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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in EcoGreen Fine Chemicals Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**EcoGreen Fine Chemicals Group Limited**

**中怡精細化工集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2341)**

**NOTICE OF 2006 ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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A notice convening the 2006 annual general meeting of EcoGreen Fine Chemicals Group Limited to be held at Salon 2-3, Level 3, J.W. Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Thursday, 25 May 2006 at 2:30 p.m. at which the above proposals will be considered, is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

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# LETTER FROM THE BOARD OF DIRECTORS

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## EcoGreen Fine Chemicals Group Limited

中怡精細化工集團有限公司\*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2341)

*Executive Directors:*

Mr. Yang Yirong  
Mr. Gong Xionghui  
Ms. Lu Jiahua  
Mr. Lin Like

*Non-executive Directors:*

Mr. Feng Tao  
Mr. Han Huan Guang

*Independent non-executive Directors:*

Mr. Yau Fook Chuen  
Mr. Wong Yik Chung, John  
Dr. Zheng Lansun

*Registered office:*

Century Yard  
Cricket Square, Hutchins Drive  
P.O. Box 2681 GT, George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Head office and principal place*

*of business in Hong Kong:*  
Unit No. 508, 5th Floor  
Tower 2, Lippo Centre  
89 Queensway  
Hong Kong

28 April 2006

*To the shareholders of the Company*

Dear Sir or Madam,

**NOTICE OF 2006 ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES AND  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

### 1. INTRODUCTION

The purpose of this circular is to give you notice of the 2006 annual general meeting (the "AGM") of EcoGreen Fine Chemicals Group Limited (the "Company") to be held on Thursday, 25 May 2006 and information on matters to be dealt with at the AGM. These include (i) re-election of directors of the Company (the "Directors"); (ii) granting to the Directors general mandates to issue the shares (the "Shares", each a "Share") of HK\$0.10 each in the capital of the Company and to repurchase the Shares; and (iii) the proposed amendments to the articles of association of the Company (the "Articles of Association").

### 2. RE-ELECTION OF DIRECTORS

In accordance with Article 108(A) of the Articles of Association, one-third of the Directors for the time being, shall retire at each annual general meeting from office by rotation. Accordingly Mr. Yau Fook Chuen and Mr. Wong Yik Chung, John will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the AGM.

\* for identification purpose only

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## LETTER FROM THE BOARD OF DIRECTORS

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In accordance with Article 112 of the Articles of Association, Mr. Feng Tao, Mr. Lin Like and Mr. Han Huan Guang shall hold office until the AGM. They will retire at AGM and being eligible, offer themselves for re-election as Directors at the AGM.

Particulars of these Directors required to be disclosed by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") are set out in Appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

#### Background

Pursuant to the ordinary resolutions passed by all shareholders of the Company (the "**Shareholders**", each a "**Shareholder**") at the annual general meeting of the Company held on 18 May 2005, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to repurchase Shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). These mandates will expire at the conclusion of the forthcoming AGM.

At the AGM, among other businesses, the following ordinary resolutions will be proposed:

- (a) to grant a general mandate (the "**Issue Mandate**") to the Directors to exercise the power of the Company to allot, issue and otherwise deal with new Shares up to a maximum of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution;
- (b) to grant a general mandate (the "**Repurchase Mandate**") to the Directors to enable them to repurchase the Shares up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution on the Stock Exchange; and
- (c) to authorise the increase of the number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate (such authorisation is referred to below as the "**Extension Mandate**").

#### The Issue Mandate and the Extension Mandate

Shareholders are referred to the ordinary resolutions No. 5 and No. 7 in the notice of the AGM, as set out on pages 13 to 17, for details of the resolutions on these general mandates which will be considered at the AGM. With reference to these resolutions, the Directors have no immediate plans to allot and issue any new Shares other than Shares which may fall to be issued upon the exercise of options which may be granted under the share option scheme of the Company or pursuant to any scrip dividend scheme which may be approved by the Shareholders.

