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If you have sold or transferred all your shares in Greenfield Chemical Holdings 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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GREENFIELD CHEMICAL HOLDINGS LIMITED

嘉輝化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 582)

**VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an EGM of Greenfield Chemical Holdings Limited to be held at Unit 2304, 23/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on 31 March 2012 at 10:30 a.m. is set out on pages 48 to 49 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, 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 of the extraordinary general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending, and voting in person at, the EGM or any adjournment thereof should you so wish.

* for identification purposes only

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DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Agreement”	the agreement dated 19 January, 2012 entered into between the Company, the Purchaser and the Guarantor relating to the sale and purchase of the Sale Shares and the Sale Loan;
“Announcement”	the announcement made by the Company dated 19 January, 2012 in relation to the Disposal;
“associates”	has the meaning given to that term in the Listing Rules;
“Board”	the board of Directors;
“Business”	the business of the manufacture of paints and trading in petrochemical and related products carried on by the Disposal Group;
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for banking business throughout their normal business hours;
“BVI”	the British Virgin Islands;
“Champion Chemical”	Champion Chemical (Guangzhou) Company Limited (廣州市彩輝化工有限公司), a limited liability company incorporated in the PRC and wholly-owned by Manfield Chemical;
“CMW Guangzhou”	CMW Coatings (Guangzhou) Limited (廣州卡秀堡萬輝塗料有限公司), a limited liability company incorporated in the PRC and wholly-owned by CMW Holding;
“CMW HK”	CMW Coatings (Hong Kong) Limited, a company incorporated in Hong Kong and wholly-owned by CMW Holding;
“CMW Holding”	CMW Holding Limited, a company incorporated in Hong Kong and beneficially owned by Manfield Chemical as to 45% with the remaining 55% owned by Independent Third Parties;
“CMW Wuxi”	CMW Coatings (Wuxi) Limited (無錫卡秀堡萬輝塗料有限公司), a company incorporated in the PRC and wholly-owned by CMW Holding;
“Company”	Greenfield Chemical Holdings Limited (Stock Code: 582), 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;
“Completion”	completion of the Disposal;

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“Conditions”	conditions precedent for completion of the Agreement as set out in the section headed “Conditions Precedent” herein;
“connected person(s)”	has the meaning given to that term in the Listing Rules;
“Consideration”	the total consideration of HK\$154,000,000 payable by the Purchaser to the Vendor for the Disposal;
“Controlling Shareholder”	Hong Han Limited, a company incorporated in the BVI and a controlling shareholder holding approximately 51.3% of the entire issued share capital of the Company as at the Latest Practicable Date;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Company to the Purchaser;
“Disposal Group”	group of companies consisting of Rookwood, Manfield Coatings, Manfield Chemical, Shenzhen Pinefield, Springfield HK, Champion Chemical, Manfield Changzhou, CMW Holding, CMW Guangzhou, CMW Wuxi, CMW HK, Manfield Transportation and Springfield Guangzhou;
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, among other matters, the Agreement and the Disposal;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. Lee Seng Hui, the sole shareholder of the Purchaser;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the Company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders or their respective associates (as that term is defined in the Listing Rules);
“Latest Practicable Date”	12 March, 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	on or before 30 April, 2012 or such other date as may be agreed by the Purchaser in writing;
“Manfield Changzhou”	Manfield Chemical (Changzhou) Limited (常州萬輝化工有限公司), a company incorporated in the PRC and beneficially owned by Manfield Chemical as to 80% with the remaining 20% owned by an Independent Third Party;
“Manfield Chemical”	Manfield Chemical Limited, a company incorporated in Hong Kong and wholly-owned by Manfield Coatings;
“Manfield Coatings”	Manfield Coatings Company Limited, a company incorporated in Hong Kong and wholly-owned by Rookwood;
“Manfield Transportation”	Changzhou Manfield Transportation (常州安馳物流有限公司), a company incorporated in the PRC and wholly-owned by Shenzhen Pinefield;
“PRC”	the People’s Republic of China;
“Purchaser”	Mezzo International Limited, a company incorporated in the BVI and beneficially wholly-owned by the Guarantor;
“Remaining Group”	the Group immediately upon Completion;
“Rookwood”	Rookwood Investments Limited, a company incorporated in the BVI and legally and beneficially owned by the Company as to 51%, with the remaining 49% owned by Independent Third Parties;
“Sale Loan”	all the interests, benefits and rights of and in the shareholders’ loans owed by the Disposal Group to the Company as at the date of the Agreement in the amount of HK\$31,476,308;
“Sale Shares”	5,100 shares in Rookwood, representing 51% of the entire issued share capital of Rookwood;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);

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“Shenzhen Pinefield”	Shenzhen Pinefield Chemical Enterprises Co., Ltd (深圳松輝化工有限公司), a company incorporated in the PRC and wholly-owned by Manfield Coatings;
“Springfield Guangzhou”	Springfield Chemical (Guangzhou) Limited (廣州源輝化工有限公司), a company incorporated in the PRC and wholly-owned by Springfield HK;
“Springfield HK”	Springfield Chemical Company Limited, a company incorporated in Hong Kong and wholly-owned by Manfield Coatings;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“USD”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

LETTER FROM THE BOARD



GREENFIELD CHEMICAL HOLDINGS LIMITED

嘉輝化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 582)

Executive Directors:

Mr. Hu Jun
Ms. Zhang Ying
Mr. Li Li
Mr. Zhang Yang
Mr. Jiang Zhiqian

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Fok Ho Yin, Thomas
Mr. Ng Hoi Yue
Mr. Chiang Chi Kin, Stephen

Head office and principal

place of business:
Unit 2304, 23/F.,
West Tower Shun Tak Centre,
168–200 Connaught Road Central,
Sheung Wan,
Hong Kong

15 March, 2012

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The Board announced on 19 January, 2012 that the Company had entered into the Agreement with the Purchaser and the Guarantor pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares and the Sale Loan at a total consideration of HK\$154,000,000, which will be settled in cash on Completion.

As the relevant applicable percentage ratios as referred to in Chapter 14 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is therefore conditional upon the approval of the Shareholders at the EGM.

* for identification purposes only

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any interest in the Disposal. Accordingly, no Shareholder is required to abstain from voting at the EGM.

THE AGREEMENT

Date: 19 January, 2012 (after trading hours)

Parties:

- (i) Vendor: the Company
- (ii) Purchaser: Mezzo International Limited
- (iii) Purchaser's Guarantor: Mr. Lee Seng Hui

The Purchaser, which is wholly-owned by the Guarantor, is a limited liability company incorporated in the BVI. The Purchaser is principally engaged in investment holding. The Guarantor is the sole director and shareholder of the Purchaser. The Guarantor is a director of a company who indirectly holds a 22% interest in Mulpha International Bhd. Mulpha International Bhd. was a former controlling shareholder of the Company prior to its disposal of Shares on 4 September, 2009 as announced by the Company on 11 September, 2009.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and the Guarantor are third parties independent of the Group and of its connected persons (as defined in the Listing Rules) and have had no previous business relationship with the Company or its connected persons.

Assets to be disposed of:

The Sale Shares, representing 51% of the entire issued share capital of Rookwood, and the Sale Loan, representing all amounts of the shareholders' loan owed by the Disposal Group to the Company as at the date of the Agreement. There are no restrictions applied to the subsequent sale of the Sale Shares.

Consideration

The total Consideration payable by the Purchaser for the Disposal is HK\$154,000,000, comprising the sum of HK\$153,999,999 for the sale of the Sale Shares and the nominal value of HK\$1 for the sale of the Sale Loan.

The Consideration shall be settled by the Purchaser in cash upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Company with reference to (a) the audited net profit of the Disposal Group attributable to the Group for the year ended 31 December, 2009 of HK\$32,391,564 and for the year ended 31 December, 2010 of HK\$38,473,611 (based upon the audited accounts of the Disposal Group for the year ended 31 December, 2010); (b) the unaudited net profit of the Disposal Group attributable to the Group for the six months ended 30 June, 2011 of HK\$14,595,610 (based on the unaudited management accounts of the Disposal Group for the six months ended 30 June, 2011); (c) the unlikely repayment of the Sale Loan, which is unsecured and interest free, in the near future by the Disposal Group; (d) the overall business

LETTER FROM THE BOARD

environment of the paint and coating products of the Group as detailed under the paragraph “Reasons for the Disposal”; and (e) the net asset value of the Disposal Group, which does not reflect the significant amount of capital requirement of the Disposal Group in the future.

