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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

The Board of Directors (the “Directors”) of the Global Green Tech Group Limited (the “Company”) herewith present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2011 (“Period”) which have been reviewed by the Company’s Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Six Months Ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	<i>Notes</i>	HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue		37,596	19,506
Cost of sales		(32,565)	(23,229)
Gross profit		5,031	(3,723)
Other revenue		148,627	614
Distribution costs		(2)	(13,543)
Administrative expenses		(21,161)	(61,864)
Finance costs	8	(28,313)	—
Profit/(Loss) before tax		104,182	(78,516)
Income tax expense	9	—	(5)

* For identification purpose only

		Six months ended 30 June	
		2011	2010
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Net profit/(loss) for the period from continuing operations		104,182	(78,521)
Discontinued operation			
Loss for the period from discontinued operations		(36,416)	(44,342)
Profit/(loss) for the period		67,766	(122,863)
Attributable to:			
Owners of the Company			
–Continuing operation		108,011	(77,843)
–Discontinued operation		(35,052)	(41,327)
Non-controlling interests			
–Continuing operation		(3,829)	(1,329)
–Discontinued operation		(1,364)	(2,364)
Profit/(loss)for the period		67,766	(122,863)
Earnings/(Loss) per share from continuing operations attributable to the owners of the Company during the period	<i>11</i>		
–Basic		HK\$0.0204	(HK\$0.0247)
–Diluted		HK\$0.0179	(HK\$0.0247)
Earnings/(Loss) per share from continuing and discontinued operations attributable to the owners of the Company during the period			
–Basic		HK\$0.0133	(HK\$0.0387)
–Diluted		HK\$0.0116	(HK\$0.0387)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Six Months Ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	67,766	(122,863)
Other comprehensive income		
Reclassification adjustments for gain on disposal of subsidiaries	91,428	–
Exchange differences on translation of foreign operations	(75,737)	19,853
Other comprehensive income for the period	15,691	19,853
Total comprehensive income/(loss) for the period	83,457	(103,010)
Attributable to:		
Owners of the Company	86,195	(104,970)
Non-controlling interests	(2,738)	1,960

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

		At 30 June 2011 HK\$'000 (Unaudited)	At 31 December 2010 HK\$'000 (Unaudited)
	Notes		
Non-Current Assets			
Property, plant and equipment	13	634,945	713,940
Investment properties		–	34,948
Prepaid lease payments for land under operating leases		–	9,907
Goodwill	12	508,596	508,596
Intangible assets	14	1,350,191	1,345,263
Deposits for acquisition of property, plant and equipment		–	71,000
Other deposits and club debenture		709	350
		<u>2,494,441</u>	<u>2,684,004</u>
Current Assets			
Prepaid lease payments for land under operating leases		–	1,237
Financial assets at fair value through profit or loss	15	–	3,688
Inventories		7,405	51,166
Trade and other receivables	16	536,782	89,681
Tax recoverable		–	727
Cash and cash equivalents		44,983	78,396
		<u>589,170</u>	<u>224,895</u>
Assets of disposal group classified as held for sale		<u>745,313</u>	<u>150,240</u>
		<u>1,334,483</u>	<u>375,135</u>
Current Liabilities			
Trade and other payables	17	390,079	126,168
Bank loans	18	–	127,583
Loans and borrowings		45,270	23,549
		<u>435,349</u>	<u>277,300</u>
Liabilities of disposal group classified as held for sale		<u>687,821</u>	<u>90,240</u>
		<u>1,123,170</u>	<u>367,540</u>
Net Current Assets		211,313	7,595
Total Assets Less Current Liabilities		2,705,754	2,691,599

		At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Unaudited)
	<i>Note</i>		
Non-Current Liabilities			
Convertible notes		239,315	328,820
Deferred tax liabilities		1,106	1,106
		<u>240,421</u>	<u>329,926</u>
Net Assets		<u>2,465,333</u>	<u>2,361,673</u>
Capital and Reserves			
Issued capital	19	523,530	487,530
Reserves		1,687,284	1,616,886
		<u>2,210,814</u>	<u>2,104,416</u>
Equity attributable to owners of the Company		<u>2,210,814</u>	<u>2,104,416</u>
Non-controlling interests		<u>254,519</u>	<u>257,257</u>
Total Equity		<u>2,465,333</u>	<u>2,361,673</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2011

Six months ended 30 June 2011

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Statutory reserve	Exchange fluctuation reserve	Convertible bonds reserve	Convertible preference share reserve	Retained profit	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2011 (audited)	487,530	1,976,007	166,159	300	25,101	91,428	192,221	148,708		(983,038)	2,104,416	257,257	2,361,673
Net profit for the period	-	-	-	-	-	-	-	-	-	72,959	72,959	(5,193)	67,766
Statutory reserve	-	-	-	-	-	(91,428)	-	-	-	91,428	-	-	-
Exchange difference	-	-	-	-	-	-	(78,192)	-	-	-	(78,192)	2,455	(75,737)
Total comprehensive income for the period	-	-	-	-	-	(91,428)	(78,192)	-	-	164,387	(5,233)	(2,738)	(7,971)
Exercise of convertible bond	36,000	108,000	-	-	-	-	-	(32,369)	-	-	111,631	-	111,631
At 30 June 2011 (unaudited)	523,530	2,084,007	166,159	300	25,101	-	114,029	116,339	-	(818,651)	2,210,814	254,519	2,465,333

