

**ECOGREEN FINE CHEMICALS GROUP LTD:  
THE 'BANK' OF THE CHAIRMAN ?**

As so often happens in a company where one man has been whip since its inception, that one man, very often, loses sight of the fact that there is a clear distinction between the corporate entity, which he founded, and that other depository of cash: His own pocket.

He forgets that the 2 cash depositories are not interchangeable, assuming that he understood that distinction at the time that he founded his company.

Such a distinguishing factor, clearly, was lost on Mr Yang Yi Rong, the Chairman of EcoGreen Fine Chemicals Group Ltd (Code: 2341, Main Board, The Stock Exchange of Hongkong Ltd), at least, it was until October 2003.

Because, in that month of 2003, Mr Yang Yi Rong had to settle up with the Company that he founded, retiring about 27.51 million renminbi of debt, that amount of money, which he had borrowed, during the 8 months, ended August 31, 2003. (More about this matter, later on in this financial analysis)

EcoGreen Fine Chemicals went public on the Main Board of The Stock Exchange of Hongkong Ltd on February 27, 2004, when it, initially, Offered a total of 100 million, 10-cent (Hongkong) Shares at a Premium of \$HK1.37 per Share.

Of that number of Shares, only 10 million Shares were Offered to the investing public of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with the other 90 million Shares, being Placed with institutional investors.

As it turned out, however, due to the very large number of valid applications for Shares in this Company, a total of 115 million Shares were Offered (adjusted for the Over-Allotment Option), of which number, 65 million Shares were Placed and 50 million Shares were Offered to the HKSAR investing public.

This Company's principal activities are described at Page 52 of the Prospectus as follows:

*'The Group is principally engaged in research and development, production and sale of fine chemical products of functional ingredients and intermediates for application in pharmaceutical industry, healthcare industry and personal care industry. The Group's fine chemical products are broadly categorised into three main product groups, namely (i) chiral pharmaceuticals raw materials and pharmaceutical intermediates, (ii) natural pharmaceutical raw materials and (iii) aroma chemicals. These fine chemical products are principally derived from botanic essential oils ...'*

For the track-record period, mentioned at this Page of the Prospectus, for the 44 months, ended August 31, 2003, the Company gave a breakdown of an analysis of the Turnover:

	Financial Year, ended December 31	Eight Months, ended August 31
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	2000		2001		2002		2003	
	RMB**'000	Percentage	RMB**'000	Percentage	RMB**'000	Percentage	RMB**'000	Percentage
Chiral Pharmaceuticals Raw Materials and Pharmaceutical Intermediates	4,641	6	3,386	3	6,727	5	9,712	7
Natural Pharmaceutical Raw Materials	21,885	29	44,733	39	42,712	29	39,966	31
Aroma Chemicals	48,735	65	66,140	58	97,322	66	80,276	62
<b>TOTAL</b>	<b>75,261</b>	<b>100</b>	<b>114,259</b>	<b>100</b>	<b>146,761</b>	<b>100</b>	<b>129,954</b>	<b>100</b>

\* RMB = Renminbi = 96 Hongkong cents

(For those **TARGET** subscribers, who may not be familiar with the term, '*chiral*', it is defined as being of or relating to the structural characteristic of a molecule that makes it impossible to superimpose it on its mirror image. As for the definition of '*fine chemicals*', the Prospectus defines them as consisting '*of pharmaceuticals and agrochemical products, which also comprises chemicals for food and feed, aroma chemicals, biocides, pigments and electronic chemicals. Fine chemicals are produced and sold based on their molecular formats ..., each of them has its own unique standard, formula and purity.*' [Page 41])

The PRC, proper, is EcoGreen Fine Chemicals's ... [CLICK TO ORDER FULL ARTICLE](#)

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