The Directors consider the Consideration is fair and reasonable and that the Disposal is in the best interests of the Company and the Shareholders as a whole because the financial performance of the Disposal Group has been unstable and unpredictable over the years amid tough market conditions, uncertain economic climate, the expected shortage in labour supply and the increasingly more stringent environmental protection and product safety laws and regulations pertaining to the industry of the Disposal Group in the PRC and hence the escalating labour and production cost. The Sale Loan is not expected to be repaid anytime soon as cash will be reserved by the Disposal Group for capital expenditure for removal of factories and replacement of aging production facilities. As such, the Company believes it is in the best interest to dispose of the Sale Shares, write off the unsecured, interest-free Sale Loan and reduce gearing and interest payment exposure of the Company. Following arm’s length negotiation between the Company and the Purchaser, it was determined that the average of the audited and unaudited net profits of the Disposal Group attributable to the Group for the two and a half years ended 30 June, 2011 was adopted as the basis in arriving at the Consideration. The Consideration of the Sale Shares and the Sale Loan represents a Price-Earnings (“PE”) ratio of 4.5 times based upon the average of the audited and unaudited net profits of the Disposal Group attributable to the Group for the two and a half years ended 30 June, 2011, which the Directors consider fair and reasonable having taken into account the review of the Group’s business, the issues identified as set out under the paragraph “Reasons for the Disposal” herein and comparing with other similar industry companies listed on the Stock Exchange as set out below.

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So far as the Directors are aware, set out below are the PE ratios of companies listed on the Stock Exchange which the Company considers are principally engaged in businesses similar to that of the Disposal Group:

Company name	Stock code	Principal business	Closing market price 22 December, 2011	Earnings per share (full year) based on latest published audited account	PE Ratio
Yip's Chemical Holdings Limited	408	Manufacture of and trading in solvents, coatings and lubricants	6.05	0.703	8.61
Tiande Chemical Holdings Limited	609	Production, trading and sale of fine chemical products	1.25	0.3843 (RMB0.315)	3.25
Sinopec Shanghai Petrochemical Company Limited	338	Highly integrated petrochemical complex which processes crude oil into a broad range of synthetic fibres, resins and plastic, intermediate petrochemical products and petroleum products	2.56	0.4697 (RMB0.385)	5.45
Average PE ratio					5.77
Adjusted average PE ratio after 30% marketability discount to reflect illiquidity of the Disposal Group					4.04

As the adjusted average PE ratio after taking a 30% marketability discount to reflect illiquidity of the Disposal Group is about 4.04 times, the Company considers that the PE Ratio of 4.5 times in the current transaction is comparable with industry average.

A 30% marketability discount for private companies is taken as this is currently understood by the Directors to be the industry norm percentage.

Conditions Precedent

Completion is conditional upon:

- (i) the warranties given by the Company in the Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (ii) the Company, the Purchaser and the Guarantor having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Agreement, on or prior to Completion;
- (iii) the Company having issued a circular and obtained the approval of its Shareholders of the Agreement and the transactions contemplated thereunder as required by the Listing Rules;

LETTER FROM THE BOARD

- (iv) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on:
 - (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of any of the Disposal Group; or
 - (b) the operations or legality of the Business; or
 - (c) the ability of the Company to perform or observe all or any of its obligations, undertakings or covenants under the Agreement;
- (v) legal, financial, valuation, business and technical due diligence reviews having been conducted by the Purchaser over the Disposal Group and the Business to the sole and absolute satisfaction of the Purchaser; and
- (vi) a legal opinion issued by a firm of reputable practising lawyers in the PRC appointed by the Purchaser at its sole and absolute discretion and in a form to the sole and absolute satisfaction of the Purchaser and prior to Completion, confirming the due establishment, valid existence, legality, shareholding structure and operation of the Disposal Group in the PRC under the PRC Law (including, without limitation, compliance with all relevant requirements and applicable law and the obtaining of all necessary licences, permits, authorisations and approvals for the operation of the Business).

If any of the Conditions is not fulfilled or waived by the Purchaser (other than condition (iii) which cannot be waived) on or before the Long Stop Date, then the parties to the Agreement shall not be required to proceed to Completion. Following non-Completion of the Agreement, no party to the Agreement shall have any claim against the other party except in respect of: (a) claims arising out of any antecedent breach of any of the provisions of the Agreement; or (b) claims arising out of the continuing provisions mentioned in the Agreement.

As at the Latest Practicable Date, none of the Conditions have been fulfilled.

Upon the signing of the Agreement, the Controlling Shareholder (holding approximately 51.3% of the entire issued share capital of the Company) has irrevocably and unconditionally undertaken to the Purchaser to vote in favour of the transactions contemplated by the Agreement at the EGM.

Completion

Completion shall take place on the second Business Day following the last of the Conditions being fulfilled or otherwise waived by the Purchaser.

INFORMATION OF THE GROUP

The Company is an exempted company incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding and through its subsidiaries and associates the Company engages in (i) the design,

LETTER FROM THE BOARD

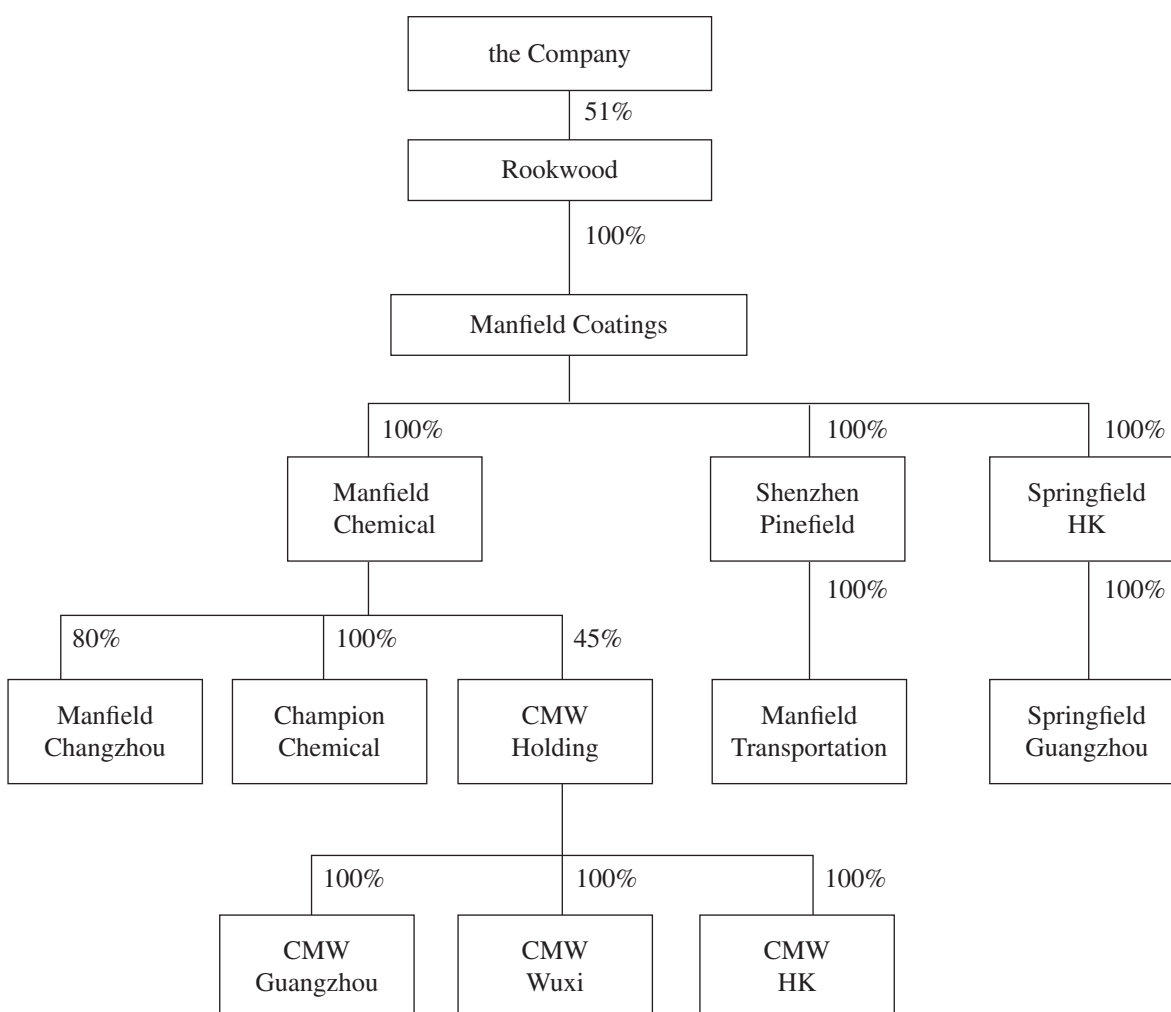
manufacturing and sales of light-emitting diode (“LED”) and semi-conductor lighting related products (the “**Lighting Business**”) and (ii) manufacturing of paints and trading in petrochemical and related products (the “**Painting Business**”).