Six months ended 30 June 2010

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Statutory reserve	Exchange fluctuation reserve	Convertible bonds reserve	Convertible preference	Retained profit	Total	Non-controlling interests	Total equity
									share				
									reserve				
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2010 (audited)	262,078	1,422,538	166,159	300	1,250	110,121	104,352	–	–	366,140	2,432,938	56,607	2,489,545
Net profit for the period	–	–	–	–	–	–	–	–	–	(119,170)	(119,170)	(3,693)	(122,863)
Exchange difference	–	–	–	–	–	–	14,200	–	–	–	14,200	5,653	19,853
Total comprehensive income for the period	–	–	–	–	–	–	14,200	–	–	(119,170)	(104,970)	1,960	(103,010)
Issue of ordinary share	119,452	358,357	–	–	–	–	–	–	–	–	477,809	–	477,809
Issue of convertible bond	–	–	–	–	–	–	–	227,216	–	–	227,216	–	227,216
Issue of share options	–	–	–	–	23,852	–	–	–	–	–	23,852	–	23,852
Acquisition of Subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(14,186)	(14,186)
At 30 June 2010 (unaudited)	381,530	1,780,895	166,159	300	25,102	110,121	118,552	227,216	–	246,970	3,056,845	44,381	3,101,226

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the Six Months Ended 30 June 2011*

	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash inflow from operating activities	14,884	19,963
Net cash inflow from investing activities	8,997	126
Net cash used in financing activities	(62,065)	(5,754)
Effect of foreign exchange rate changes	4,771	—
(Decrease)/increase in cash and cash equivalents	(33,413)	14,335
Cash and cash equivalents at 1 January	78,396	35,514
Cash and cash equivalents at 30 June	44,983	49,849
Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents	44,983	49,849

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2011

1. CORPORATE INFORMATION

Global Green Tech Group Limited (the “Company”) was incorporated as an exempted Company with limited liability in the Cayman Islands on 25 September 2000 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is listed on Main Board of the Stock Exchange of Hong Kong Limited (the “SEHK”). The registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the interim report.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value.

The accounting policies adopted in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s financial statements for the year ended 31 December 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2010.

Change in accounting policies

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements but have no significant impact on the Group’s consolidated financial statements.

- HKFRS 3 (Revised), “Business Combinations”.

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling Interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages.

These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

- HKAS 27 (Revised), “Consolidated and Separate Financial Statements”.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS7 Statement of Cash Flows, HKAS 12 “Income Taxes”, HKAS 21 “The Effects of Changes in Foreign Exchange Rates”, HKAS 28 “Investments in Associates” and HKAS 31 “Interests in Joint Ventures”.

- Improvements to HKFRSs 2009, “Amendments to a number of HKFRSs issued in May 2009”. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

HKAS 7 Statement of Cash Flows: Requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as a cash flow from investing activities.

Impact of change in accounting policies

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimate and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

5. SEGMENT INFORMATION

The Group comprises the following main business segments:

- (a) Household products segment – manufacture of household products for sale to wholesalers and retailers in the general consumer market;
- (b) Industrial products segment – manufacture of industrial surfactants for sale principally to textile and garment manufacturers and traders;

- (c) Cosmetics and skincare products segment – manufacture of cosmetics and skincare products under the brand name of Marjorie Bertagne for sale to authorized distributors and retailers in the general consumer market; manufacture of ODM/OEM products for sales to the overseas customers;
- (d) Mining segment – engaged in gold exploration, development and mining.

An analysis of the Group's revenue and results for the Period by business segments are as follows:

	Continuing Operations													
	Unaudited													
	For the six months ended 30 June													
	Household Products		Industrial products		Cosmetics and skincare products		Mining products		Biotechnology products		Investments		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	-	-	-	-	35,251	2,126	2,345	-	-	-	-	17,380	37,596	19,506
Segment results	-	-	-	-	11,631	4,270	(6,600)	(3,687)	-	(4,503)	-	197	5,031	(3,723)
Unallocated operating income and expenses													127,464	(74,793)
Loss from operations													132,495	(78,516)
Finance costs													(28,313)	-
Loss before taxation													104,182	(78,516)
Income tax													-	(5)
Core loss													104,182	(78,521)
Gain on disposal of a subsidiary													-	-
Loss for the period													104,182	(78,521)

Discontinued Operations														
Unaudited														
For the six months ended 30 June														
	Household products		Industrial products		Cosmetics and skincare products		Mining products		Biotechnology Products		Investments		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	5,157	3,065	92,333	85,194	1,135	30,279	-	-	-	-	-	-	98,625	118,538
Segment results	1,985	(1,506)	6,916	13,190	(2,292)	(8,775)	-	-	-	-	-	-	6,609	2,909
Unallocated operating income and expenses													(34,380)	(41,500)
Loss from operations													(27,771)	(38,591)
Finance costs													(8,645)	(5,751)
Loss before taxation													(36,416)	(44,342)
Income tax													-	-
Core loss													(36,416)	(44,342)
Gain on disposal of a subsidiary													-	-
Loss for the period													(36,416)	(44,342)

6. GAIN ON DISPOSAL OF SUBSIDIARIES

On January 2011, the directors decide to dispose of the entire interest in two subsidiaries of the Group's cosmetics and skincare product operations, Global Cosmetics (HK) Company Limited and Global Cosmetics (China) Co., Limited ("the Sub-Group").

