

**GLOBAL GREEN TECH GROUP LTD :  
IT WILL ALL COME OUT IN THE WASH, MY DEAR**

Aside from the fact that the Co-Founder of the Company had been carrying it, financially, since its founding in 1994; and, aside from the fact that this Co-Founder is cashing in to the extent of \$HK25 million by selling off part of his holdings in the company, Global Green Tech Group Ltd is but another one of those new listings that is just too good to believe.

Global Green, Code 274, Main Board, The Stock Exchange of Hongkong Ltd, issued its Prospectus on December 5 with a Placing of 60 million, New 10-cent Shares at a Premium of 90 cents per share, and Offered another tranche of 15 million New Shares on the same basis.

Of the 60 million shares that were Placed, Mr Choi Woon Man, Co-Founder and Executive Director, has pitched into the pot his 25 million shares, taking \$HK25 million, less expenses, to the nearest bank.

Not that Executive Director Choi Woon Man is not entitled to the \$HK25 million, far from it, because, over the past 3 Financial Years, he appeared to have been lending money to the Global Green, interest-free.

But aside from this matter, the Trading Results of Global Green between 1997 and today are just too good to believe.

After all, which manufacturer of detergents and what-have-you can maintain a Net Profit Margin of between 25.56 percent and 30.99 percent for a period of 43 months?

But that is, exactly, what Global Green would have prospective investors believe.

And one has to believe an accountant's report, signed by one of the world's Big Four.

Global Green describes itself, at Page One of its Prospectus, as being '*engaged in the development, manufacture and sale of (i) home and personal care products with increasing emphasis on environmental friendly attributes; and (ii) industrial surfactants.*'

For the past 43 months, this Company has sold its products to the extent of about 99 percent in the People's Republic of China (PRC), with the remaining one percent, or so, having been sold in the Hongkong Special Administrative Region (HKSAR).

This Company, one might say, is a competitor to the US giant, The Proctor and Gamble Company, a company that operates a number of factories in the PRC and sells in excess of 300 products in that country, many of which products appear to be very similar to those, being produced by Global Green.

Global Green prides itself at having developed its Tinolux ( XX – put in Chinese name, here ) brand of laundry detergents, detergents which, it is claimed, are characterised by their solar bleaching properties, brought about by a special enzyme, contained in the detergents.

One has to come to the conclusion that Proctor and Gamble did not know of the effects of solar bleaching, or of the enzyme which is embedded in Global Green's laundry detergents.

In addition to the laundry detergents, Global Green has developed, and presently manufactures, 16 types of industrial surfactants along with another 34 types of home and personal care products.

Considering the short history of this Company, it appears to have done extraordinarily well as to the following table indicates:

	All Figures are Denominated in \$HK'000			
	Financial Year ended December 31, 1997	Financial Year ended December 31, 1998	Financial Year ended December 31, 1999	Seven Months to July 31, 2000
Turnover:				
1. Home and Personal Care Products	43,113	48,255	58,728	51,477
2. Industrial Surfactants	31,092	38,373	47,819	35,746
<b>TOTALS</b>	<b>74,205</b>	<b>86,628</b>	<b>106,547</b>	<b>87,223</b>
Cost of Sales	(38,466)	(45,359)	(59,105)	(45,008)
Gross Profit	35,739	41,269	47,442	42,215
Other Revenue	1,285	1,266	1,250	778
Selling and Distribution Expenses	(9,634)	(9,560)	(7,293)	(5,729)
Administrative Expenses	(6,289)	(6,847)	(7,347)	(5,919)
Profit from Operating Activities	21,101	26,128	34,052	31,345
Financing Costs	(2,133)	(2,471)	(2,210)	(1,258)
Profit before Tax	18,968	23,657	31,842	30,187
Taxation	Nil	Nil	(4,158)	(3,153)
Net Profit from Ordinary Activities Attributable to Shareholders	18,968	23,657	27,684	27,034

From the above table, one notes that the Net Profit Margin in the 1997 Financial Year was about 25.56 percent, rising to 27.31 percent in the 1998 Year, falling slightly in the 1999 Year to 25.98 percent, and, then, for the 7 months of the 2000 Year, the Company had achieved a 30.99 percent Net Profit Margin.

For a company, manufacturing soaps and detergents, products of a similar nature to tens of thousands of other such companies, it seems incredulous that it can achieve such a relatively high margin of profit.

For the Current Year, ending December 31, 2000, Global Green is forecasting a Net Profit Attributable to Shareholders, before any Extraordinary Profits, of not ... [CLICK TO ORDER FULL ARTICLE](#)

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