INFORMATION OF THE DISPOSAL GROUP

The Disposal Group is principally engaged in the manufacture and trading of paints, petrochemical and related products. Its major assets are property, plant and equipment, prepaid lease payments on land use rights, interests in associates, inventories, trade and other receivables and bank deposits.

Rookwood is a company incorporated in the BVI with limited liability and legally and beneficially owned by the Company as to 51% with the remaining 49% owned by Independent Third Parties. Rookwood is principally engaged in investment holding.

Set out below is the shareholding structure of the Disposal Group as at the Latest Practicable Date:



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Following Completion, the Group will cease to hold any interest in the Disposal Group.

Manfield Coatings is a company incorporated in Hong Kong with limited liability and wholly-owned by Rookwood. Manfield Coatings is principally engaged in investment holding and trading of petrochemical and related products and is the legal and beneficial owner of the entire registered capital of Manfield Chemical, Shenzhen Pinefield and Springfield HK.

Manfield Chemical and Springfield HK are principally engaged in investment holding and Shenzhen Pinefield is principally engaged in manufacture and trading of paints, petrochemical and related products.

Manfield Chemical is the legal and beneficial owner of Champion Chemical, Manfield Changzhou and CMW Holding as to 100%, 80% and 45%, respectively. CMW Holding is principally engaged in investment holding and sales and manufacture of paints and each of Champion Chemical and Manfield Changzhou is principally engaged in manufacture and trading of paints, petrochemical and related products.

CMW Holding is the legal and beneficially owner of the entire registered capital of CMW Guangzhou, CMW Wuxi and CMW HK. Each of CMW HK, CMW Guangzhou and CMW Wuxi is principally engaged in manufacture and trading paints, petrochemical and related products.

Shenzhen Pinefield is the legal and beneficial owner of the entire registered capital of Manfield Transportation, which is principally engaged in provision of transportation services.

Springfield HK is the legal and beneficial owner of the entire registered capital of Springfield Guangzhou, which is principally engaged in property holding.

FINANCIAL INFORMATION OF THE DISPOSAL GROUP

Set out below is the financial information, which has been prepared on a consolidated basis, of the Disposal Group for the years ended 31 December, 2009 and 31 December, 2010, which were prepared in accordance with Hong Kong Financial Reporting Standards and the unaudited financial information of the Disposal Group for the six months ended 30 June, 2011:

	For the year ended 31 December, 2009 (audited) (HK\$)	For the year ended 31 December, 2010 (audited) (HK\$)	For the six months ended 30 June, 2011 (unaudited) (HK\$)
Revenue	269,927,159	310,522,619	141,287,073
Net profit before tax	69,566,067	83,627,678	30,965,531
Net profit after tax	63,181,370	75,139,400	28,439,602
Net profit attributable to the Group	32,391,564	38,473,611	14,595,610
Net assets	341,531,197	394,707,659	427,613,430
Total assets	416,261,888	480,201,873	511,457,831

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

As indicated in the Company's annual report 2010 and interim report 2011, the Board observed an unstable and unpredictable financial performance of the paint and coating segment over the years, which reiterates the Company's view towards the coating business. In view of (i) the escalating awareness for a more stringent environmental protection and product safety laws and regulations pertaining to the Group's manufacturing facilities and products in the PRC; (ii) the public perception of the pollutive nature of the paint and coating manufacturing industry; (iii) increase in price of crude oil, other key raw materials and labour costs, growing market competition of paint and petrochemical products worldwide; (iv) increase in the capital expenditure for replacement of aging production facilities; (v) escalating labour and production costs as a result of the difficulty in hiring staff for the environmentally sensitive paint manufacturing business; (vi) increase in cost in order to ensure the Disposal Group's business complies with relevant laws and regulations, in particular those regarding hazardous substances and environmental safety; and (vii) the substantial capital outlay and maintenance costs for the relocation of the existing manufacturing and storage facilities from Shenzhen to a more remote location at Zhong Xin Town, Zhencheng, Guangzhou as announced by the Company on 18 February, 2010 and detailed below, and as well as the worsening economic environment, the management expects future results and cash flow of the coating and paint segment will be adversely affected. As a result, management considers the re-allocation of certain of the existing resources of the Group to the Lighting Business to be in the interests of the Group and Shareholders as a whole. The Company has been actively identifying investors so as to dispose of the paint and petrochemical products business so that the Company could reallocate its resources to the Lighting Business and other business to be identified by the Group.

On 18 February, 2010, the Company announced the acquisition of a property in Guangdong Province. The Board had at that time resolved to acquire the property because such acquisition provided an opportunity to expand its then manufacturing and storage facility for paint and related products which was vital for its business development (as disclosed in the Company's circular dated 10 March, 2010) and was in the ordinary and usual course of business of the Group. The local environmental protection laws in Shenzhen have become more and more stringent and compliance has become burdensome. Given the perceived pollutive nature of paint manufacturers, the Shenzhen city has begun to shun the presence of these plants. If the Group was to upgrade, renovate and essentially overhaul its then existing Shenzhen plant, the costs involved would be enormous and in the end, the plant may still be prejudiced by the local government given the nature of its business. With the prejudice perceived of these manufacturers and their unwelcomed nature, the ability to attract labour has also been a threatening problem, not to mention the persistent limited supply of labour in Shenzhen. In order to attract workers, higher wages would have to be paid which would again make it unfeasible to remain at the existing plant area. The Company notes that the recent announcement by the Shenzhen Government of the increase in minimum wages and the recent pay rise for its frontline employees by a substantial conglomerate in the PRC will further push up the labour costs for all manufacturers in Shenzhen making them, including the Company, more difficult to operate in Shenzhen. Regardless of whether the Disposal takes place or not, the relocation of the Group's major manufacturing and storage facility from Shenzhen to the new plant would occur anyways. Such relocation is not related to nor conditional upon the Disposal.

LETTER FROM THE BOARD

In view of the expected weakened profit generating ability of the Disposal Group due to the above said reasons, the Directors consider that the terms of the Agreement are on normal commercial terms, which are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Following Completion, the Group will carry on the Lighting Business. As at the Latest Practicable Date, the Board has no agreement, arrangement, undertaking, intention or negotiation or any disposal, termination or scaling down of the Group's remaining business.

The Lighting Business will be the main business of the Group upon Completion. It comprises mainly of Jiangsu Wenrun Optoelectronic Technology Co. Ltd. ("PRC Company") with limited liability incorporated in PRC on 26 March, 2002. The PRC Company receives sales orders from customers through its sales and distribution channels. It thereafter places orders to purchase raw materials from its suppliers and commence the production process. After the completion of the said production process, the PRC Company shall deliver the LED finished and semi-finished products to its customers.