#### The Repurchase Mandate

Shareholders are referred to the ordinary resolution No. 6 in the notice of the AGM, as set out on pages 13 to 17, for details of the resolution on this general mandate which will be considered at the AGM. With reference to this resolution, the board of Directors of the Company (the "**Board**") wishes to state that it has no immediate plans to repurchase any Shares pursuant to the Repurchase Mandate.

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## LETTER FROM THE BOARD OF DIRECTORS

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An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is set out in the Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

#### 4. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to align with the code provisions as contained in Appendix 14, entitled “Code on Corporate Governance Practices”, to the Listing Rules which came into effect on 1 January 2005 and the amended paragraph 4 of Appendix 3 to the Listing Rules which came into effect on 1 March 2006, the Board proposed to amend the Articles of Association as follows:

- (a) to specify that voting by way of a poll can be required by Director(s) attending the meeting holding proxies of Shares representing five per cent. (5%) or more of the total voting rights at the meeting;
- (b) to specify that every Director shall be subject to retirement by rotation at least once every three years;
- (c) to require that any Director appointed by the board of Directors to fill a casual vacancy should be subject to election by shareholders at the first general meeting of the Company after such Director’s appointment; and
- (d) to specify that Directors can be removed by ordinary resolutions.

Details of the proposed amendments to the Articles of Association are set out in the notice of the AGM on pages 13 to 17 of this circular.

Special resolution to amend the Articles of Association which requires a majority of not less than 75 per cent of the votes cast by the Shareholders (voting in person or by proxy) attending and entitled to vote at the AGM will be put forth as special resolution to be considered and approved by the Shareholders at the AGM.

#### 5. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 13 to 17 of this circular. At the AGM, ordinary resolutions will be proposed to approve a number of matters, including, inter alia, (i) the re-election of Directors; and (ii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate. In addition, a special resolution will be proposed to approve the amendments to the Articles of Association.

A proxy form for use at the AGM is enclosed and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

#### 6. PROCEDURE FOR DEMANDING A POLL

Pursuant to article 72 of the Articles of Association, a resolution put to the vote of any general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

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## LETTER FROM THE BOARD OF DIRECTORS

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- (i) by the Chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### 7. CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Monday, 22 May 2006 to Thursday, 25 May 2006, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 19 May 2006.

### 8. RECOMMENDATIONS

The Directors believe that the re-election of Directors, the proposed amendments to the Articles of Association, the Issue Mandate, the Repurchase Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders.

An exercise of the powers under the Repurchase Mandate may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value and/or earnings per Share. Such an exercise will only be made when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2005, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the Issue Mandate and the Extension Mandate to issue and allot new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Accordingly, the Directors recommend that all Shareholders should vote in favour of the special resolution approving the amendments to the Articles of Association and the ordinary resolutions approving the re-election of Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors at the AGM.

Yours faithfully,  
For and on behalf of  
the board of Directors of  
**EcoGreen Fine Chemicals Group Limited**  
**Yang Yirong**  
*Chairman & President*

The biographical details of the Directors proposed to be re-elected at the AGM are set out below:

**1. Mr. Feng Tao (“Mr. Feng”)**

*Non-executive Director and Vice Chairman of the Board*

Mr. Feng, aged 38, joined the group comprises of the Company and its subsidiaries (the “Group”) as a Non-executive Director and Vice Chairman of the Board in September 2005. He is the Chief Executive Officer of New Margin Venture Capital Co. Ltd. (“NewMargin”), which is one of the most outstanding venture-capital firms in China. NewMargin is also a strategic shareholder holding 4.62% issued share capital of the Company. Commencing from 1999, Mr. Feng has been serving as the vice president officer (副主任) of The Foundation of Science & Technology for Development of the State Planning Committee, State Economic & Trade Commission of the PRC (中華人民共和國國家經濟貿易委員會) and Chinese Academy of Sciences (中國科學院). As one of pioneers of venture-capital of China, Mr. Feng possesses extensive experience and knowledge of both domestic and overseas markets. Mr. Feng was awarded the title of “Top 10 most influential venture capitalists in China” in the “Asia-Pacific Venture Capitalist Summit and Most Influential Venture Capitalists in China Award Ceremony” in April 2005. He obtained a master degree in science from the Department of Statistics and Applied Probability of University of Alberta in June 1992.

