, the Board comprises the following directors:

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

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

Hong Kong, 16 August 2007