The acquisition of the Lighting Business was completed on 17 March, 2011. For further details about the background of the Lighting Business, please refer to the Company's circular regarding such acquisition published on 25 February, 2011.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the companies comprising Disposal Group will cease to be subsidiaries of the Company and its financials will not be consolidated into the Company's financial statements.

Following the Completion, the non-current assets, the net current assets and the net assets of the Group will be decreased. Based on the Company's unaudited management accounts for the period ended 30 June, 2011, as set out in Appendix III to this circular, the unaudited estimated loss from the Disposal is approximately HK\$75,517,000 and is arrived at on the basis of the consideration of HK\$154,000,000 less HK\$450,032,000 (i.e. the adjusted net asset of the Disposal Group as at 30 June, 2011, please refer to Appendix III note C for details) x 51% shared equity interests.

Set out in Appendix III to this circular is the unaudited pro forma financial information of the Remaining Group, which illustrates (i) the possible financial impact of the Disposal on the financial position of the Remaining Group, assuming the Disposal had been completed on 31 December, 2010; and (ii) the possible financial impact of the Disposal on the results and cash flows of the Remaining Group, assuming the Disposal had been completed on 1 January, 2010.

Based on the unaudited pro forma consolidated balance sheet of the Remaining Group as at 30 June, 2011 as set out in Appendix III, the Group's unaudited total assets and total liability as at 30 June, 2011 were HK\$1,147,824,000 and HK\$410,715,000 respectively. Upon Completion, it is expected that the unaudited pro forma total assets and total liabilities of the Remaining Group will be HK\$761,137,000 and HK\$352,829,000 respectively.

Based on the unaudited pro forma consolidated income statement of the Remaining Group for the year ended 31 December, 2010 as set out in Appendix III to this circular, the Group's unaudited net profit for the year ended 31 December, 2010 were HK\$63,586,000. Upon Completion, it is expected that the unaudited pro forma loss of the Remaining Group will be HK\$46,101,000.

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It should be noted that as completion of the acquisition of the Lighting Business only took place on 17 March, 2011, the pro forma income statement of the Remaining Group for the year ended 31 December, 2010 does not fully reflect the latest financial position of the Company.

Set out below is a summary of the financial information of the Lighting Business for reference only:

	31 December, 2009 <i>(audited)</i> <i>(HK\$)</i>	31 December, 2010 <i>(unaudited)</i> <i>(HK\$)</i>	30 June, 2011 <i>(unaudited)</i> <i>(HK\$)</i>
Revenue	97,135,000	204,738,000	100,260,000
Net (loss)/profit before taxation	(5,664,000)	40,201,000	20,248,000
Net (loss)/profit after taxation	(5,765,000)	37,376,000	17,211,000
Net asset value	130,848,000	180,775,000	218,367,000

USE OF PROCEEDS

Proceeds from the Disposal are intended to be applied for repaying a term loan with a principal amount of HK\$150,000,000 and interest accruing at 10% per annum. Interest accrued up to the Latest Practicable Date is HK\$3,123,288.

The Directors have from time to time been seeking projects with profit-generating potentials, however as at the Latest Practicable Date, no formal agreement has been reached for any investment/acquisition opportunity. A further announcement will be made as and when applicable in relation to potential investment/acquisition by the Group.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios as referred to in Chapter 14 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is conditional upon the approval of the Shareholders at the EGM. As at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder has any interest in the Disposal. Accordingly, no Shareholder is required to abstain from voting at the EGM.

EGM

The notice of EGM is set out on pages 48 to 49 of this circular. The EGM will be held at Unit 2304, 23/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on 31 March 2012 at 10:30 a.m. to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the EGM. An announcement on the results of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy is enclosed with this circular for use at the EGM. Whether or not you choose to attend the EGM, you are requested to complete and return the enclosed form of proxy to the Company's Registrar in Hong Kong, Tricor Standard Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

RECOMMENDATION

The Board is of the view that the Disposal and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Greenfield Chemical Holdings Limited
Li Li
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the year ended 31 December, 2008, 2009, 2010 and for the six months ended 30 June, 2011 are disclosed in the 2008, 2009 and 2010 annual reports (from page 19–66, page 18–64, page 19–64) respectively and 2011 interim report (from page 1–18) of the Company respectively, which are published on both the Stock Exchange website (www.hkexnews.hk) and the Company's website (www.gch.hk).

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP FOR THE THREE YEARS ENDED 31 DECEMBER, 2010 AND SIX MONTHS ENDED 30 JUNE, 2011

The Remaining Group is principally engaged in the Lighting Business. The Lighting Business is considered as one of the fastest growing industries worldwide. It has strong support from the PRC government and the local demand of LED products is increasing drastically. As the acquisition was completed on 17 March, 2011, more time is required to observe the result and performance of the Lighting Business in the long run. Management will from time to time seek for investment opportunities in different phases of the Lighting Business industry. Besides, management will continue to review its performance and seek for any investment opportunities in the fast growing industry. Set out below is the management discussion and analysis on the Remaining Group:

(i) For the six months ended 30 June, 2011*Business Review*

For the six months ended 30 June, 2011, turnover of the Remaining Group was approximately HK\$100,260,000 and the segment result of the Remaining Group was approximately HK\$21,205,000.

Liquidity, Financial Resources and Capital Structure

As at 30 June, 2011 after taking into account the Disposal, the Remaining Group's net current asset and current ratio were approximately HK\$45,153,000 and 1.16 times, respectively as set out in Appendix III of this circular. Net gearing ratio (total interest bearing borrowings net of bank balances and cash as a percentage of total equity) was 24.39% as at 30 June, 2011.

As at 30 June, 2011, the Remaining Group had convertible bonds with the principal amount of HK\$65,000,000 in issue. The convertible bonds was issued on 17 March, 2011 to settle part of the consideration of the acquisition of the Lighting Business and carried a fixed interest rate of 3% per annum and will mature on 17 March, 2014. The convertible bonds can be converted into 30,952,380 shares of the Company at a conversion price of HK\$2.1 per share. Up to date of this circular, no shares have been converted.

As at 30 June, 2011, the Remaining Group had other borrowings of HK\$59,866,000 and bank borrowings of HK\$142,603,000, all of which would be due within one year from 30 June, 2011. After taking into account the Disposal, the bank balances and cash of the Remaining Group amounted to approximately HK\$147,904,000.

Saved for the above, there were no equity or debt financing during the six months ended 30 June, 2011.

Capital Commitments

As at 30 June, 2011, the Remaining Group had capital expenditure of HK\$13,416,000 in respect of the purchase of production equipment and expansion of production lines.

Significant Investment, Material Acquisition and Disposal

On 21 September, 2010, the Company entered into a sales and purchase agreement (the “S&P”) with China Century Worldwide Limited (“**China Century**”) in relation to the acquisition of the Lighting Business. Under the S&P, the Company conditionally agreed to acquire from China Century the entire issued share capital of Ace Winner Holdings Limited (“**Ace Winner**”), a limited company incorporated in the BVI, which owned 69.44% of a group of companies registered in the PRC that are principally engaged in the Lighting Business (the “**Acquisition**”). The total consideration for the Acquisition was HK\$400,000,000, which was satisfied by HK\$335,000,000 in cash and by issuance of convertible bonds with the principal amount of HK\$65,000,000 at a conversion price of HK\$2.1 per share. The Acquisition had been completed on 17 March, 2011. Details of the Acquisition had been set out in the circular of the Company dated 25 February, 2011.

Save for the above, the Remaining Group did not have any significant investment, material acquisition or disposal during the six months ended 30 June, 2011.

Employees and Remuneration Policies

As at 30 June, 2011, the Remaining Group had around 700 full-time employees who were mostly stationed in the PRC, while the rest were in Hong Kong. The remuneration, promotion and salary increments of employees were assessed according to the individual’s performance, as well as professional and working experience, and in accordance with the prevailing industry practices. Staff remuneration and benefit policies, which were formulated with reference to the market, were competitive and performance based. For the six months ended 30 June, 2011, the staff remuneration was approximately HK\$3,830,000.