The Company has not entered into any service contract with Mr. Feng. He is entitled to receive a director’s fee of HK\$132,000 per annum which is determined by the Board with reference to his duties and responsibilities within the Company as well as the market benchmark. Should he be re-elected at the forthcoming AGM, his term is one year from the date of re-election to the date the forthcoming annual general meeting of the Company to be held in subsequent financial year. His term can be extended one year automatically until terminated by any party through giving a written notice of at least three months to the other party.

As at 20 April 2006, being the latest practicable date (the “Latest Practicable Date”) prior to the printing of this circular, Mr. Feng did not have any interests in the Shares within the meaning of Part XV of the Securities and Future Ordinance (“SFO”). Other than being a Director of the Company, Mr. Feng does not hold any other position with the Company or other members of the Group. He does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company.

In the last three years prior to the Latest Practicable Date, Mr. Feng was the Vice Chairman of Jiangsu Lianhuan Pharmaceutical Co., Ltd., a company listed on the Shanghai Stock Exchange, the Vice Chairman of Shenzhen Dongjiang Environmental Company Limited and a Non-executive Director of Venturepharm Laboratories Limited. The latter two companies are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. Save for these, Mr. Feng did not hold any directorship or senior management positions in any listed companies.

Save as disclosed herein, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters which are necessary to be made aware to the Shareholders regarding Mr. Feng’s re-election as the Non-executive Director and Vice Chairman of the Board.

**2. Mr. Han Huan Guang (“Mr. Han”)**

*Non-executive Director*

Mr. Han, aged 43, joined the Group as a Non-executive Director in September 2005 and he is the chairman of Remuneration Committee of the Company (the “Remuneration Committee”). Mr. Han graduated from Zhongshan University (中山大學) with a Bachelor degree in Biochemistry in

1982 and obtained his Master degree in Business Administration from University of Technology, Sydney, Australia in 1993. He has over 20 years' experience in corporate finance, merger and acquisition, infrastructure and new technology developments, management of listed and non-listed companies in the PRC and overseas. Over the years, he has been a director, and then managing director in China Everbright Medicine Co. Ltd. (a subsidiary of China Everbright Holdings Group), Livzon Pharmaceutical Group Inc. and Dare Holdings (Hong Kong) Ltd. (a subsidiary of Dare Global Group) and in other senior management positions in Hong Kong, Singapore and Mainland companies. He is currently working in a private investment firm. He has been appointed as a Councilor of the China Society of Biotechnology, and also member of some professional associations in the region.

The company has not entered into any service contract with Mr. Han. He is entitled to receive a director's fee of HK\$132,000 per annum which is determined by the Board with reference to his duties and responsibilities with the Company as well as the market benchmark. Should he be re-elected at the forthcoming AGM, his term is one year from the date of re-election to the date the forthcoming annual general meeting of the Company to be held in subsequent financial year. His term can be extended for one year automatically until its termination by any party through giving a written notice of at least three months to the other party.

As at the Latest Practicable Date, Mr. Han did not have any interests in the Shares within the meaning of Part XV of the SFO. Other than being a Director of the Company, Mr. Han does not hold any position with the Company or other members of the Group. In the last three years prior to the Latest Practicable Date, he used to be a director of a subsidiary of a listed company in the mainland and as a member of the top management at a Hong Kong listed company. Save for these, Mr. Han did not hold any directorship or any senior management positions in any listed companies. Mr. Han does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters which are necessary to be made aware to the shareholders of the Company regarding the re-election of Mr. Han as a Non-executive Director.

