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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)

www.ecogreen.com

(Stock Code: 2341)

ACQUISITION OF LAND USE RIGHTS

The Company is pleased to announce that on 29 December 2014, EcoGreen Chemicals, a wholly owned subsidiary of the Company, received a written notice from the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局), confirming that the bid made by EcoGreen Chemicals of RMB26,414,000 for the Land Use Rights in respect of a parcel of land with an aggregate site area of approximately 220,117 square metres situated in Gulei Port, Zhangpu County, Zhangzhou City, Fujian Province, the PRC under the auction, listing and transfer procedure organised and held by the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局) was successful, and the Land Transfer Confirmation for acquiring the Land Use Rights was executed.

The Group intends to acquire the Land for the purpose of constructing a production base for certain downstream fine chemicals comprising mainly aroma chemicals and key fine chemicals raw materials as well as business cooperated with international business partners at the petrochemical base in Gulei.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions.

* For identification purpose only

BACKGROUND

On 29 December 2014, EcoGreen Chemicals, a wholly owned subsidiary of the Company, received a written notice from the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局), confirming that the bid made by EcoGreen Chemicals of RMB26,414,000 for the Land Use Rights of the Land with an aggregate site area of approximately 220,117 square metres under the auction, listing and transfer procedure organised and held by the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局) was successful, and the Land Transfer Confirmation for acquiring the Land Use Rights was executed.

The Land will be used for constructing a production base for certain downstream fine chemicals comprising mainly aroma chemicals and key fine chemicals raw materials as well as business cooperated with international business partners at the petrochemical base in Gulei.

The condition of the Acquisition that EcoGreen Chemicals shall enter into the Land Use Rights Transfer Contract with the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局) on or before 6 January 2015, failing which the Acquisition shall lapse.

THE ACQUISITION

The Auction and Execution of the Land Transfer Confirmation

29 December 2014

Parties

- (i) EcoGreen Chemicals; and
- (ii) the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局).

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局) is an independent third party not connected with the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries and is not connected person of the Company (as defined in the Listing Rules).

The Land

EcoGreen Chemicals acquired a parcel of land (lot numbered Zhanggu No. 2014G13 (漳古2014G13號)) situated in Gulei Port, Zhangpu County, Zhangzhou City, Fujian Province, the PRC. The term of Land Use Rights and the permitted use of the Land are summarized as below:

<u>Permitted Use</u>	<u>Term of Land Use Rights</u>	<u>Site Area</u>
Industrial use	50 years	Approximately 220,117 square metres

Land Premium

The Land Premium for the Acquisition is RMB26,414,000.

The deposit paid by EcoGreen Chemicals will automatically be used to settle the Land Premium of the Land, which was satisfied in cash with the internal resources of the Group. The Land Premium was the bid price determined with reference to the market price of comparable land of the petrochemical base in Gulei, the prevailing market conditions, the location of the Land and the development potential of the Land.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a global product and service provider specialized in the research of as well as manufacturing natural and identically natural products and providing fast moving consumer goods and daily necessities such as flavor, fragrance and pharmaceutical products with key components. As China plays an increasingly important role in the development of the global chemical industry, this represents a great opportunity for the Group to steadily develop and expand its business of specialty chemicals, which include the petroleum-based aroma chemicals with high growth potential. Meanwhile, the Group also expands its sizable businesses of naturally synthesized fragrance and natural chemicals. The Acquisition allows the Group to diversify into a value-added downstream business of aroma chemicals and basic fine chemicals in building a Western Taiwan Strait petrochemical base in Gulei, Fujian Province by cooperating with petrochemical giants and capitalizing on the stable and plentiful supply of petrochemical raw materials provided by the conglomerates. The Gulei Project will form a “trilogy” with the Group’s two production bases in Haicang and Changtai, laying a solid foundation for the Group’s development in years ahead. Having taken into account of the market price of comparable land in the petrochemical base in Gulei and the prevailing market conditions, the location of the Land and the development potential of the Land, the Board considers that the Acquisition and the Consideration are fair and reasonable.

On the basis of the foregoing, the Board considers that the Acquisition is in line with the development strategies of the Group and the terms of the Acquisition are fair and reasonable and is in the interests of the Group, the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	EcoGreen Chemicals successfully bid for and executed the Land Transfer Confirmation for acquiring the Land Use Rights
“Board”	the board of directors of the Company
“Company”	EcoGreen Fine Chemicals Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Connected person(s)”, “Subsidiary”	each has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EcoGreen Chemicals”	EcoGreen Chemicals (Zhangzhou) Co. Ltd., a company incorporated in China with limited liability and a wholly-owned subsidiary of the Company, and is principally engaged in the development and operation of the Gulei Project
“Group”	the Company and its subsidiaries
“Hong Kong ”	the Hong Kong Special Administrative Region
“Inside Information Provisions”	the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as defined in the Listing Rules)

“Land”	the parcel of land (lot numbered Zhanggu No. 2014G13 (漳古2014G13號)) situated in Gulei Port, Zhangpu County, Zhangzhou City, Fujian Province, the PRC (中國福建省漳州市漳浦縣古雷港) with a total site area of approximately 220,117 square metres
“Land Premium”	RMB26,414,000, the consideration for the acquisition of the Land Use Rights
“Land Transfer Confirmation”	confirmation for the transfer of the Land (土地成交確認書) entered into between EcoGreen Chemicals and the branch of Zhangzhou Municipal Land Resources Bureau at the Economic Development Zone in Gulei Port, Zhangzhou City, Fujian Province (福建漳州市國土資源局古雷港經濟開發區分局) on 29 December 2014
“Land Use Rights”	the land use rights (土地使用權) of the Land for industrial use for a term of 50 years
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
EcoGreen Fine Chemicals Group Limited
Yang Yirong
Chairman & President

Hong Kong, 29 December 2014

As at the date of this announcement, the Board of Directors of the Company comprises of five executive Directors, namely Mr. Yang Yirong (Chairman), Mr. Gong Xionghui, Ms. Lu Jiahua, Mr. Lin Zhigang and Mr. Han Huan Guang, one non-executive Director, namely Mr. Feng Tao and three independent non-executive Directors, namely Mr. Yau Fook Chuen, Mr. Wong Yik Chung, John and Mr. Lau Wang Yip, Derrick.