On 19 March 2011, the company entered into a letter of intent with a third independent party- Charmframe Investment Limited. The assets and liabilities attributable to the business which are expected to be sold within twelve months have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

On 18 April 2011, the company announced the disposal has been completed with the consideration of HK\$60,000,000.

The results of the cosmetic and skincare product operations for the year were as follows:

HK\$'000

Net assets disposed of:

Property, plant and equipment	146,209
Lease prepayments – Non-current	31,677
Inventories	24,796
Trade and other receivables	80,633
Cash and cash equivalents	16,094
Lease prepayments – current portion	715
Loans and borrowings-current	(11,906)
Trade and other payables	(168,887)

119,331

Impairment loss of disposal group recognized in 2010 (80,690)

Cumulative exchange differences in respect of the net assets of the Sub-Group reclassified from equity to profit or loss of control of the Sub-Group	(126,888)
Gain on disposal	148,247

Satisfied by:

Consideration 60,000

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the Sub-Group is as follows:

HK\$'000

Cash consideration	60,000
Cash and cash equivalents disposed of	(16,094)

Net inflow of cash and cash equivalents in respect of the disposal of the Sub-Group 43,906

7. LOSS FROM OPERATIONS

Loss from operations is stated after charging the followings:

	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amortization of intangible assets	1,202	2,901
Cost of inventories sold	32,565	23,229
Depreciation of property, plant and equipment	2,947	20,649
Research and development costs	–	1,150
Staff costs	43,660	14,024
	<u>43,660</u>	<u>14,024</u>

8. FINANCE COST

Details of finance costs are set out as follows:

	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expense on bank advances and other borrowings		
wholly repayable within five years	28,313	–
Finance charges on obligations under finance leases	–	–
	<u>28,313</u>	<u>–</u>

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the Period.

Taxation on overseas profits has been calculated on the estimated assessable profit for the Period at the rates of tax prevailing in the countries in which the subsidiaries of the Company operate.

The amount of taxation charged to the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current taxation:		
Hong Kong profits tax	–	(5)
Overseas taxation (<i>note (b)</i>)	–	–
	–	(5)
Taxation charge		
Loss before taxation	104,182	(99,007)
Tax at applicable tax rates (<i>note (a)</i>)	17,190	(22,045)
Income not subject to tax	–	(564)
Tax losses not recognized	(17,389)	20,034
Expenses not deductible for taxation purposes	199	2,573
Over-provision in prior years	–	(3)
Taxation charge	–	(5)

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

Notes:

- (a) The applicable tax rates represent the rates of tax prevailing in the countries in which the Company's subsidiaries operate.
- (b) Overseas Company established in the PRC. In accordance with the relevant PRC income tax rules and regulations, the enacted PRC income tax is 25% (2010: 25%). Some of them were entitled to preferential tax treatment from the PRC's authority.

10. DIVIDEND

At a meeting held on 30 August 2011, the Directors did not recommend payment of interim dividend for the period.

11. EARNINGS PER SHARE

(a) Basic loss per share

The calculation of the basic earnings per share is based on the continuing operation profit attributable to equity holders of the Company of approximately HK\$104,182,000 (2010: loss of HK\$78,521,000) and the weighted average number of 5,104,032,582 (2010: 3,176,507,830) ordinary shares in issue during the Period.

The calculation of the basic earnings per share is based on the continuing and discontinued operation profit attributable to equity holders of the Company of approximately HK\$67,766,000 (2010: loss of HK\$122,863,000) and the weighted average number of 5,104,032,582 (2010: 3,176,507,830) ordinary shares in issue during the Period.

(b) Diluted loss per share

The calculation of the diluted earnings per share is based on the continuing operation profit attributable to owners of the Company of approximately HK\$104,182,000 (2010: loss of HK\$78,521,000) and the weighted average number of 5,829,510,582 (2010: 3,176,507,830) ordinary shares in issue during the Period.

The calculation of the diluted earnings per share is based on the continuing and discontinued operation profit attributable to owners of the Company of approximately HK\$67,766,000 (2010: loss of HK\$122,863,000) and the weighted average number of 5,829,510,582 (2010: 3,176,507,830) ordinary shares in issue during the Period.

	No. of shares as at 30 June	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares used in calculating basic earnings per share	5,104,032,582	3,176,507,830
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,829,510,582</u>	<u>3,176,507,830</u>

12. GOODWILL

	<i>HK\$'000</i> (Unaudited)
Cost	
At 1 January 2010	968,024
At 31 December 2010 and 1 January 2011	968,024
At 30 June 2011	968,024
Accumulated impairment loss	
At 1 January 2010	55,858
Impairment loss for the year	403,570
At 31 December 2010 and 30 June 2011	459,428
Net book value	
At 30 June 2011	508,596
At 31 December 2010	508,596

Pursuant to an acquisition agreement dated 2 January 2007, the Group acquired 6,800,000 shares of HK\$1 each in the issued share capital of Global Cosmetics (HK) Company Limited (“Cosmetics HK”) (representing 17% of the entire issued share capital of Cosmetics HK) from Cristal Marketing Management Company Limited (“Cristal Marketing”), a Non-controlling shareholder of a subsidiary of the Company which held 30% in Cosmetics HK, for a consideration of HK\$241,090,000. The consideration was determined having regard to the net asset value and earnings of Cosmetics HK and its subsidiary and the market potential of their business. After the acquisition, the percentage of the issued share capital of Cosmetics HK held by the Group was changed from 70% to 87% and the goodwill arising from the acquisition by the Group amounted to approximately HK\$222,963,000 with reference to the consideration paid amounting to approximately HK\$241,090,000 and the carrying amounts of the net assets acquired amounting to approximately HK\$18,127,000.

