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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)

VERY SUBSTANTIAL ACQUISITION: ACQUISITION OF SUPREME CHINA

On 22 May 2009, the Vendor and the Company entered into the SP Agreement pursuant to which the Vendor has agreed to sell, and the Company has agreed to purchase, the Sale Share at a consideration of HK\$320,000,000.

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders pursuant to the Listing Rules. A circular containing, among others, details of the Acquisition and further information of the Target Group and the Group, together with the notice of EGM, will be despatched to the Shareholders as soon as practicable.

THE SP AGREEMENT

Date

22 May 2009

Parties

- (i) The Vendor, an investment holding company, as vendor;
- (ii) the Company, as purchaser; and
- (iii) the Warrantor, as warrantor to guarantee and warrant the performance of the obligations of the Vendor under the SP Agreement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor and its beneficial owner, being the Warrantor, is a third party independent of and not connected with the Company and its connected persons.

Subject matter of the SP Agreement

Pursuant to the SP Agreement, the Vendor has agreed to sell, and the Company has agreed to purchase, the Sale Share (representing the entire issued share capital of Supreme China). Supreme China owns 100% interest of Cristal Marketing.

Consideration

The consideration for the Sale Share is HK\$320,000,000.

The consideration was agreed after arm's length negotiations between the Vendor and the Company and by reference to the valuation of Cristal Marketing conducted by BMI Appraisals Limited (“**Valuer**”), an independent valuer. According to the preliminary valuation report prepared by the Valuer, the valuation of 100% equity interest of Cristal Marketing as at 30 April 2009, which has been carried out on the basis of market value, is HK\$320,000,000. The Valuer has considered the price-to-earning ratios of comparable companies and the marketability of Cristal Marketing in arriving its valuation. Full valuation report of 100% equity interest of Cristal Marketing will be set out in the circular to be despatched to the Shareholders.

The consideration shall be satisfied by the Group in the following manner:

- (i) within three business days after the signing of the SP Agreement, the Company shall pay HK\$64,000,000 (“**Deposit**”) to the Vendor or its nominee by way of a cheque or in such other manner as may be agreed between the Vendor and the Company as deposit and part payment of the consideration;
- (ii) upon completion of the Acquisition:
 - (a) as to HK\$95,418,000 shall be paid by the Company to the Vendor or its nominee by way of a cheque or in such other manner as may be agreed between the Vendor and the Company;
 - (b) as to HK\$582,000 shall be paid by the Company to Supreme China (as directed by the Vendor) to repay the amount which the Vendor is now owing to Supreme China; and
 - (c) as to HK\$160,000,000 by the Company's issue to the Vendor (or such person(s) as nominated by the Vendor) of the Convertible Bonds.

If (1) the Conditions shall not have been fulfilled (or waived) in full on or before 5:00 p.m. on the Longstop Date or (2) where all the Conditions shall have been fulfilled (or waived) on or before 5:00 p.m. on the Longstop Date but completion fails to take place, the Vendor and the Warrantor shall refund the Deposit to the Company (or as it may direct) within 10 business days after the Longstop Date (as regards (1)) or, as the case may be, within 10 business days after the date on which the completion of the Acquisition is scheduled for (as regards (2)).

The Group will finance the cash portion of the consideration by internal resources, borrowing or a combination of both as may be considered appropriate or desirable by the Board, taking into account factors such as the then interest rate and cash flow of the Group.

Upon full conversion of the Conversion Right at the initial Conversion Price at HK\$0.36, an aggregate of 444,444,444 Conversion Shares will be allotted and issued to the Bondholder(s). Such Conversion Shares represent approximately 22.36% of the existing issued share capital of the Company and approximately 18.27% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Company will seek the grant of a special mandate to allot, issue or otherwise deal in the Conversion Shares from the Shareholders at the EGM.

Conditions precedent

Completion of the Acquisition is conditional upon:

- (i) the Company having carried out and completed the legal and financial due diligence review and being satisfied (i) with the business, assets, financial position and prospects of the Target Group in all respects; and (ii) that there has been no material adverse change in the business, assets and financial position of the Target Group between 31 March 2009 and the date of the completion of the Acquisition;
- (ii) the Company being satisfied that (i) all warranties will remain true and correct as at the date of completion of the Acquisition and (ii) the Vendor and the Warrantor have or, as appropriate, will have carried out and complied with the undertakings contained in the SP Agreement;
- (iii) the passing of an ordinary resolution by the Shareholders by poll approving (i) the Acquisition; (ii) the creation and issue of the Convertible Bonds and the allotment and issue of the Conversion Shares pursuant to the exercise of the Conversion Rights and (iii) all other transactions contemplated under the SP Agreement, at the EGM; and
- (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares.

The Company may waive all or any of the Conditions (other than Conditions (iii) and (iv)) at any time before the Longstop Date by notice in writing to the Vendor.

If the Conditions shall not have been fulfilled (or waived) in full on or before 5:00 p.m. on the Longstop Date, all rights and obligations of the parties hereunder shall cease and terminate, save for the refund of the Deposit and the claim (if any) in respect of any antecedent breach of the SP Agreement.

