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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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

## **PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND NOTICE OF 2007 ANNUAL GENERAL MEETING**

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A notice convening the 2007 annual general meeting of EcoGreen Fine Chemicals Group Limited to be held at Suite 3706, 37th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 21 May 2007 at 2:30 p.m. at which the above proposals will be considered, is set out on pages 12 to 15 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  
Mr. Han Huan Guang

*Registered office:*

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

*Non-executive Directors:*

Mr. Feng Tao

*Head office and principal place*

*of business in Hong Kong:*  
Suite 3706, 37th Floor  
Central Plaza, 18 Harbour Road  
Wanchai, Hong Kong

*Independent non-executive Directors:*

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

26 April 2007

*To the shareholders of the Company*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
AND  
NOTICE OF 2007 ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to give you notice of the 2007 annual general meeting (the "AGM") of EcoGreen Fine Chemicals Group Limited (the "Company") to be held on Monday, 21 May 2007 and information on matters to be dealt with at the AGM. These include (i) re-election of directors of the Company (the "Directors"); and (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.

**2. RE-ELECTION OF DIRECTORS**

In accordance with Article 108(A) of the articles of association of the Company (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. Yang Yirong and Mr. Gong Xionghui, Ms. Lu Jiahua and Dr. Zheng Lansun 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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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 25 May 2006, 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 12 to 15, 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 12 to 15, 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.

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.

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## LETTER FROM THE BOARD OF DIRECTORS

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### 4. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 12 to 15 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.

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)) as well as the website of the Company ([www.ecogreen.com](http://www.ecogreen.com)). 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.

### 5. 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 voting by way of a poll is required by the Listing Rules or 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:

- (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; or
- (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.

### 6. CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Wednesday, 16 May 2007 to Monday, 21 May 2007, 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 Tuesday, 15 May 2007.

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## LETTER FROM THE BOARD OF DIRECTORS

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### 7. RECOMMENDATIONS

The Directors believe that the re-election of Directors, 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 2006, 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 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. Yang Yirong (“Mr. Yang”)**

*Chairman and President*

Mr. Yang, aged 45, is the founder of the Group. He is responsible for strategic planning and formulation of overall corporate development policy for the Group. Mr. Yang holds a Bachelor degree in science, majoring in chemistry from Huaqiao University (華僑大學) in 1982. Prior to founding the Group in 1994, Mr. Yang has extensive experience in the fine chemicals manufacturing and trading and has more than 13 years of experience in natural organic chemistry research.

The Company has entered into a service contract with Mr. Yang for successive terms of one year until terminated by not less than three months’ notice in writing served by either party on the other. The current basic annual salaries of Mr. Yang is RMB1,412,000, and is entitled to further director’s emoluments, which is determined by the Board from time to time with reference to his duties and responsibilities within the Company, the market benchmark and subject to approval by the Shareholders at annual general meeting. In addition, in respect of each financial year, but subject to the pre-condition that the combined or consolidated audited net profit of the Group (after taxation and payment of the management bonuses as mentioned below but before extraordinary items) for that financial year represents an increase of more than 15% as compared to that for the preceding financial year, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all executive Directors for any financial year of the Company may not exceed 5% of the combined or consolidated audited net profit of the Group (after taxation and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. The discretionary management bonus for Mr. Yang in the year ended 31 December 2006 was approximately RMB300,000. His entitlement to the bonus was reviewed and approved by the remuneration committee of the Company. All the director’s emolument disclosed above are being covered by the service contract.

As at 20 April 2007, being the latest practicable date (the “**Latest Practicable Date**”) prior to the printing of this circular, Mr. Yang was taken as interested in 193,263,158 Shares which represented about 41.92% of the total issued share capital of the Company, by virtue of his ownership of Marietta Limited pursuant to Part XV of the Securities and Futures Ordinance (the “**SFO**”). Mr. Yang also has personal interest in share options to subscribe for a total of 400,000 Shares of the Company within the meaning of Part XV of SFO. Other than being a Chairman of the Company, Mr. Yang is also the President of the Group. He does not have any relationship with any Director, senior management or substantial shareholder of the Company.