**3. Mr. Lin Like ("Mr. Lin")**  
*Executive Director*

Mr. Lin, aged 43, joined the Group as an operation manager of aroma and natural products in August 2004. He was then appointed as an Executive Director of the Group in September 2005. He is responsible for the management of the Group's operation in aroma and natural products and research and development functions for the Group. Mr. Lin also oversees the research and development department and other operational departments including the production department and quality management department of the Group. Mr. Lin also serves as the President of Shanghai Fine Chemicals Company Limited, a subsidiary of the Group. Mr. Lin graduated from the Chemistry Department of Huaqiao University (華僑大學) with a Bachelor Degree in science and graduated from the Guangzhou Institute of Chemistry, Academic Sinica (中國科學院廣州化學研究所) with a Master degree in science. Mr. Lin has been engaged in the research and development of fine chemicals for many years with extensive experience in the natural products industry in China.

Mr. Lin entered into a service contract with the Company as an Executive Director, with the emoluments including the fixed annual remuneration in aggregate of RMB560,000 per annum and a performance-linked discretionary bonus. The emoluments are determined with reference to duties, prevailing market conditions and the operating results and profitability of the Company. His service has no fixed term. He will hold office until the contract is terminated by any one party giving at least three months' written notice to the other party. As an Executive Director, he is required to retire by rotation and be eligible for re-election in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Lin did not have any interests in the Shares within the meaning of Part XV of the SFO. In the last three years prior to the Latest Practicable Date, Mr. Lin did not hold any directorship or senior management positions in any listed companies. Mr. Lin does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters which are necessary to be made aware to the shareholders of the Company regarding the re-election of Mr. Lin as a Executive Director of the Company.

**4. Mr. Wong Yik Chung, John**

*Independent Non-executive Director*

Mr. Wong Yik Chung, John, aged 39, joined the Group as an Independent Non-executive Director in February 2004 and he is the member of the Audit Committee of the Company (the "Audit Committee") and Remuneration Committee. Mr. Wong is a professional accountant by training with more than 16 years of experience in auditing and corporate finance work, with extensive exposure to the business enterprise in the PRC. Mr. Wong is currently the Director of TMF China, a firm provides a variety of professional outsourcing solutions to an international client base investing in PRC. Mr. Wong graduated from the University of Melbourne. He is a fellow member of the Australian Society of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He also obtained a PRC Certificate of Independent Directorship in 2002. He has not held any directorship in other listed public companies during the three years preceding the Latest Practicable Date prior to the printing of this circular, or any position with the Company and other members of the Group.

Mr. Wong Yik Chung, John has not entered into any service contract with the Company. He is entitled to receive director's fee of HK\$132,000 per annum which is determined by the Board with reference to his duties and responsibilities within the Company as well as the market benchmark. Should he be re-elected at the forthcoming AGM, his term is one year from the date of re-election to the date the forthcoming annual general meeting of the Company to be held in subsequent financial year. His term can be extended for one year automatically until its termination by any party through giving a written notice of at least three months to the other party.

As at the Latest Practicable Date, Mr. Wong Yik Chung, John has personal interest in share options to subscribe for a total of 400,000 Shares within the meaning of Part XV of the SFO.

Mr. Wong Yik Chung, John is independent and not related to any of the other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed herein, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**5. Mr. Yau Fook Chuen**

*Independent Non-executive Director*

Mr. Yau Fook Chuen, aged 48, joined the Group as an Independent Non-executive Director in February 2004 and he is the chairman of the Audit Committee and the member of the Remuneration Committee. Mr. Yau is a practising accountant and has over 15 years of experience in public accountancy practice which covers company secretarial service, accountancy, auditing and taxation. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute

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**APPENDIX I      PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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of Certified Public Accountants. Mr. Yau is currently the proprietor of Yau & Wong, Certified Public Accountants in Hong Kong. He has not held any directorship in other listed public companies during the three years preceding the Latest Practicable Date prior to the printing of this circular, or any position with the Company and other members of the Group.