Pledge of Assets

As at 30 June, 2011, the Remaining Group pledged its property, plant and equipment, prepaid lease payments, trade receivables and bank deposits of HK\$38,452,000, HK\$11,471,000, HK\$2,216,000 and HK\$5,245,000, respectively to secure the general banking facilities and bills payable.

Treasury Policy

As at 30 June, 2011, the Remaining Group had no formal treasury policy.

Currency and Interest Rate Structure

Business transactions of the Remaining Group were mainly denominated in HK\$ and RMB. As at 30 June, 2011, the Remaining Group did not enter into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of the RMB in recent years, the Remaining Group would monitor the situation closely and would introduce suitable measures if necessary. The Remaining Group had limited exposure to interest rate fluctuation as the interest rates of other borrowing with principal amount of HK\$150,000,000 and convertible bonds with principal amount of HK\$65,000,000 are fixed throughout the loan term.

Contingent Liability

As at 30 June, 2011, the Remaining Group did not have any contingent liability.

Future Plans for Material Investments or Capital Assets

Except for the completion of the acquisition of the Lighting Business during the period, management would continue to seek for any investment opportunities in the fast growing industry. Should any suitable business opportunities arise, the Remaining Group might complement its existing business activities and redeploy certain assets of the Remaining Group thereto. However, there is currently no plans to redeploy any assets of the Remaining Group to other business activities.

(ii) For the year ended 31 December, 2010*Business Review*

For the year ended 31 December, 2010, turnover and net loss of the Remaining Group were HK\$1,000 and HK\$43,029,000 respectively. The turnover and net loss were mainly due to the core activities of the Group was the Painting Business for the year ended 31 December, 2010.

Liquidity, Financial Resources and Capital Structure

As at 31 December, 2010, the Remaining Group's net current asset and current ratio were approximately HK\$339,821,000 and 147 times respectively. The increase in net current asset and current ratio was mainly due to settlement of long term loan receivable with the amount of HK\$159,055,000 during the year and obtainment of a long term borrowing of HK\$150,000,000 mentioned below. Net gearing ratio (total interest bearing borrowing net of bank balances and cash as a percentage of total equity) was negative 70% as at 31 December, 2010.

As at 31 December, 2010, the Remaining Group had other borrowings of HK\$135,164,000. The amount was about a long term borrowing from a financial institution with initial principal amount of HK\$150,000,000 ("Term Loan") which bore fixed rate at 10% per annum obtained during the year ended 31 December, 2010. The Term Loan is for consideration for major acquisition, for details, please refer to the announcement published

by the Company on 21 September, 2010. Loan interest of HK\$15,000,000 was prepaid as at 31 December, 2010. Saved for the above, there were no equity or debt financing during the year ended 31 December, 2010.

As at 31 December, 2010, the bank balances and cash of the Remaining Group amounted to approximately HK\$342,051,000.

Capital Commitments

As at 31 December, 2010, the Remaining Group had capital commitments of HK\$400,000,000 in respect of acquisition of subsidiaries contracted but not provided in the consolidated financial statements.

Significant Investment, Material Acquisition and Disposal

On 21 September, 2010, the Company entered into the S&P with China Century in relation to the acquisition of the Lighting Business. Under the S&P, the Company conditionally agreed to acquire from China Century the entire issued share capital of Ace Winner, a limited company incorporated in the BVI, which owned 69.44% of a group of companies registered in the PRC that are principally engaged in the Lighting Business. The total consideration for the Acquisition was HK\$400,000,000, which in January 2011, the Company and China Century agreed to be satisfied as to HK\$335,000,000 in cash and as to HK\$65,000,000 by issuing convertible bonds with the principal amount of HK\$65,000,000 at a conversion price of HK\$2.1 per share. The Acquisition had been approved by shareholders at the extraordinary general meeting held on 15 March, 2011 and had been completed on 17 March, 2011.

Save for the above, the Remaining Group did not have any significant investment, material acquisition or disposal during the year ended 31 December, 2010.

Employees and Remuneration Policies

As at 31 December, 2010, the Remaining Group had 7 full-time employees who were stationed in Hong Kong. The remuneration, promotion and salary increments of employees were assessed according to the individual's performance, as well as professional and working experience, and in accordance with the prevailing industry practices. Staff remuneration and benefit policies, which were formulated with reference to the market, were competitive and performance based. For the year ended 31 December, 2010, the staff remuneration was approximately HK\$1,054,000.

Pledge of Assets

As at 31 December, 2010, except for the pledge of Sales Shares of Rookwood for the Term Loan, there was no pledge of assets of the Remaining Group.

Treasury Policy

As at 31 December, 2010, the Remaining Group had no formal treasury policy.

Currency and Interest Rate Structure

Business transactions of the Remaining Group were mainly denominated in HK\$ and RMB. As at 31 December, 2010, the Remaining Group did not enter into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of the RMB in the recent years, the Remaining Group would monitor the situation closely and would introduce suitable measures if necessary. The Remaining Group had limited exposure to interest rate fluctuation as the interest rate of long term borrowing is fixed throughout the loan term.

Contingent Liability

As at 31 December, 2010, the Remaining Group did not have any contingent liability.

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December, 2010. Management considered re-allocating the existing resources of the Remaining Group to the new business and other business to be identified by the Remaining Group, but there was no future plans for material investments or capital assets.

(iii) For the year ended 31 December, 2009*Business Review*

For the year ended 31 December, 2009, turnover and net loss of the Remaining Group were approximately HK\$2,000 and HK\$26,233,000 respectively. The turnover and net loss were mainly due to the core activities of the Group was the Painting Business for the year ended 31 December, 2009.

Liquidity and Financial Resources

As at 31 December, 2009, the Remaining Group's net current assets and current ratio were approximately HK\$46,203,000 and 22.4 times respectively. Net gearing ratio (total interest bearing borrowings net of bank balances and cash as a percentage of total equity) was nil as at 31 December, 2009, as the Remaining Group did not have any borrowings.

As at 31 December 2009, the Remaining Group's bank balances and cash amounted to approximately HK\$42,601,000.

No equity or debt financing were raised during the year ended 31 December, 2009.

Capital Commitments

As at 31 December, 2009, the Remaining Group had no capital commitments.

Capital Structure

No equity or debt financing were raised during the year ended 31 December, 2009.

Significant Investment, Material Acquisition and Disposal

The Remaining Group did not have any significant investment, material acquisition or disposal during the year ended 31 December, 2009.

Employees and Remuneration Policies

As at 31 December, 2009, the Remaining Group had 1 full-time employee who was stationed in Hong Kong. The remuneration, promotion and salary increments of employees were assessed according to the individual's performance, as well as professional and working experience, and in accordance with the prevailing industry practices. For the year ended 31 December, 2009, the staff remuneration was approximately HK\$440,000.

Pledge of Assets

As at 31 December, 2009, the Remaining Group had no pledge of its assets.

Treasury Policy

As at 31 December, 2009, the Remaining Group had no formal treasury policy.

Currency and Interest Rate Structure

As at 31 December, 2009, business transactions of the Remaining Group were mainly denominated in HK\$. Thus, no currency risk was considered.

Contingent Liability

As at 31 December, 2009, the Remaining Group did not have any contingent liability.

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December, 2009. Management would continue to seek for any investment opportunities in promising industry that could provide investment potential and broaden the income base of the Remaining Group. Should any suitable business opportunities arise, the Remaining Group might change its existing business activities and redeploy any assets of the Remaining Group.

(iv) For the year ended 31 December, 2008*Business Review*

For the year ended 31 December, 2008, turnover and net loss of the Remaining Group were approximately nil and HK\$39,278,000 respectively. The turnover and net loss were mainly due to the core activities of the Group was the Painting Business for the year ended 31 December, 2008.

Liquidity, Financial Resources and Capital Structure

As at 31 December, 2008, the Remaining Group's net current assets and current ratio were approximately HK\$60,835,000 and 19.6 times respectively. Net gearing ratio (total interest bearing borrowings net of bank balances and cash as a percentage of total equity) was nil as at 31 December, 2008, as the Remaining Group did not have any borrowings.