Completion

Completion of the Acquisition shall take place on the third business day after the last outstanding Condition shall have fulfilled (or waived) or such other date as the Vendor and the Company may agree.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are summarised below:

- (1) Principal amount : HK\$160,000,000
- (2) Interest : 8% per annum from the date of issue, payable semi-annually on 30 June and 31 December
- (3) Maturity date : The date falling three years after the issue date of the Convertible Bonds (if that is not a business day, the first business day thereafter)
- (4) Conversion period : The Convertible Bonds are convertible in whole or in part into new Shares by the Bondholders at any time from the issue date of the Convertible Bonds at the Conversion Price provided that the Convertible Bonds may not be converted, to the extent if following such conversion, the Bondholder and parties acting in concert (as defined in the Takeovers Code) with it, taken together, will directly or indirectly, control or be interested in more than 29% of the entire issued Shares. Any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 and no fraction of a Share shall be issued on conversion.
- (5) Conversion Price : HK\$0.36 per Conversion Share, subject to adjustments in each of the following cases (detailed provisions are set out in the terms and conditions of the Convertible Bonds):
 - (a) an alteration to the nominal value of the Shares as a result of consolidation or subdivision or reclassification;

- (b) an issue by the Company of any Shares to the Shareholders by way of capitalisation of profits or reserves, other than a scrip dividend where the market value of the Shares issued in respect of each existing Share does not exceed 110% of the amount of the cash dividend;
- (c) a capital distribution (whether on a reduction of capital or otherwise) by the Company to the Shareholders;
- (d) a rights issue of Shares or options or warrants to subscribe for Shares to all or substantially all Shareholders at a subscription price which is less than 90% of the market price;
- (e) a rights issue of other securities to all or substantially all Shareholders for the purchase of securities of the Company (other than Shares or options, warrants or other rights to subscribe for or purchase Shares);
- (f) an issue wholly for cash of any Shares, or issue or grant any options, warrants or other rights to subscribe for or purchase any Shares, at a price per Share which is less than 90% of the market price per Share;
- (g) an issue wholly for cash of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares, and the consideration per Share receivable by the Company in respect of such conversion, exchange or subscription is less than 90% of the market price per Share; or
- (h) any modification of the rights of conversion, exchange, subscription or redesignation attaching to any such securities as mentioned in (g) above so that following such modification the consideration per Share receivable by the Company in respect of such conversion, exchange, subscription or redesignation is less than 90% of the market price.

The Conversion Price of HK\$0.36 represents:

- a discount of approximately 20.88% to the closing price of HK\$0.455 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 20.35% to the average closing price of approximately HK\$0.452 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- a discount of approximately 13.98% to the average closing price of approximately HK\$0.4185 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

- (6) Conversion Shares : The Conversion Shares will be issued free from any encumbrances or third party rights of any kind and will rank pari passu in all respects with the existing issued Shares together with all rights to dividends and other distributions declared, made or paid on or after the date on which the name of the Bondholder is entered into the Company's register of Shareholders as holder of the relevant Conversion Shares.
- (7) Redemption by the Company : The Company has the right at any time during the term of the Convertible Bonds to redeem the whole or part of the outstanding Convertible Bonds at the redemption amount which shall equal to 110% of the principal amount of the outstanding bonds to be redeemed together with the interest accrued.
- (8) Redemption by the Bondholders and final redemption : Upon the occurrence of an event of default, the Bondholder may, unless such event of default has been waived in writing by it, by notice in writing require the Company to redeem the whole (but not part) of the outstanding principal amount of the Convertible Bonds at the redemption amount which shall equal to 100% of the principal amount of the outstanding Convertible Bonds to be redeemed together with the interest accrued.

Unless the Conversion Rights have been exercised in full during the conversion period in accordance with the terms of the Convertible Bonds, the Company is obliged to redeem any Convertible Bonds which remains outstanding on the maturity date at the redemption amount which shall equal to 100% of the principal amount of the outstanding Convertible Bonds to be redeemed together with the interest accrued.

- (9) Voting rights at general meeting : The Bondholder shall not be entitled to attend or vote at any general meeting of the Company by reason only of it being a Bondholder.
- (10) Transferability : The Convertible Bonds may be assigned or transferred in whole or in part to any third party provided that any transfer of the Convertible Bonds to any connected persons of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.

Application for listing

No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon the exercise of the Conversion Rights.

INFORMATION ON TARGET GROUP

Supreme China is a company incorporated in the British Virgin Islands with limited liability. The principal business of Supreme China is investment holding. Its sole investment is 100% interest in Cristal Marketing. As at the date of this announcement, the Vendor holds the entire issued share capital of Supreme China.

Cristal Marketing is a company incorporated in Hong Kong with limited liability. Its principal activities are retailing of cosmetics and provision of beauty treatment services. Cristal Marketing has been the sole distributor of the cosmetics and skin care products with the brand name “Marjorie Bertagne” developed and/or manufactured by the Group since 2001. Cristal Marketing is operating about 19 shops and counters in Hong Kong and Macau.