Mr. Yau Fook Chuen has not entered into any service contract with the Company. He is entitled to receive a director's fee of HK\$132,000 per annum which is determined by the Board with reference to his duties and responsibilities within the Company as well as the market benchmark. Should he be re-elected at the forthcoming AGM, his term is one year from the date of re-election to the date the forthcoming annual general meeting of the Company to be held in subsequent financial year. His term can be extended for one year automatically until its termination by any party through giving a written notice of at least three months to the other party.

As at the Latest Practicable Date, Mr. Yau Fook Chuen has personal interest in share options to subscribe for a total of 400,000 Shares within the meaning of Part XV of the SFO.

Mr. Yau Fook Chuen is independent and not related to any of the other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed herein, there are no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters relating to his re-election that need to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

### 1. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 461,000,000 Shares.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 46,100,000 Shares.

### 2. Reasons for the repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

### 3. Funding of repurchases

Repurchase must be funded out of funds which are legally available for the purposes in accordance with the memorandum of association of the Company, the Articles of Association and the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law"). A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

The Company will use its internal resources to finance purchases of its Shares. The Company does not intend to incur any borrowings or issue any fresh equity in order to specifically finance the purchase of Shares.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2005, being the date of its latest audited consolidated financial statement. However, the Directors do not intend to make any repurchases to such an extent as would, in circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. Share prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2005</b>		
April	1.33	1.09
May	1.15	1.05
June	1.10	0.93
July	0.98	0.90
August	1.00	0.80
September	1.34	0.92
October	1.46	1.10
November	1.41	1.12
December	1.34	1.23
<b>2006</b>		
January	1.31	1.20
February	1.57	1.25
March	1.40	1.30
April (up to Latest Practicable Date)	1.46	1.30

#### 5. The Takeovers Code and minimum public holding

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO (Chapter 571 of the Laws of Hong Kong) and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons ("**Substantial Shareholders**") were directly or indirectly interested in 5% or more of the issued capital of the Company:

<b>Name</b>	<b>Type of interest held</b>	<b>Number of Shares held</b>	<b>% of the issued share capital</b>
Marietta Limited	Beneficial owner ( <i>Note a</i> )	193,263,158	41.92%
Neon Liberty Capital Management, LLC	Investment manager	46,258,000	10.03%
UBS AG	Person having a security interest in shares	46,258,000	10.03%
Cheah Cheng Hye	Interest of a controlled corporation ( <i>Note b</i> )	39,600,000	8.59%

Name	Type of interest held	Number of Shares held	% of the issued share capital
Value Partners Limited	Investment manager	39,600,000	8.59%
Neon Liberty Emerging Markets Fund, Ltd.	Beneficial owner	27,510,000	5.97%

*Notes:*

- (a) These shares are registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Yang Yirong.
- (b) These shares are registered in the name of and beneficially owned by Value Partners Limited, approximately 32.77% of the issued share capital of which is registered in the name of and beneficially owned by Mr. Cheah Cheng Hye.

Assuming that all the Substantial Shareholders do not dispose of their respective equity interests (no matter they are direct or indirect interests) in the Shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of Marietta Limited and Yang Yirong in the Company after such repurchase would be increased to approximately 46.58% of the issued share capital of the Company, the percentage shareholdings of the Shareholders which Shares have been under the security interests of UBS AG would be increased to approximately 11.15%, the percentage shareholdings of Neon Liberty Capital Management, LLC would be increased to approximately 11.15%, the percentage shareholdings of Neon Liberty Emerging Markets Fund, Ltd. would be increased to 6.63% while the percentage shareholdings of Cheah Cheng Hye and Value Partners Limited would be increased to approximately 9.54% of the issued share capital of the Company.

On the basis of the current shareholding held by each of the Substantial Shareholders set out above, except Marietta Limited and Yang Yirong, each of the Substantial Shareholders will not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full. In the opinion of the Directors, the increase of percentage shareholdings of Marietta Limited and Yang Yirong may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations under the Takeover Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase and no disposal by any of Substantial Shareholders of its and his interests in the Shares, an exercise of the Repurchase Mandate, whether in part or in full, will not result in less than 25% of the Shares being held by the public. Moreover, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## 6. Share repurchase made by the Company

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the previous six calendar months prior to the Latest Practicable Date.