Pursuant to an acquisition agreement dated 16 August 2007, the Group acquired 5,200,000 shares of HK\$1 each in the issued share capital of Cosmetics HK (representing 13% of the entire issued share capital of Cosmetics HK) from Cristal Marketing, for a consideration of approximately HK\$274,058,000 which was paid by the Company by transfer of 13,936,390 ordinary shares of HK\$0.10 each of the Bio Beauty Group Ltd. (“Bio Beauty”). The consideration was determined based on (i) profitability of Cosmetics HK and Bio Beauty for the year ended 31 December 2006 and (ii) the profit earnings ratio of Bio Beauty calculated with reference to the subscription price of the convertible preference share in issue. After the acquisition, the percentage of the issued share capital of Cosmetics HK held by the Group was changed from 87% to 100% and the goodwill arising from the acquisition by the Group amounted to approximately HK\$236,465,000 with reference to the consideration paid amounting to approximately HK\$274,058,000 and the carrying amounts of the net assets acquired amounting to approximately HK\$37,593,000.

By the announcement dated 12 September 2008, the Company entered into the acquisition agreement in relation to the sales and purchase of approximately 8.54% of the entire issued share capital of Bio Beauty at cash consideration of approximately HK\$265.34 million. Goodwill arose from the transaction was HK\$186.14 million. The acquisition will increase earnings of the Group by the amount of the increase in Group's sharing of profits after tax of BBG and its subsidiaries from 84.6% to 93.2%.

On 1 July 2009, the Group acquired 100% interest in Supreme China Limited and its subsidiary, Cristal Marketing (collectively called the "Supreme China Group") for a consideration of HK\$320 million which was satisfied by cash of HK\$160 million and issue of convertible bond of HK\$160 million.

On January 2011, the directors decide to dispose of the entire interest in two subsidiaries of the Group's cosmetics and skincare product operations, Global Cosmetics (HK) Company Limited and Global Cosmetics (China) Co., Limited. On 19 March 2011, the company entered into a letter of intent with a third independent party-Charmfame Investment Limited.

During the year of 2010, all of the goodwill arising from the acquisition of the issued share capital of Cosmetic HK has totally impaired.

All of the goodwill is allocated to the Cash Generating Unit ("CGU") of cosmetics business in Hong Kong.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the year ended 31 December 2010, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budgets for the next five years approved by management using the discount rate of 15% which reflects current market assessments of the time value of money and the credit risk specific to the CGUs.

13. PROPERTY, PLANT AND EQUIPMENT

	Unaudited HK\$'000
Cost	
At 1 January 2011	1,256,042
Exchange adjustment	(24,242)
Transfer	(157,711)
Disposals	(397)
Reclassified as held for sale	(212,351)
At 30 June 2011	861,341
Accumulated depreciation/impairment	
At 1 January 2011	(542,102)
Charge for the period	(2,947)
Transfer of depreciation	1,994
Transfer of impairment loss	183,253
Disposals	88
Exchange adjustment	18,570
Reclassified as held for sale	114,748
At 30 June 2011	(226,396)
Net book value	
At 30 June 2011	634,945
At 31 December 2010	713,940

14. INTANGIBLE ASSETS

	Mining rights	Exploration and Evaluation assets	Licenses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost				
At 1 January 2010	–	–	108,909	108,909
Exchange adjustment	–	–	3,777	3,777
Acquisition of subsidiary	1,339,750	17,839	–	1,357,589
At 31 December 2010	1,339,750	17,839	112,686	1,470,275
Exchange adjustment	5,851	413	–	6,264
At 30 June 2011	1,345,601	18,252	112,686	1,476,539
Accumulated amortization and impairment				
At 1 January 2010	–	–	96,706	96,706
Amortization provided for the period	12,326	–	–	12,326
Impairment	–	–	12,940	12,940
Exchange adjustment	–	–	3,040	3,040
At 31 December 2010	12,326	–	112,686	125,012
Amortization provided for the period	1,202	–	–	1,202
Exchange adjustment	134	–	–	134
At 30 June 2011	13,662	–	112,686	126,348
Carrying amount				
At 30 June 2011	1,331,939	18,252	–	1,350,191
At 31 December 2010	1,327,424	17,839	–	1,345,263

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Listed equity securities at market value		
– in Hong Kong	–	3,688
– outside Hong Kong	–	–
	<u>–</u>	<u>3,688</u>
	<u><u>–</u></u>	<u><u>3,688</u></u>

16. TRADE AND OTHER RECEIVABLES

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Trade receivables	470,863	60,490
Bills receivables	–	7,146
Loan receivables	2,000	2,000
Prepayments, deposits and other receivables	63,919	53,212
	<u>536,782</u>	<u>122,848</u>
Less: Allowance for doubtful debts	–	(33,167)
	<u><u>536,782</u></u>	<u><u>89,681</u></u>

At 30 June 2011, the aging analysis of the trade and bills receivables was analyzed as follows:

The normal credit period granted to the customers of the Group is 30 to 180 days (2010: 30 to 180 days). Impairment loss on trade receivables was made and thereafter written off when collection of full amount was no longer probable. Bad debts are written off as incurred. Trade and bills receivables are mainly denominated in Renminbi, Hong Kong Dollars and US Dollars.

