

CHAIRMAN'S STATEMENT

Overview

On behalf of the Board, I am pleased to present the first annual results of Global Green Tech Group Limited ("the Group" / "Global Green") since its listing on the Main Board of the Hong Kong Stock Exchange on December 18, 2000. The Group achieved a major milestone with the successful placing of 60,000,000 shares and issue of 15,000,000 new shares raising a net amount of approximately HK\$40 million to fund its future expansion. The Board of Directors was very excited to learn that the Group's shares were over-subscribed for more than 30 times despite the volatile stock market situation. Even more encouraging, several celebrities also joined the Group as strategic investors. We would like to thank investors for their support and confidence for the Group.



Global Green mainly engages in the development, manufacture and sale of home and personal care products with environmental friendly attributes, and industrial surfactants. The Group is committed to become a leader in producing home and personal care products as well as industrial surfactants in the PRC and Hong Kong markets.

Results

During the year under review, the Group devoted tremendous efforts into diversifying its product portfolio, developing effective marketing strategies, maintaining product standard, and also strengthening its research and development capabilities. For the year ended December 31, 2000, the Group recorded a turnover of HK\$188,734,000, representing a remarkable surge of 77.14% compared with the previous year's figure of HK\$106,547,000. Profit attributable to shareholders was HK\$54,535,000, increased for 96.99% compared to HK\$27,684,000 last year. Net profit margin increased from approximately 25.98% in the previous year to 28.90% in 2000.



CHAIRMAN'S STATEMENT

This exponential growth was mainly the result of substantial increase in sales of home and personal care products. During the year under review, sales of home and personal care products reached HK\$112,145,000, representing an increase of 90.96% compared to previous year. Understanding that excess amounts of phosphorus will lead to impairment of the aquatic ecosystem, various regions in the PRC have promulgated certain policies that prohibit the use of phosphorus in detergents. In view of the growing demand for environmental friendly household consumer products, the Group launched a series of phosphorus-free detergents since 1998. The expanded product range and successful establishment of the Group's brandnames in the PRC consumer market were the main factors contributing to the increase in sales. Moreover, the State policies on environmental protection as well as the improving economic environment in both Hong Kong and the PRC after the 1997 financial crisis also stimulated demand for the Group's products.

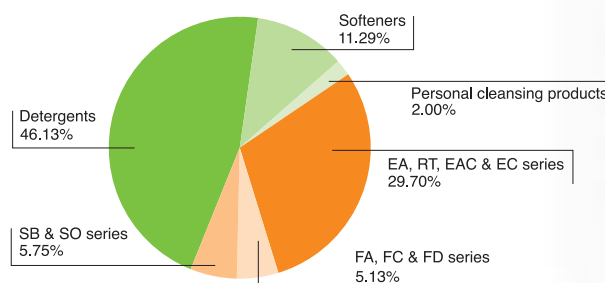
Dividend

The Board of Directors does not recommend the payment of a final dividend for the year ended December 31, 2000.

Operational Review

Product Diversification

Business	Product Lines	Percentage
Sale of home and personal care products	Detergents	46.13%
	Softeners	11.29%
	Personal cleansing products	2.00%
	Sub-total	59.42%
Sale of industrial surfactants	EA, RT, EAC & EC series	29.70%
	FA, FC & FD series	5.13%
	SB & SO series	5.75%
	Sub-total	40.58%
	Total	100%



Home and Personal Care Products

During the year under review, the Group expanded and enriched its product portfolio. Aware of the growing worldwide concern for environmental protection, the Group has placed increasing emphasis on producing environmental friendly products, a series of phosphorus-free detergents, for example, was launched in 1998. Sales of the Group's phosphorus-free detergents in 2000 accounted for almost 37.53% of the total sales of home and personal care products, representing a significant growth of 54.08% compared with in 1999.

The Group currently provides 42 types of home and personal care products encompassing detergents, softeners and personal cleansing products. During the year under review, 28 types of detergents including laundry detergents and household cleaners were manufactured and marketed mainly under the Group's brandnames of "潔寶" and "光漂 (Tinolux)". "光漂 (Tinolux)" especially, which boasts outstanding solar bleaching ability, was well accepted by the market. The Beijing Station of the Quality Assurance for Cosmetics and Laundry Products of the PRC Light Industry Union certified that "光漂 (Tinolux)" has an over 90% rate of dirt disposition against stain.





CHAIRMAN'S STATEMENT

The softening effect and solar bleaching functions of the Group's softeners also gained wide market recognition. For the year ended December 31, 2000, the Group had developed and manufactured 3 types of softeners, which were marketed under the brandnames of “柔寶” and “Soulbio”. The “Soulbio 2 in 1”, a product that works as both a detergent and a softener, was well received by the market. The Group's superb research and development capability has enabled it to integrate environmental protection ideals with production technology, further proving the Group's commitment to developing environmental friendly products.

Riding on the success of the household products, the Group also explored personal cleansing products including liquid body soaps and liquid soaps which are antimicrobials, moisturizing and anti-irritancy. During the year under review, the Group manufactured 21 types of personal cleansing products, which were marketed mainly under designated private labels.

During the year under review, 84.98% of the Group's sales of home and personal care product was derived from the PRC market while the remaining balance came from Hong Kong.

Industrial Surfactants

The Group also engages in the development, manufacture and sale of industrial surfactants including EA, RT, EAC and EC series, FA, FC and FD series, and SB and SO series. The Group practices disciplined cost management and applies the resources sharing concept - it uses industrial surfactants in the production of home and personal care products. The cost of industrial surfactants products produced by the Group as ingredients for the home and personal care products accounted for 15% of the Group's total production costs of home and personal care products. This initiative not only contributed to cost reduction but also helped to streamline the Group's overall operations. For the year ended December 31, 2000, the Group had developed and manufactured 18 types of industrial surfactants. The three series of industrial surfactants with different functions were designed to cater for the needs of different customers and the market.

During the year under review, 55.45% of the Group's sales of industrial surfactants was derived from the PRC market whereas the remaining balance came from Hong Kong.

Research and Development

To ensure that the Group always stays abreast of the latest technological knowhow, we have increased investment in research and development with the aim of developing more innovative and tailor-made products for customers. In April 2000, the Group entered a 10-year co-operative agreement with the Beijing office of National Research Centre for Biotechnology (“NRCB”), a leading bio-chemical and metallurgy research institute in the PRC. The two organizations promised to jointly develop enzyme products by applying advanced biochemical technology and exploring environmental friendly chemical products. The Group also agreed to provide a total funding of RMB10 million by instalments to establish a research centre and to finance the costs of research and development. This collaboration not only further strengthened the Group's competence in research and development, but also engraved a major milestone in the Group's pursuit to become a leading provider of both home and personal care products as well as industrial surfactants. In addition, both parties have already gained initial success. An improved product “aEGF” has been successfully developed under experimental environment. This version of “EGF” can be used in both cosmetic and medical applications.