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GLOBAL GREEN TECH GROUP LIMITED

高寶綠色科技集團有限公司*

(Incorporated in the Caymans Islands with limited liability)

(Stock Code: 274)

LETTER OF INTENT IN RESPECT OF THE POSSIBLE DISPOSAL OF GLOBAL COSMETICS (HK) COMPANY LIMITED

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Further to the announcement of the Company dated 25 January 2011, the Board is pleased to announce that on 19 March 2011, Charmfame Investment Limited as the Intended Purchaser, entered into the LOI with Global Chemical Investment Limited, a wholly owned subsidiary of the Company, as the Intended Vendor in relation to the Possible Disposal.

The Intended Disposal Group includes Global Cosmetics (HK), a company engaged in the distribution and manufacturing of cosmetics and skincare products, and its wholly-owned subsidiary, Global Cosmetics (China) Company Limited which is engaged in the manufacturing of cosmetics and skincare products.

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* *For identification purpose only*

THE LOI

Date: 19 March 2011

Parties:

- (1) Global Chemical Investment Limited, a wholly-owned subsidiary of the Company, as the Intended Vendor;
- (2) Charmfame Investment Limited, as the Intended Purchaser. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Major terms of the LOI

Under the LOI, (i) it is proposed that the Intended Purchaser will acquire the Sale Shares, being the entire issued share capital of Global Cosmetics (HK), from the Intended Vendor; and (ii) the Intended Vendor granted to the Intended Purchaser an extended due diligence period of an additional 60 days as an exclusive 60-day period for the Possible Disposal from 20 March 2011.

Purchase price of the Sale Shares shall be the sum of HK\$60,000,000.00 and shall be paid by the Intended Purchaser to the Intended Vendor in the manner as follows:–

- (a) RMB20,000,000.00 (equivalent to approximately HK\$23,670,000.00) has been paid by the Intended Purchaser to the related company of the Intended Vendor prior to the signing of the LOI as a refundable amount to secure the exclusive right for doing the due diligence exercise on Global Cosmetic (HK), which shall form part of the purchase price and become non-refundable then;
- (b) HK\$20,000,000.00 out of the remaining balance shall be paid by the Intended Purchaser to the Intended Vendor on the date of completion of the possible forthcoming Definitive Sale and Purchase Agreement; and
- (c) the final remaining balance after the payment of (a) and (b) above be payable by the Intended Purchaser within the next 24 months.

If there is either:

- (i) the Definitive Sale and Purchase Agreement cannot be contracted within the exclusive period of such additional 60 days of the LOI; or
- (ii) the Intended Purchaser cannot issue in writing stating its satisfaction on the above stated due diligence exercise on the Company,

the Intended Vendor is obligated to cause its related company to refund the RMB20,000,000.00 (equivalent to approximately HK\$23,670,000.00) or any other currency in equivalent amount to the Intended Purchaser within 30 days of such event triggered.

Conditions precedent

Completion of the possible Definitive Sale and Purchase Agreement as stipulated herein shall be conditional upon:–

- (a) the due release of the Charges;
- (b) if required, the approval having been obtained from the Stock Exchange of the transaction as contemplated by the Definitive Sale and Purchase Agreement;
- (c) if required, all necessary approvals or consents from all third parties, the relevant governmental or regulatory authorities in Hong Kong and elsewhere required by the parties or either of them for the consummation of the transactions hereby contemplated having been obtained under the applicable laws and regulations.

The Intended Purchaser may, at its absolute discretion, waive all or any of the aforesaid conditions and such waiver may be made subject to such terms and conditions as determined by the Intended Purchaser in its absolute discretion.

Information on the Intended Disposal Group

The Intended Disposal Group includes Global Cosmetics (HK), a company engaged in the distribution and manufacturing of cosmetics and skincare products, and its wholly-owned subsidiary, Global Cosmetics (China) Company Limited which is engaged in the manufacturing of cosmetics and skincare products.

Reasons for the Possible Disposal

The rationale for the Possible Disposal is that the lack of management talent specializing in the management, brand promotion and brand building strategy of the distribution and manufacturing business of the cosmetic and skincare business have led to a substantial loss in cosmetics and skincare products segment of the Group for the years ended 31 December 2009 and 2010. The departure of the then management team of the Group's core cosmetic operation and as mentioned above coupled with the failure to attract management talent to assume the major responsibility in running the Group's cosmetics and skincare products segment business. In addition, the management of the Group is of the view that the Company do not have sufficient resources to continue the business of cosmetic and skincare segment for large scale distribution, advertising and promotion and manufacturing and new product development, which is being very capital intensive.

The above factors have led the Group to desire to dispose of this operation.

General

The principal activity of the Company is investment holding. The activities of the principal subsidiaries of the Company include manufacturing and trading of cosmetics and skincare products, household products, industrial products, bio-technology products, energy recycling business, mining business and investment holding.

The Possible Disposal is subject to the execution and completion of the Definitive Sale and Purchase Agreement. If the Definitive Sale and Purchase Agreement is entered into, it is expected that the Possible Disposal will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders' approval requirements under the Listing Rules.

The Board wishes to emphasis that the Possible Disposal is still pending for signing of the Definitive Sale and Purchase Agreement and thus the Possible Disposal may or may not proceed. **Shareholders and potential investors of the Company are urged to exercise caution when dealing in the shares of the Company.** Further announcement in respect of the Possible Disposal will be made by the Company as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Charges”	The deed of charge executed by the Intended Vendor and Global Cosmetics (HK) in favour of an Independent Third Party pursuant to which the shares of Global Cosmetics (HK) and Global Cosmetics (China) Company Limited are charged to secure the repayment obligation of the Company of a loan facility of up to HK\$60 million made available to the Company
“Company”	Global Green Tech Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Definitive Sale and Purchase Agreement”	the definitive sale and purchase agreement in respect of the Possible Disposal
“Director(s)”	director(s) of the Company
“Global Cosmetics (HK)”	a company incorporated in Hong Kong with limited liability and the entire issued share capital of which is beneficially owned by the Intended Vendor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons (as defined under the Listing Rules)
“Intended Disposal Group”	Global Cosmetics (HK) Company Limited together with its wholly-subsiidiary, Global Cosmetics (China) Company Limited

“Intended Purchaser”	Charmfame Investment Limited, a company incorporated and registered under the laws of British Virgin. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party
“Intended Vendor”	Global Chemical Investment Limited, a wholly-owned subsidiary of the Company
“LOI”	the letter of intent dated 19 March 2011 entered into between the Intended Vendor and the Intended Purchaser setting out the preliminary understanding in relation to the Possible Disposal
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Disposal”	the intended disposal of the Intended Disposal Group as contemplated under the LOI
“PRC”	the People’s Republic of China, and for the purpose of the announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	the lawful currency for the time being of PRC
“Sale Shares”	the 40,000,000 issued shares, representing the entire issued capital, of Global Cosmetics (HK) legally and beneficially owned by the Intended Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Global Green Tech Group Limited
Yip Chung Wai, David
Executive Director

Hong Kong, 19 March 2011

As at the date hereof, the Board comprises the following members:

Executive Directors

Mr. Yip Chung Wai, David

Mr. Ng Ka Hong

Mr. Jia Xuelei

Mr. Lin Jan

Mr. Chai Xiaojun

Mr. Dong Jixu

Mr. Xue Bing

Mr. Long Xiaobo

Mr. Wu Jun

Independent non-executive Directors

Ms. Chan Wing

Mr. Ding Yongshun

Mr. Xiong Wei