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
0-30 days	10,229	25,860
31-60 days	44	12,003
61-90 days	24	7,327
Over 90 days	460,566	4,166
	<u>470,863</u>	<u>49,356</u>

17. TRADE AND OTHER PAYABLES

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Trade payables	261,701	32,466
Accrued liabilities and other payables	128,378	93,702
	<u>390,079</u>	<u>126,168</u>

At 30 June 2011, the aging analysis of the trade payables was analyzed as follows:

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
0-30 days	49,071	14,099
31-60 days	–	4,202
61-90 days	–	7,230
Over 90 days	212,630	6,935
	<u>261,701</u>	<u>32,466</u>

18. BANK LOANS

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Bank loans repayable		
Secured	—	127,583
Total bank loans	—	127,583
Less: amount due within 1 year shown under current liabilities	—	(127,583)
	—	—

The secured bank loans were short term loans that borrowed from the banks in PRC by the PRC subsidiaries of the Group and secured by the properties in the PRC. The interest rate ranged from 4.62% to 6.372% per annum.

19. SHARE CAPITAL

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Authorized:		
8,000,000,000 (2010: 8,000,000,000) ordinary shares of HK\$0.10 each	800,000	800,000
Issued and fully paid:		
5,235,303,300 (2010: 4,875,303,000) ordinary shares of HK\$0.10 each	523,530	487,530
	Number of shares '000	Share capital <i>HK\$'000</i>
At 1 January 2010	2,620,781	262,078
Issue of ordinary shares	762,022	76,202
Issue of placing shares	340,000	34,000
Exercise of convertible bonds	1,152,500	115,250
At 31 December 2010 and 1 January 2011	4,875,303	487,530
Exercise of convertible bonds	360,000	36,000
At 30 June 2011	5,235,303	523,530

20. COMMITMENTS

- a) Capital commitments outstanding at the end of the reporting period not provided for in the financial statements were as follows:

	At 30 June 2011 HK\$'000 (Unaudited)	At 31 December 2010 HK\$'000 (Audited)
Contracted for:		
– Property, plant and equipment	–	33,204
	–	33,204
	<u>–</u>	<u>33,204</u>

- b) At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of office properties and land are payable as follows:

	At 30 June 2011 HK\$'000 (Unaudited)	At 31 December 2010 HK\$'000 (Audited)
Within 1 year	–	11,299
After 1 year but within 5 years	–	7,245
After 5 years	–	646
	–	19,190
	<u>–</u>	<u>19,190</u>

The Group is the lessee in respect of a number of properties held under operating leases in Year 2010. The leases typically run for an initial period of one to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

However, as the company are arranging for the disposal of certain Sub-Group, which had born the commitment and being reclassified as held-for-sale, the Group did not have any material commitments at 30 June 2011.

- c) At the end of the reporting period, the total future minimum lease income under non-cancellable operating leases in respect of office properties are receivable as follows:

	At 30 June 2011 <i>HK\$'000</i> (Unaudited)	At 31 December 2010 <i>HK\$'000</i> (Audited)
Within 1 year	–	74
After 1 year but within 5 years	–	–
	–	74

21. DISPOSAL GROUP HELD FOR SALE

	At 30 Jun 2011 <i>HK\$'000</i> (Unaudited)	At 30 Jun 2010 <i>HK\$'000</i> (Unaudited)
Turnover	95,757	104,142
Cost of sales	(88,589)	(92,718)
Gross (loss)/profit	7,168	11,424
Other revenue and net income	570	650
Distribution expenses	(5,107)	(4,668)
Administrative expenses	(39,104)	(13,670)
Finance costs	(8,065)	(3,309)
Non-operating income and expenses	28,176	–
Loss before taxation	(16,362)	(9,573)
Income tax	–	–
Loss for the period	(16,362)	(9,573)

At 31 December
2010
HK\$'000
(Unaudited)

Non-current assets	
Property, plant and equipment	74,756
Intangible assets	10,703
Investment Property	35,552
Deposit for acquisition of PPE	71,000
Other deposits and club debenture –Non current	3,941
	195,952
Current assets	
Inventories	41,051
Trade and other receivables	485,307
Cash and cash equivalents	23,003
	549,361
Total assets	745,313
Current liabilities	
Loan and borrowing-current	58,392
Trade and other payable	629,429
	687,821
Non-current liabilities	–
Net assets	57,492

22. CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any significant contingent liabilities.

23. MATERIAL RELATED PARTY TRANSACTION

During the period, the Group has not entered into any significant related party transaction.

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board on 30 August 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a turnover of HK\$37.59 million, representing an increase of 92.76% from that of HK\$19.50 million in last period. Gross profit was HK\$5.03 million, representing a decrease of 235.21% from that of gross loss of HK\$3.72 million in last period. Profit for the Period amounted to HK\$67.76 million compared with a loss of HK\$122.86 million in last period. The basic profit per share was HK\$2.04 cents (last period: the basic loss per share of HK\$2.47 cents).