As at 31 December, 2008, the Remaining Group's bank balances and cash amounted to approximately HK\$62,537,000.

No equity or debt financing were raised during the year ended 31 December, 2008.

Capital Commitments

As at 31 December, 2008, the Remaining Group had no capital commitment.

Significant Investment, Material Acquisition and Disposal

In November 2007, the Remaining Group entered into a conditional sale and purchase agreement (the "Conditional Agreement") with independent third parties, subject to satisfaction of certain conditions precedent, to acquire two coal mines in Inner Mongolia. As a result of the financial crisis and decline in the economies of the world, the demand for natural resources including coal has become uncertain. After careful consideration and deliberation with the vendors, it was agreed and decided that it might not be in the interests of the parties concerned to proceed with the Conditional Agreement under the prevalent economic circumstances and the vendors and the Remaining Group mutually agreed to terminate the Conditional Agreement in November 2008. Hence, a deed of termination to terminate the Conditional Agreement was executed to consolidate and restructure the debts in the form of the indebtedness for a term of two years from the date of the deed of termination in order to safeguard the repayment to and recovery by the Remaining Group of the indebtedness. Interest income would be received quarterly by the Remaining Group during the term of the indebtedness.

Save as disclosed above, the Remaining Group did not have any significant investments, material acquisition or disposals during the year ended 31 December, 2008.

Employees and Remuneration Policies

As at 31 December, 2008, the Remaining Group had 1 full-time employee who was stationed in Hong Kong. The remuneration, promotion and salary increments of employees were assessed according to the individual's performance, as well as professional and working experience, and in accordance with the prevailing industry practices. For the year ended 31 December, 2008, the staff remuneration was approximately HK\$253,790.

Pledge of Assets

As at 31 December, 2008, the Remaining Group had no pledge of assets.

Treasury Policy

As at 31 December, 2008, the Remaining Group had no formal treasury policy.

Currency and Interest Rate Structure

As at 31 December, 2008, business transactions of the Remaining Group were mainly denominated in HK\$. Thus, no currency risk was considered.

Contingent Liability

As at 31 December, 2008, the Remaining Group did not have any contingent liability.

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments and acquisition of material capital assets as at 31 December, 2008. In light of the global financial crisis, management would take a more cautious view in its investment activities. The Group would continue to identify grossly under-valued investment opportunities in order to diversify the business of the Group and maximize returns for its shareholders.

3. FINANCIAL AND TRADING PROSPECT OF THE REMAINING GROUP

As set out in the Company's interim report for the six months ended 30 June, 2011 (the "**2011 Interim Report**"), the Board observed a significant fluctuation in the turnover and profit of the Painting Business, which reiterates the Company's view towards the Painting Business. In light of the above, the Group entered into the sale and purchase agreement in respect of the Disposal. Upon the completion of the Disposal, the Lighting Business will be the remaining business segment of the Group. As set out in the 2011 Interim Report, the Lighting Business recorded a turnover of approximately HK\$100,260,000, and segment results of approximately HK\$21,205,000 for the six months ended 30 June, 2011.

The Lighting Business is considered as one of the fastest growing industries worldwide. It has strong support from the PRC government and the local demand of LED products is increasing drastically. However, given the technology of LED is becoming more common nowadays, the technology barrier is lower than before and more new competitors have entered into the LED market in the PRC. To cope with the foreseeable potential competition from new competitors, the Group is considering to allocate additional resources on research and development of new LED related products and technology such that the Group can differentiate itself from its competitors in the LED market. Furthermore, as the acquisition of the Lighting Business was just completed on 17 March, 2011, more time is required to improve/fine tune its operating performance in order to achieve satisfactory results in the long run. Meanwhile, the Group will from time to time seek for other investment opportunities for expansion and growth in other business streams with promising prospect and companies with profitability track record that could further complement and/or broaden the income base of the Group. As at the date of this announcement, the Group has not yet identified any suitable investment opportunities. In any event, the Group will continue to carry on the Lighting Business after Completion.

4. STATEMENT OF INDEBTEDNESS

The Group

(a) Borrowings

At the close of business on 31 January, 2012, the Group had secured borrowings of approximately HK\$207,801,000 and unsecured borrowings of HK\$4,800,000.

(b) Debt securities

As at the close of business on 31 January, 2012, the Group had convertible bonds with principal amount of HK\$65,000,000.

(c) Pledge of assets

As at the close of business on 31 January, 2012, the Group pledged its property, plant and equipment, prepaid lease payments and intangible assets of HK\$121,580,663, HK\$16,761,670 and HK\$40,780,513, respectively to secure the general banking facilities and bills payable.

In addition, at the close of business on 31 January, 2012, the Group pledged its 51% equity interests in Rookwood, a non wholly owned subsidiary of the Group, and entered into an undated deed of assignment duly executed by the Company and Rookwood, pursuant to which the Company agrees to assign the amount due from Rookwood of HK\$31,476,308 in case of default of the loan, to a financial institution to secure the Term Loan.

(d) Contingent liabilities

At the close of business on 31 January, 2012, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal accounts payable in the ordinary course of business of the Group, the Group did not have any outstanding indebtedness in respect of any mortgages, charges or debentures, loan capital, bank loans and overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptable credits, hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities as at the close of business on 31 January, 2012.

5. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances, taking into account proceeds from the Disposal, the internal resources available to the Group and the other borrowing which have been obtained by the Group, the Group has sufficient working capital for its present requirements, that is for at least a period of twelve months from the date of this circular, and from Completion.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and save for the announcement made by the Company on 15 August, 2011 relating to a considerable reduction in profit for the six months ended 30 June, 2011 due to a reduction to share of profits of associated companies of the Group and the increase in borrowings leading to a rise in finance cost, the Directors are not aware of any material adverse charge in the financial or trading position of the Remaining Group since 31 December, 2010, being the date to which the latest audited consolidated financial statements of the Group were made up.

SUMMARY OF FINANCIAL INFORMATION

Set out below are the unaudited financial information of Rookwood Investments Limited (“**Rookwood**”) and its subsidiaries (collectively referred as the “**Disposal Group**”) for the three years ended 31 December, 2010 and the nine months ended 30 September, 2010 and 2011 (the “**Unaudited Financial Information**”), which have been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Listing Rules and the basis set out in note 2 to the Unaudited Financial Information.

The auditor of the Disposal Group, Deloitte Touche Tohmatsu, has reviewed the Unaudited Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which applies to a review of historical financial information performed by the independent auditor of the entity and concluded that nothing has come to their attention that causes them to believe that the Unaudited Financial Information of the Disposal Group is not prepared, in all material respects, in accordance with the relevant accounting policies adopted by the Company for the relevant years or periods in the preparation of the consolidated financial statements and condensed consolidated financial statements of the Company and the basis set out in note 2 to Unaudited Financial Information.

For the purpose of preparation of the Unaudited Financial Information of the Disposal Group to be included in this circular, the Directors have prepared such Unaudited Financial Information in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which requires that the Unaudited Financial Information must contain at least a statement of financial position, a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for each of the three financial years of the company immediately preceding the issue of the circular and where applicable, a stub period.