In the last three years prior to the Latest Practicable Date, Mr. Yang did not hold any directorship or senior management positions in any other 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. Yang’s re-election.

**2. Mr. Gong Xionghui (“Mr. Gong”)**

*Vice-President*

Mr. Gong, aged 43, is responsible for project construction and strategic investment development. Mr. Gong holds a Master degree in chemical engineering from Xiamen University (廈門大學) and has accumulated over 18 years of experience in fine chemicals industry and qualified as an ISO 9000 auditor in the PRC in 1998. He joined the Group in September 1999.

The Company has entered into a service contract with Mr. Gong for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other. The current basic annual salaries of Mr. Gong is RMB713,000, and is entitled to further director's emoluments, which is determined by the Board from time to time with reference to his duties and responsibilities within the Company, the market benchmark and subject to approval by the Shareholders at annual general meeting. In addition, in respect of each financial year, but subject to the pre-condition that the combined or consolidated audited net profit of the Group (after taxation and payment of the management bonuses as mentioned below but before extraordinary items) for that financial year represents an increase of more than 15% as compared to that for the preceding financial year, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all executive Directors for any financial year of the Company may not exceed 5% of the combined or consolidated audited net profit of the Group (after taxation and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. The discretionary management bonus for Mr. Gong in the year ended 31 December 2006 was approximately RMB378,000. His entitlement to the bonus was reviewed and approved by the remuneration committee of the Company. All the director's emolument disclosed above are being covered by the service contract.

As at 20 April 2007, being the latest practicable date (the "Latest Practicable Date") prior to the printing of this circular, Mr. Gong was taken as interested in 11,368,421 Shares which represented about 2.47% of the total issued share capital of the Company, by virtue of his ownership of Dragon Kingdom Investment Limited pursuant to Part XV of the Securities and Futures Ordinance (the "SFO"). Mr. Gong also has personal interest in share options to subscribe for a total of 3,000,000 Shares of the Company within the meaning of Part XV of SFO. Other than being an Executive Director of the Company, Mr. Gong is also the Vice-President of the Group. He does not have any relationship with any Director, senior management or substantial shareholder of the Company.

In the last three years prior to the Latest Practicable Date, Mr. Gong did not hold any directorship or senior management positions in any other 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. Gong's re-election.

**3. Ms. Lu Jiahua ("Ms. Lu")**  
*Vice-President*

Ms. Lu, aged 40, oversees the finance and accounting and human resources functions for the Group in the PRC. She has over 17 years of experience in accounting, financial management, administration management and internal auditing in a number of pharmaceutical and fine chemical manufacturing enterprises. Ms. Lu holds a Bachelor degree and a Master degree in economics and corporate management from Xiamen University (廈門大學). She joined the Group in April 2002.

The Company has entered into a service contract with Ms. Lu for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other. The current basic annual salaries of Ms. Lu is RMB713,000, and is entitled to further director's emoluments, which is determined by the Board from time to time with reference to her duties and responsibilities within the Company, the market benchmark and subject to approval by the Shareholders at annual general meeting. In addition, in respect of each financial year, but subject to the pre-condition that the combined or consolidated audited net profit of the Group (after taxation and payment of the management bonuses as mentioned below but before extraordinary items) for that financial year represents an increase of more than 15% as compared to that for the preceding financial year, he is also entitled to a discretionary management bonus provided that the aggregate

amount of the bonuses payable to all executive Directors for any financial year of the Company may not exceed 5% of the combined or consolidated audited net profit of the Group (after taxation and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. The discretionary management bonus for Ms. Lu in the year ended 31 December 2006 was approximately RMB378,000. Her entitlement to the bonus was reviewed and approved by the remuneration committee of the Company. All the director's emolument disclosed above are being covered by the service contract.

As at 20 April 2007, being the latest practicable date (the "Latest Practicable Date") prior to the printing of this circular, Ms. Lu was taken as interested in 8,526,316 Shares which represented about 1.85% of the total issued share capital of the Company, by virtue of her ownership of Sunwill Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (the "SFO"). Ms. Lu also has personal interest in share options to subscribe for a total of 300,000 Shares of the Company within the meaning of Part XV of SFO. Other than being an Executive Director of the Company, Ms. Lu is also the Vice-President of the Group. She does not have any relationship with any Director, senior management or substantial shareholder of the Company.