OPERATIONAL REVIEW

I. Cosmetics and Skincare Products

During the review Period, turnover of cosmetics and skincare products is HK\$35.25 million, accounting for 93.76% of the Group's total turnover. The Group continued its expansion into the European and North American markets by providing ODM cosmetics and skincare products in the formats of gift and premium packages.

II. Mining Products

The operational issues of mining segments were being reviewed by the Group, therefore, the mining and production process were not yet commenced. Within the relevant period, the Group has not conducted any significant activities in exploration, development and production, and therefore did not incurred any significant cost in exploration, development and production in relation to gold mining.

USE OF PROCEEDS FROM ISSUE OF SHARES

There was no share options being exercised for the Period.

During the Period, 360,000,000 ordinary shares of HK\$0.1 each were issued pursuant to the exercise of the conversion rights attaching to the Company's convertible bonds at a conversion price of HK\$0.36 per share.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained cash and cash equivalent of approximately HK\$44.98 million as at the end of the Period. The Group adopts conservative treasury policies in cash and financial management. Most of the retained cash was placed as Renminbi and Hong Kong Dollars short term deposits and therefore exposure to exchange fluctuations was minimal. The Group also invested in a combination of portfolio investments such as marketable securities, bonds, funds, foreign currencies and fixed income assets in order to increase the financial returns. Shareholders' funds as at 30 June 2011 was HK\$2,210.81 million compared with that of HK\$2,104.41 million as at 31 December 2010, representing an increase of HK\$106.40 million or 5.05%.

The Group's inventory turnover period increased from 88 days in last year to 163 days in current period. Debtor's and creditor's turnover periods were 33 days and 30 days respectively. Net debt to equity ratio and gearing ratio (total interest bearing debts over total assets) were 10.83% and 1.28% respectively whereas current ratio was 1.19.

PROSPECTS

Cosmetics and Skincare Products

Currently, the Group has both the retail line and professional line of product series which are under the Group's own brand name of "Marjorie Bertagne (MB)" and consistently develops and promotes new series of MB products. On 19 March 2011, the Group entered into the License Agreement with the Licensee whereby the Licensor granted to the Licensee an exclusive worldwide (EXCEPT for use in the Hong Kong Special Administrative Region of People's Republic of China) license to use the Trademarks solely in connection with its business.

Other than that, the Group also designs and produces high quality skincare products, colour cosmetics and toiletries for its ODM and OEM customers in Europe and United States at competitive prices. As part of the "one-stop service" of this ODM and OEM business, the Group also provides research, development, sourcing, merchandising and technical enquires to its customers.

Mining Products

The Group will leverage on the core skills and expertise of the management team of the group to continue its growth and pursue further value creating opportunities in the gold section and other natural resources in the People's Republic of China ("PRC"). The mining license held by the Mining Company ("Mining License") has been renewed for a further five years from 11 March 2010. The operational issues of mining segments have been under review to make a foundation for large-scale exploration in the future. Within the current period, the Group has conducted the preparation works of the significant activities in exploration. The directors and management believe that high return on this sector will be expected for the group in the future.

INTERIM DIVIDEND

The Board did not recommend payment of interim dividend for the six months ended 30 June 2011 (2010: Nil).

EMPLOYEE AND REMUNERATION POLICIES

The Group's clear and effective management policies have enabled it to maintain good staff relations. It has not encountered any difficulties in recruiting experienced personnel and there has not been any interruption to its operations as a result of labour disputes. The Group provides social security benefits encompassing the mandatory provident fund and health insurance scheme to all its employees. It does not shoulder any material liability arising from the relevant statutory retirement scheme.

As at 30 June 2011, the Group had about 200 employees. Total staff costs paid during the period was approximately HK\$43.67 million.

SHARE OPTIONS

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 20 December 2001, the share option scheme adopted by the Company on 28 November 2000 (the “Old Scheme”) was terminated and another share option scheme (the “New Scheme”) was adopted. Upon termination of the Old Scheme, no further options can be granted thereunder but in all other respects, the provisions of the Old Scheme remain in force and all share options granted prior to such termination continue to be valid and exercisable in accordance therewith. There are no changes in any terms of the schemes during the Period. The detailed terms of the schemes were disclosed in the 2010 annual accounts.

As at 30 June 2011, there was no outstanding share options which have been granted under the Old Scheme.

During the Period, no share options were granted under the New Scheme.

Detail of the share options outstanding as at 30 June 2011 which have been granted under the New Scheme are as follows:

Participant	Date of grant	Original exercise price HK\$	Number of share options				Company's share price	
			1-Jan-11	Granted during the period	Exercised during the period	30-Jun-11	At date of grant HK\$	At date of exercise HK\$
Suppliers of goods or services, customers and others								
In aggregate	7 July 2009 ⁽¹⁾	0.44	10,000,985	–	–	10,000,985	0.44	N/A
	25 February 2010 ⁽¹⁾	0.349	262,078,130	–	–	262,078,130	0.349	N/A
			272,079,115	–	–	272,079,115		
Share options granted under the New Scheme			272,079,115	–	–	272,079,115		

Note:

- ⁽¹⁾ The exercisable period of the above share options is 3 years from the date of grant as determined by the Directors. The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of grant of the share options. The price of the Company's shares disclosed as at the date of exercise of the share options is the weighted average closing price of the shares immediately before the dates on which share options were exercised.