Set out below is a summary of certain financial information of the Target Group for the two years ended 31 March 2009:

	For the year ended 31 March 2008 (Unaudited)	For the year ended 31 March 2009 (Unaudited)
Turnover	HK\$122,031,945	HK\$112,903,806
Gross profits	HK\$91,071,122	HK\$86,239,647
Net profit/(loss) (before taxation and extraordinary items)	HK\$258,708,947	HK\$237,380,551
Net profit/(loss) (after taxation and extraordinary items)	HK\$258,708,947	HK\$237,380,551

The unaudited consolidated total asset value and net liabilities of the Target Group as at 31 March 2009 is approximately HK\$20,750,035 and HK\$2,463,865 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are manufacturing and sale of household products, industrial products, cosmetics and skincare products and biotechnology products with medical and cosmetic applications, provision of loan financing services and investment and/or trading in marketable securities, bonds, foreign currencies, various funds and other income generated fixed assets' portfolios.

The Directors believe that significant synergy will be derived from the Acquisition as there will a vertical integration of wholesaling and retailing activities in Hong Kong, Macau and Taiwan. The Group can also make use of the distribution and marketing networks of Cristal Marketing to facilitate future expansion of the cosmetics business and ODM business.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

CHANGES IN THE COMPANY'S SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and the changes thereto as a result of the conversion of the Convertible Bonds at the Conversion Price (assuming that there is no issue or repurchase of Shares prior to the Conversion Rights are exercised in full):

Shareholders	Shareholding as at the date of this announcement		Assuming full conversion of the Convertible Bonds	
	No. of Shares	%	No. of Shares	%
Motivated Workforce Consultants Ltd (<i>Note 1</i>)	476,406,976	23.97	476,406,976	19.59
Inviting Finance Ltd (<i>Note 2</i>)	89,263,040	4.49	89,263,040	3.67
Lau Jin Wei, Jim (<i>Note 3</i>)	3,940,000	0.20	3,940,000	0.16
Sub-total	569,610,016	28.66	569,610,016	23.42
The Vendor	–	–	444,444,444	18.27
Public	1,417,969,840	71.34	1,417,969,840	58.31
Total	1,987,579,856	100.00	2,432,024,300	100.00

Notes:

1. Motivated Workforce Consultants Ltd is wholly and beneficially owned by Mr. Lau Ru Dong, the father of Mr. Lau Jin Wei, Jim, an executive Director.
2. Inviting Finance Ltd is wholly and beneficially owned by Mr. Choi Woon Man who is a former director of the Company.
3. Mr. Lau Jin Wei, Jim is an executive Director.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders pursuant to the Listing Rules. A circular containing, among others, details of the Acquisition and further information of the Target Group and the Group, together with the notice of EGM will be despatched to the Shareholders as soon as practicable.

The Company has confirmed with the Vendor that none of the Vendor nor any of its associates (as defined in the Listing Rules) is holding any Shares. As such, no Shareholder is required to abstain from voting at the EGM.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share pursuant to the SP Agreement
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“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
“Conditions”	means the conditions precedent to the completion of the Acquisition as set out in the paragraph headed “Conditions precedent” in this announcement
“Convertible Bonds”	the 8% convertible bonds due 2012 to be issued by the Company to the Vendor upon completion of the SP Agreement in accordance with its terms
“Conversion Price”	HK\$0.36, being the conversion price for the subscription of one Conversion Share upon the exercise of the Conversion Rights, subject to adjustments under the terms and conditions of the Convertible Bonds
“Conversion Right(s)”	the right(s) of the Bondholder to convert the whole or part of the outstanding principal amount of the Convertible Bonds into Shares subject to the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the new Share(s) to be allotted and issued to the Bondholder(s) upon the exercise of the Conversion Rights

“Cristal Marketing”	Cristal Marketing Management Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Supreme China
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, among other matters, the SP Agreement
“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
“Last Trading Day”	22 May 2009, being the date of the SP Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	the date falling upon the expiry of 120 days from the date of the SP Agreement (or such later date as the Vendor and the Company may agree in writing)
“Sale Share”	the one issued share of US\$1 of Supreme China, representing the entire issued share capital of Supreme China
“Shareholders”	shareholder(s) of the Company
“Shares”	share(s) of HK\$0.10 each in the share capital of the Company
“SP Agreement”	the conditional sale and purchase agreement dated 22 May 2009 entered into between the Vendor, the Company and the Warrantor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supreme China”	Supreme China Limited, a company incorporated in the British Virgin Islands with limited liability

“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Target Group”	collectively, Supreme China and Cristal Marketing
“Vendor”	Title Best Limited, the vendor named in the SP Agreement
“Warrantor”	an individual who is the sole shareholder of the Vendor and is a party independent of and not connected with the Company and its connected person
“%”	per cent.

By order of the Board
Lau Jin Wei, Jim
Chairman

Hong Kong, 22 May 2009

As at the date hereof, the board of Directors comprises the following members:

<i>Executive Directors</i>	Mr. Lau Jin Wei, Jim Mr. Wong Ying Yin Mr. Bang Young Bae
<i>Independent non-executive Directors</i>	Mr. Ho Yik Leung Mr. Lin Jian Mr. Lee Pak Chung

* *for identification purpose only*