However, the Unaudited Financial Information does not contain sufficient explanatory notes to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Report” issued by the HKICPA.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR EACH OF THE
THREE YEARS ENDED 31 DECEMBER, 2010 AND THE NINE MONTHS ENDED
30 SEPTEMBER, 2010 AND 2011**

	Nine months ended		Year ended 31 December		
	2011	2010	2010	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	234,619	236,612	310,524	269,929	335,697
Cost of sales	<u>(165,128)</u>	<u>(167,893)</u>	<u>(219,521)</u>	<u>(186,679)</u>	<u>(291,419)</u>
Gross profit	69,491	68,719	91,003	83,250	44,278
Other income	14,030	14,321	22,487	15,511	18,781
Distribution and selling expenses	(20,287)	(21,770)	(27,742)	(23,715)	(16,235)
Administrative expenses	(35,395)	(35,470)	(51,068)	(47,532)	(38,830)
Share of profits of associates	<u>19,736</u>	<u>46,727</u>	<u>54,065</u>	<u>42,051</u>	<u>18,009</u>
Profit before taxation	47,575	72,527	88,745	69,565	26,003
Taxation	<u>(5,755)</u>	<u>(6,266)</u>	<u>(8,488)</u>	<u>(6,385)</u>	<u>(3,296)</u>
Profit for the period/year	41,820	66,261	80,257	63,180	22,707
Other comprehensive income for the period/year:					
Exchange differences arising on translation of foreign operations	<u>3,505</u>	<u>3,331</u>	<u>9,957</u>	<u>294</u>	<u>9,570</u>
Total comprehensive income for the period/year	<u>45,325</u>	<u>69,592</u>	<u>90,214</u>	<u>63,474</u>	<u>32,277</u>
Profit for the period/year attributable to:					
Owners of Rookwood	42,056	66,333	80,556	63,511	23,880
Non-controlling interests	<u>(236)</u>	<u>(72)</u>	<u>(299)</u>	<u>(331)</u>	<u>(1,173)</u>
	<u>41,820</u>	<u>66,261</u>	<u>80,257</u>	<u>63,180</u>	<u>22,707</u>
Total comprehensive income attributable to:					
Owners of Rookwood	45,491	69,645	90,294	63,797	33,217
Non-controlling interests	<u>(166)</u>	<u>(53)</u>	<u>(80)</u>	<u>(323)</u>	<u>(940)</u>
	<u>45,325</u>	<u>69,592</u>	<u>90,214</u>	<u>63,474</u>	<u>32,277</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER, 2008, 2009, 2010 AND 30 SEPTEMBER, 2011

	At 30 September 2011 HK\$'000	At 31 December 2010 HK\$'000	At 31 December 2009 HK\$'000	2008 HK\$'000
Non-current assets				
Property, plant equipment	102,814	76,407	74,111	82,615
Prepaid lease payments	34,044	34,740	13,567	13,885
Interests in associates	149,008	150,138	105,893	72,752
Available-for-sale investments	10	10	10	10
Deferred tax assets	<u>163</u>	<u>163</u>	<u>163</u>	<u>163</u>
	<u>286,039</u>	<u>261,458</u>	<u>193,744</u>	<u>169,425</u>
Current assets				
Prepaid lease payments	842	842	340	340
Inventories	40,483	30,214	21,572	29,745
Trade and other receivables	100,502	84,786	77,256	83,000
Advance to an associate	—	—	—	10,000
Dividend receivable from an associate	—	—	—	4,500
Tax recoverable	—	94	452	540
Bank balances and cash	<u>112,821</u>	<u>107,924</u>	<u>122,897</u>	<u>44,407</u>
	<u>254,648</u>	<u>223,860</u>	<u>222,517</u>	<u>172,532</u>
Current liabilities				
Trade and other payables	50,476	43,117	36,232	26,169
Tax payable	7,410	4,725	767	—
Amount due to immediate holding company	<u>31,399</u>	<u>31,399</u>	<u>31,399</u>	<u>31,399</u>
	<u>89,285</u>	<u>79,241</u>	<u>68,398</u>	<u>57,568</u>
Net current assets	<u>165,363</u>	<u>144,619</u>	<u>154,119</u>	<u>114,964</u>
Total assets less current liabilities	<u>451,402</u>	<u>406,077</u>	<u>347,863</u>	<u>284,389</u>
Capital and reserves				
Share capital	78	78	78	78
Reserves	<u>445,237</u>	<u>399,746</u>	<u>341,452</u>	<u>277,655</u>
Equity attributable to owners of Rookwood	445,315	399,824	341,530	277,733
Non-controlling interests	<u>6,087</u>	<u>6,253</u>	<u>6,333</u>	<u>6,656</u>
Total equity	<u>451,402</u>	<u>406,077</u>	<u>347,863</u>	<u>284,389</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER, 2010 AND THE NINE MONTHS ENDED 30 SEPTEMBER, 2010 AND 2011

	Attributable to owners of Rookwood Investments Limited						Non-	Total equity
	Share capital	Share premium	Translation reserve	Non-distributable reserve	Retained profits	Total	controlling interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January, 2008	78	32,000	9,973	5,769	204,696	252,516	7,596	260,112
Profit for the year	—	—	—	—	23,880	23,880	(1,173)	22,707
Other comprehensive income for the year	—	—	9,337	—	—	9,337	233	9,570
Total comprehensive income for the year	—	—	9,337	—	23,880	33,217	(940)	32,277
Dividends recognised as distribution	—	—	—	—	(8,000)	(8,000)	—	(8,000)
At 31 December, 2008	78	32,000	19,310	5,769	220,576	277,733	6,656	284,389
Profit for the year	—	—	—	—	63,511	63,511	(331)	63,180
Other comprehensive income for the year	—	—	286	—	—	286	8	294
Total comprehensive income for the year	—	—	286	—	63,511	63,797	(323)	63,474
Transfer	—	—	—	358	(358)	—	—	—
At 31 December, 2009	78	32,000	19,596	6,127	283,729	341,530	6,333	347,863
Profit for the year	—	—	—	—	80,556	80,556	(299)	80,257
Other comprehensive income for the year	—	—	9,738	—	—	9,738	219	9,957
Total comprehensive income for the year	—	—	9,738	—	80,556	90,294	(80)	90,214
Transfer	—	—	—	244	(244)	—	—	—
Dividends recognised as distribution	—	—	—	—	(32,000)	(32,000)	—	(32,000)
At 31 December, 2010	78	32,000	29,334	6,371	332,041	399,824	6,253	406,077
Profit for the period	—	—	—	—	42,056	42,056	(236)	41,820
Other comprehensive income for the period	—	—	3,435	—	—	3,435	70	3,505
Total comprehensive income for the period	—	—	3,435	6,371	42,056	45,491	(166)	45,325
At 30 September, 2011	78	32,000	32,769	6,371	374,097	445,315	6,087	451,402
At 1 January, 2010	78	32,000	19,596	6,127	283,729	341,530	6,333	347,863
Profit for the period	—	—	—	—	66,333	66,333	(72)	66,261
Other comprehensive income for the period	—	—	3,312	—	—	3,312	19	3,331
Total comprehensive income for the period	—	—	3,312	—	66,333	69,645	(53)	69,592
At 30 September, 2010	78	32,000	22,908	6,127	350,062	411,175	6,280	417,455

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR EACH OF THE THREE YEARS
ENDED 31 DECEMBER, 2010 AND THE NINE MONTHS ENDED 30 SEPTEMBER, 2010 AND
2011**

	Nine months ended		Year ended 31 December		
	2011	2010	2010	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating activities					
Profit before taxation	47,575	72,527	88,745	69,565	26,003
Adjustments for:					
Impairment losses on trade receivables	—	463	508	1,083	2,185
Depreciation of property, plant and equipment	5,888	7,175	9,762	10,659	13,062
Amortisation of prepaid lease payments	645	419	621	340	329
Loss (gain) on disposal of property, plant and equipment	300	(27)	(27)	(180)	230
Interest income	(44)	(168)	(225)	(803)	(1,261)
Share of profits of associates	<u>(19,736)</u>	<u>(46,727)</u>	<u>(54,065)</u>	<u>(42,051)</u>	<u>(18,009)</u>
Operating profit before movements in working capital	34,628	33,662	45,319	38,613	22,539
(Increase) decrease in inventories	(10,269)	(8,292)	(8,642)	8,173	6,874
(Increase) decrease in trade and other receivables	(15,716)	(23,774)	(8,038)	4,661	17,892
Increase (decrease) in trade and other payables	7,359	24,931	6,885	10,063	(29,676)
Decrease in amounts due to related companies	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(75)</u>
Cash generated from operations	16,002	26,527	35,524	61,510	17,554
Income tax paid	<u>(2,976)</u>	<u>(2,375)</u>	<u>(4,172)</u>	<u>(5,530)</u>	<u>(2,752)</u>
Net cash from operating activities	<u>13,026</u>	<u>24,152</u>	<u>31,352</u>	<u>55,980</u>	<u>14,802</u>