The fair value of share options granted is recognised in profit and loss account taking into account the probability that the share options will vest over the vesting period. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which lapsed, if any, prior to their exercise date are deleted from the outstanding options.

CONTINGENT LIABILITY AND CHARGE OF GROUP ASSETS

As at 30 June 2011, the Group did not have any significant contingent liabilities. As at 30 June 2011, certain bank loans were secured by the properties in PRC.

FACILITY OF HK\$60,000,000.00

On 25 April 2010, Sino Measure Limited (“**Sino Measure**”) and the Company signed a Loan Agreement (“**the 1st Loan Agreement**”) which was subsequently amended by an addendum dated 1 November 2010 (“**the 2nd Loan Agreement**”) signed by Sino Measure as the Lender and the Company as the Borrower, under which Sino Measure agreed to make available to the Company a loan facility of up to the principal amount of HK\$60,000,000.00.

On 25 April 2010, Sino Measure Limited as Lender and Global Success Properties Limited as the holding company of Global Chemicals (China) Company (“**Global Chemicals**”) as Chargor signed a Deed of Charge re Shares in Global Chemicals (China) Company in supplement to the 1st Loan Agreement, whereby a fixed charge has been created on the equity shares of Global Chemicals in favour of Sino Measure as the collateral to the loan of HK\$60,000,000.00 (“**25 April 2010 Deed**”). It is a condition of the 1st Loan Agreement that the Chargor enter into the Deed in favour of Sino Measure.

On 19 January 2011, Sino Measure issued a letter to the Company declaring that an Event of Default had occurred pursuant to the Loan Agreement, and demanding the immediate repayment of the principal amount of the Loan together with interest accrued thereon calculated up to and including 19 January 2011 and further interest on the outstanding amount at the default rate from 19 January until full repayment of the Loan. The amount owing to Sino Measure remains outstanding.

On 9 May 2011, Sino Measure through its then solicitors issued a letter to the Company to inform the Company that the security constituted by the Loan Documents has become immediately enforceable, giving the Company notice that steps were then being taken by to enforce the security without further notice. The amount owing to Sino Measure remains outstanding.

On 10 June 2011, Sino Measure through its solicitors issued a letter to the Company to formally notify the Company that it had exercised and executed the said Share Charge under the Deed, and demand the immediate delivery of items, including but not limited to the books, records and computers, common seal, rubber chops, statutory books and

secretarial record, available copies of the memorandum and articles of association of the Company, including the Share Certificate Books and the Register of Directors, Members, Transfers and Mortgages of Global Chemicals.

FACILITY OF RMB50,000,000.00

On 25 May 2010, a Chinese instrument was made between 東莞寶麗美化工有限公司 as borrower, 東莞市寶盛環保投資有限公司 and 東莞市碧勝能源科技有限公司 as sureties and 中信銀行股份有限公司東莞分行 as lender as attested by 東莞市常平鎮土地儲備中心 (“Chinese Instrument”), the mortgagor have created in favour of the bank a mortgage over two pieces of land as security for repayment of advances made or to be made by the 中信銀行股份有限公司東莞分行 to 東莞寶麗美化工有限公司 up to the maximum principal sum of RMB50,000,000.00. Sino Measure is the Security Agent acting for 東莞市寶盛環保投資有限公司 and 東莞市碧勝能源科技有限公司.

On 1 November 2010, a Deed of Charge re Shares in Global Power and Energy Company Limited (“**Global Power and Energy**”) was executed by the Company as one party, and Sino Measure as the other party (“**1 November 2010 Deed**”).

On 6 May 2011, 中信銀行股份有限公司東莞分行 issued a letter to 東莞寶麗美化工有限公司 to demand payment of the loan of RMB50,000,000.00 on or before 9th May 2011. However, 東莞寶麗美化工有限公司 and/or the Company had defaulted payment of the said loan and interest, and 東莞市寶盛環保投資有限公司 and 東莞市碧勝能源科技有限公司 have to honour their obligations as sureties to 中信銀行股份有限公司東莞分行.

On 10 June 2011, Sino Measure through its solicitors, issued a letter to the Company to formally notify the Company that it had exercised and executed the said Share Charge under the 1 November 2010 Deed, and demand the immediate delivery of items, including but not limited to the books, records and computers, common seal, rubber chops, statutory books and secretarial record, available copies of the memorandum and articles of association of the Company, including the Share Certificate Books and the Register of Directors, Members, Transfers and Mortgages of Global Power and Energy.

NEGOTIATIONS WITH SINO MEASURE AND/OR 東莞市寶盛環保投資有限公司 AND/OR 東莞市碧勝能源科技有限公司

Given that Sino Measure had formally notified the Company that it had exercised and executed the Share Charges under the 25 April 2010 Deed and the 1 November 2010 Deed respectively, the Board of Directors (“the Board”) has appointed Mr Yip Chung Wai, David and Mr JiaXuelei to be the persons-in-charge of the conduct of negotiations and/or agreement with Sino Measure in relation to issues pertaining to the 1st Loan Agreement and/or the 2nd Loan Agreement and/or the 25 April 2010 Deed with Sino Measure and/or other related parties, and in relation to issues pertaining to the Chinese Instrument made on 25 May 2010 and/or the 1 November 2010 Deed with Sino Measures and/or 東莞市寶盛環保投資有限公司 and/or 東莞市碧勝能源科技有限公司 and/or other related parties.