In the last three years prior to the Latest Practicable Date, Ms. Lu did not hold any directorship or senior management positions in any other 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 Ms. Lu's re-election.

**4. Dr. ZHENG Lansun ("Dr. Zheng")**  
*Independent Non-executive Director*

Dr. Zheng, aged 52, is a member of the National Committee of the 10th Chinese People's Political Consultative Conference (中國人民政治協商會議第十屆全國委員會), representing the technology sector. He is also a qualified academician (院士) of the Chinese Academy of Sciences (中國科學院). Dr. Zheng received a Doctoral degree in philosophy from Rice University in the United States of America and has engaged in chemistry related research activities at Xiamen University. He was appointed as an Independent Non-executive Director in February 2004.

Dr. Zheng has not entered into any service contract with the Company. He is currently entitled to receive a director's fee of RMB70,000 per annum and is entitled to further director's emoluments which is determined by the Board from time to time with reference to his duties and responsibilities within the Company as well as the market benchmark and subject to approval by the Shareholders at annual general meeting. 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, Dr. Zheng has personal interest in share options to subscribe for a total of 800,000 Shares within the meaning of Part XV of the SFO.

Dr. Zheng 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 2006, 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:

	Highest HK\$	Lowest HK\$
<b>2006</b>		
April	1.46	1.30
May	1.46	1.22
June	1.29	1.08
July	1.30	1.08
August	1.29	1.09
September	1.65	1.15
October	1.95	1.48
November	2.20	1.75
December	2.18	1.74
<b>2007</b>		
January	2.15	1.88
February	2.85	2.01
March	2.76	2.30
April (up to Latest Practicable Date)	3.15	2.40

#### 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:

Name	Type of interest held	Number of shares held	% of the issued share capital
Yang Yirong	Beneficial owner	193,263,158	41.92%
Marietta Limited	Beneficial owner ( <i>Note a</i> )	193,263,158	41.92%
Keywise Capital Management (HK) Limited	Investment manager	55,484,000	12.04%
Keywise Greater China Opportunities Master Fund	Beneficial owner	41,592,000	9.02%

Name	Type of interest held	Number of shares held	% of the issued share capital
Value Partners Limited	Investment manager	36,878,000	7.99%
Cheah Cheng Hye	Interest of a controlled corporation ( <i>Note b</i> )	36,692,000	7.95%
Montpelier Asset Management Limited	Investment manager	23,142,000	5.02%

*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 35.65% 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 Keywise Capital Management (HK) Limited and Keywise Greater China Opportunities Master Fund would be increased to approximately 13.38% and 10.02% respectively; the percentage shareholdings of Cheah Cheng Hye and Value Partners Limited would be increased to approximately 8.83% and 8.88% respectively while the percentage shareholdings of Montpelier Asset Management Ltd. would be increased to approximately 5.58% 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 2007 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 2007 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of EcoGreen Fine Chemicals Group Limited (the "Company") will be held at Suite 3706, 37th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 21 May 2007 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 2006.
2. To declare a final dividend of HK\$0.023 per share for the year ended 31 December 2006.
3. To re-elect the following retiring directors: (a) Mr. Yang Yirong; (b) Mr. Gong Xionghui; (c) Mr. Lu Jiahua; and (d) Dr. Zheng Lansun, 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 as 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 issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for Shares and to make or grant offers, agreements and options, 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 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;

\* for identification purpose only

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- (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) above, otherwise than pursuant to or in consequence of:
- (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;

shall not exceed 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 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 of the Company (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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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.”

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

Hong Kong, 26 April 2007

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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:*  
Suite 3706, 37th Floor  
Central Plaza, 18 Harbour Road  
Wanchai, 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 Wednesday, 16 May 2007 to Monday, 21 May 2007, 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 Tuesday, 15 May 2007.
4. In relation to proposed resolutions no. 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.