## 7. General

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any shares to the Company or its subsidiaries.

No connected person of the Company has notified the Company that he has a present intention to sell any securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him to the Company in the event that the Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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# NOTICE OF 2006 ANNUAL GENERAL MEETING

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## EcoGreen Fine Chemicals Group Limited

中怡精細化工集團有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2341)

### NOTICE OF 2006 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of EcoGreen Fine Chemicals Group Limited (the "Company") will be held at Salon 2-3, Level 3, J.W. Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Thursday, 25 May 2006 at 2:30 p.m. for the following purposes:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2005.
2. To declare a final dividend of HK\$0.012 per share for the year ended 31 December 2005.
3. To re-elect the retiring directors and to authorise the board of directors to fix the directors' remuneration.
4. To re-appoint PricewaterhouseCoopers as auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions:

#### ORDINARY RESOLUTIONS

5. "THAT:
  - (a) subject to paragraph (c) below, pursuant to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the exercise by the directors of the Company (the "Directors") during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with the unissued shares (the "Shares", each a "Share") of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which may require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which may require the exercise of such powers at any time during or after the expiry of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a)

\* for identification purpose only

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## NOTICE OF 2006 ANNUAL GENERAL MEETING

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above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles of Association**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company of the Company (the “**Shareholders**”)) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to Shareholders on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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## NOTICE OF 2006 ANNUAL GENERAL MEETING

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6. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase its Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. **“THAT** conditional on the passing of resolution no. 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution no. 5 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (b) of resolution no. 6 above.”

### SPECIAL RESOLUTION

8. **“THAT** the Articles of Association be and are hereby amended in the following manner:
- (a) by inserting the words “voting by way of a poll is required by the Listing Rules or “after the words “on a show of hands unless” in the second sentence of the existing Article 72, and by deleting the full-stop at the end of the existing article 72(iv) and replacing therewith a semicolon and the word “or” and inserting the following as new article 72(v):

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## NOTICE OF 2006 ANNUAL GENERAL MEETING

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“(v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”;

- (b) by replacing the words “a Special Resolution” in the first sentence of the existing article 105(vii) with the words “an Ordinary Resolution”;
- (c) by deleting article 108(A) in its entirety and substituting thereof with the following:

“108(A) Notwithstanding any other provisions in this Article, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.”

- (d) by deleting article 112 in its entirety and substituting thereof with the following:

“112. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or the next following annual general meeting of the Company (in the case of the appointment of an additional Director) and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”;

- (e) by replacing the word “Special” in the first sentence of the existing article 114 with the word “Ordinary”; and
- (f) by deleting the existing Article 124 in its entirety and substituting therefor the following:

“A Director appointed to an office under Article 122 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause”.

By order of the board of Directors of  
**EcoGreen Fine Chemicals Group Limited**  
**Yang Yirong**  
*Chairman & President*

Hong Kong, 28 April 2006

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## NOTICE OF 2006 ANNUAL GENERAL MEETING

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*Registered office:*  
Century Yard  
Cricket Square, Hutchins Drive  
P.O. Box 2681 GT, George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Head office and principal place  
of business in Hong Kong:*  
Unit No. 508  
5th Floor, Tower 2  
Lippo Centre  
89 Queensway  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting (or at any adjournment thereof) convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles of Association, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The transfer books and register of members of the Company will be closed from Monday, 22 May 2006 to Thursday, 25 May 2006, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong at the address stated in note 2 above not later than 4:00 p.m. on Friday, 19 May 2006.
4. In relation to proposed resolutions numbered 5 and 7 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued pursuant to the exercise of any option which may be granted under the share option scheme of the Company or any scrip dividend scheme which may be approved by the Shareholders.
5. In relation to proposed resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix II to the circular of the Company which this notice forms part.