Negotiations have been conducted between Sino Measure, the Company and 東莞市碧勝能源科技有限公司, and such negotiations are still ongoing as terms and conditions of the agreement presented below are being finalized.

It has been agreed between Sino Measure, the Company and the Intended Purchaser 東莞市寶盛環保投資有限公司 (together known as “the Three Parties”) that Sino Measure shall take over the place of the Company as Vendor and continue with the negotiation of the Sale and Purchase transaction of Global Chemicals with 東莞市寶盛環保投資有限公司 as the Purchaser. It has also been agreed between the Three Parties that the deposit of HK\$30,000,000.00 already paid by 東莞市寶盛環保投資有限公司 to the Company shall be kept by the Company; Sino Measure and 東莞市寶盛環保投資有限公司 shall continue to negotiate the final sales price (“Final Sales Price”) for Global Chemicals. The Three Parties further agreed that the balance of the Final Sales Price shall be paid by 東莞市寶盛環保投資有限公司 to Sino Measure directly to settle all outstanding amount owed by the Company to Sino Measure. Furthermore, it has been agreed by Sino Measure and the Company that if the sales price of Global Chemical received by Sino Measure exceeds the outstanding amount owed by the Company to Sino Measure, Sino Measure shall reimburse the exceeding amount to the Company. However, should the outstanding amount owed by the Company to Sino Measure exceeds the sales price of Global Chemical received by Sino Measure, the Company shall satisfy the balance outstanding with Sino Measure by other means, which includes but not limited to the disposal of other parts of the collaterals being charged to and transferred to Sino Measure. All fees, expenses and costs incurred in relation to the said transaction and the settlement of all monies owed by the Company to Sino Measure shall be borne by the Company.

In addition, Sino Measure, the Company and 東莞市寶盛環保投資有限公司 have agreed that if the aforesaid transaction can be concluded, then 東莞市寶盛環保投資有限公司 shall negotiate with 中信銀行股份有限公司東莞分行 all aspects of the Chinese Instrument; Sino Measure and the Company have conferred on 東莞市寶盛環保投資有限公司 all powers to deal with the Chinese Instrument.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company had no purchase, redemption or sales of its own shares during the Period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN EQUITY, DEBT SECURITIES OR WARRANTS

The board (the “Board”) of directors (the “Directors” and, each, a “Director”) of Global Green Tech Group Limited (the “Company”) has been notified by Mr. Suo Lang Duo Ji (“Mr. Suo Lang”), who is a substantial shareholder of the Company, that he has disposed of his entire substantial shareholding interest in the Company on 15 April 2011 (the “Disposal”).

Mr. Long Xiaobo (“Mr. Long”). Mr. Long is currently an executive Director of the Company and has no interest in the securities of the Company or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) before the Disposal.

Completion of the Disposal took place on 15 April 2011. Upon completion of the Disposal, Mr. Long, through his interest in Star Sino International Limited, becomes interested in a total of 762,022,000 Shares, representing approximately 14.56% of the issued share capital of the Company as at the date hereof, and the Convertible Bonds.

Save as disclosed above, no directors, chief executives or their associates had any interest or short position in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as at 30 June 2011.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2011, the register of substantial shareholders maintained under Section 336 of the SFO showed that, the Company had been notified of the following substantial shareholders’ interests, being 5% or more of the Company’s issued share capital:

Name of shareholder	Number of ordinary shares	Percentage of the Company’s share capital
Star Sino International Limited	762,022,000	14.56%
Double Chance Investments Limited	569,046,976	10.87%

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

Save as disclosed above, the Company has not been notified by any other person (other than a director of the Company disclosed above) who has an interest or short position in the shares or underlying shares of the Company pursuant to Section 336 of the SFO as at 30 June 2011.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2011, the Company had complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in Model Code throughout the Period.

AUDIT COMMITTEE

The Company’s Audit Committee comprises one Independent Non-executive Directors, namely Mr. Jin Shunxing.

Following the appointment of Mr. Jin Shunxing as an independent non-executive Director, in compliance with Rule 3.10(2) of the Listing Rules, the Company has one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as a member of the Audit Committee. However, the Company has yet to meet the requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules in relation to the minimum number of independent non-executive Directors and the minimum number of members of the Audit Committee.

The Board will endeavour to appoint sufficient number of independent non-executive Directors and number of members of the Audit Committee as soon as possible within the prescribed time limit set forth in Rule 3.11 and Rule 3.23 of the Listing Rules respectively. The Company will make further announcement(s) regarding such appointment(s) when appropriate.

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for The Formation of An Audit Committee” published by the HKICPA. The principal activities of the Audit Committee include the review and supervision of the Group’s financial reporting process and internal controls.

The Audit Committee has regularly reviewed with the management the accounting principles and policies adopted by the Group. The unaudited interim financial statements for the six months ended 30 June 2011 was reviewed by the Audit Committee.

* *For identification purpose only*

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

Hong Kong, 31 August 2011

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

Executive Directors:

Mr. Yip Chung Wai, David

Mr. Ng Ka Hong

Mr. Long Xiaobo

Mr. Wu Jun

Mr. Jia Xuelei

Mr. Zuo Weiqi

Independent non-executive Director:

Mr. Jin Shunxing