	Nine months ended		Year ended 31 December		
	30 September				
	2011	2010	2010	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Investing activities					
Interest received	44	168	225	803	1,261
Purchases of property, plant and equipment	(31,802)	(3,885)	(10,022)	(3,460)	(7,496)
Addition of prepaid lease payment	—	(21,268)	(21,268)	—	—
Repayment from an associate	—	—	—	10,000	8,566
Dividend received from associates	22,500	—	13,500	13,500	4,500
Proceeds from disposal of property, plant and equipment	<u>955</u>	<u>344</u>	<u>344</u>	<u>1,599</u>	<u>164</u>
Net cash (used in) from investing activities	<u>(8,303)</u>	<u>(24,641)</u>	<u>(17,221)</u>	<u>22,442</u>	<u>6,995</u>
Financing activities					
Dividends paid	—	—	(32,000)	—	(8,000)
Repayment to a non-controlling shareholder of a subsidiary	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,430)</u>
Cash used in financing activities	<u>—</u>	<u>—</u>	<u>(32,000)</u>	<u>—</u>	<u>(10,430)</u>
Net increase (decrease) in cash and cash equivalents	4,723	(489)	(17,869)	78,422	11,367
Cash and cash equivalents at beginning of period/year	107,924	122,897	122,897	44,407	32,160
Effect of foreign exchange rate changes	<u>174</u>	<u>1,015</u>	<u>2,896</u>	<u>68</u>	<u>880</u>
Cash and cash equivalents at end of period/year, represented by bank balances and cash	<u>112,821</u>	<u>123,423</u>	<u>107,924</u>	<u>122,897</u>	<u>44,407</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER, 2010 AND THE NINE MONTHS ENDED 30 SEPTEMBER, 2010 AND 2011

1. GENERAL

On 19 January, 2012, Greenfield Chemical Holdings Limited (the “**Company**”) has entered into an agreement (the “**Agreement**”) with Mezzo International Limited (the “**Purchaser**”). Pursuant to the Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the 5,100 shares (the “**Sales Shares**”) of Rookwood, representing 51% of the entire issued share capital of Rookwood and a shareholder’s loan of approximately HK\$31,399,000 owed by the Disposal Group, at an aggregate cash consideration of HK\$154,000,000 (the “**Disposal**”).

Upon the completion of the Disposal, the Disposal Group will cease to be subsidiaries of the Company.

Rookwood is an investment holding company. The principal activities of its subsidiaries are manufacture of paints and trading in petrochemical and related products.

2. BASIS OF PREPARATION AND PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The consolidated financial information of the Disposal Group for each of the three years ended 31 December, 2010 and the nine months ended 30 September, 2010 and 2011 (“**Unaudited Financial Information**”) have been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal.

The Unaudited Financial Information has been prepared in accordance with the relevant accounting policies adopted by the Company for the relevant years or periods in the preparation of the consolidated financial statements and condensed consolidated financial statements of the Company. The Unaudited Financial Information does not contain sufficient explanatory notes to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Report” issued by the Hong Kong Institute of Certified Public Accountants.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**Basis of preparation of the unaudited pro forma financial information of the Remaining Group**

The unaudited pro forma financial information presented below is prepared by the directors of the Company to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June, 2011; and (b) the results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January, 2010. This unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group as at 30 June, 2011 or at any future date had the Disposal been completed on 30 June, 2011 or the results and cash flows of the Group for the year ended 31 December, 2010 or for any future period had the Disposal been completed on 1 January, 2010.

The unaudited pro forma financial information is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June, 2011 extracted from the interim report of the Company for the six months ended 30 June, 2011, the audited consolidated statement of comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 December, 2010 extracted from the audited consolidated financial statements of the Group for the year ended 31 December, 2010 and the financial information of the Disposal Group set out in Appendix II to this circular after giving effect to the pro forma adjustments relating to the Disposal as described in the accompanying notes and was prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

The unaudited pro forma financial information is based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments that are (i) directly attributable to the transactions and (ii) factually supportable, is summarised in the accompanying notes.

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June, 2011**

	The Group as at 30 June, 2011 HK\$'000 Note (a)	Pro forma adjustment for the Disposal HK\$'000 Note (c)	The Remaining Group HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	232,824	(102,814)	130,010
Prepaid lease payments	45,013	(34,044)	10,969
Interests in associates	162,378	(149,008)	13,370
Available-for-sale investments	10	(10)	—
Goodwill	257,195		257,195
Deferred tax assets	163	(163)	—
Deposits for acquisition of property, plant and equipment	<u>19,855</u>		<u>19,855</u>
	<u>717,438</u>		<u>431,399</u>
CURRENT ASSETS			
Prepaid lease payments	2,771	(842)	1,929
Inventories	110,647	(40,483)	70,164
Trade and other receivables	201,836	(100,502)	101,334
Tax recoverable	3,162	—	3,162
Pledged bank deposits	5,245		5,245
Bank balances and cash	<u>106,725</u>	<u>154,000</u> <u>(112,821)</u>	<u>147,904</u>
	<u>430,386</u>		<u>329,738</u>
CURRENT LIABILITIES			
Trade and other payables	127,283	(50,476)	76,807
Borrowings — secured	202,469		202,469
Tax payable	<u>12,719</u>	<u>(7,410)</u>	<u>5,309</u>
	<u>342,471</u>		<u>284,585</u>
NET CURRENT ASSETS	<u>87,915</u>		<u>45,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>805,353</u>		<u>476,552</u>

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group as at 30 June, 2011	Pro forma adjustment for the Disposal	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (a)</i>	<i>Note (c)</i>	
CAPITAL AND RESERVES			
Share capital	27,286		27,286
Reserves	422,324	(32,769) (75,517)	314,038
Equity attributable to owners of the Company	449,610		341,324
Non-controlling interests	287,499	(220,515)	66,984
TOTAL EQUITY	737,109		408,308
NON-CURRENT LIABILITIES			
Convertible bond liability	50,253		50,253
Embedded derivatives	16,546		16,546
Deferred tax liability	1,445		1,445
	68,244		68,244
	805,353		476,552

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**
For the year ended 31 December, 2010

	The Group for the year ended 31 December, 2010 <i>HK\$'000</i> <i>Note (b)</i>	Pro forma adjustments for the Disposal		The Remaining Group for the year ended 31 December, 2010 <i>HK\$'000</i>
		Pro forma adjustment <i>HK\$'000</i> <i>Note (d)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (e)</i>	
Revenue	310,524	(310,524)		—
Cost of sales	<u>(219,521)</u>	219,521		<u>—</u>
Gross profit	91,003			—
Other income and expenses	21,114	(22,487)		(1,373)
Distribution and selling expenses	(27,742)	27,742		—
Administrative expenses	(60,897)	51,068		(9,829)
Other expenses	(5,534)			(5,534)
Loss on disposal of Disposal Group	—		(29,430)	(29,430)
Share of profits of associates	54,065	(54,065)		—
Finance costs	<u>(164)</u>			<u>(164)</u>
Profit (loss) before taxation	71,845			(46,330)
Taxation	<u>(8,259)</u>	8,488		<u>229</u>
Profit (loss) for the year	63,586			(46,101)
Other comprehensive income				
Exchange difference arising on translation of foreign operations	<u>9,978</u>	(9,957)		<u>21</u>
Total comprehensive income (expense) for the year	<u><u>73,564</u></u>			<u><u>(46,080)</u></u>

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December, 2010

	The Group for the year ended 31 December, 2010 <i>HK\$'000</i> <i>Note (b)</i>	Pro forma adjustments for the Disposal Pro forma adjustment <i>HK\$'000</i> <i>Note (f)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (g)</i>	The Remaining Group for the year ended 31 December, 2010 <i>HK\$'000</i>
OPERATING ACTIVITIES				
Profit (loss) before taxation	71,845	(88,745)	(29,430)	(46,330)
Adjustments for:				
Impairment losses on trade receivables	508	(508)		—
Loss on write off of interest receivable	5,534			5,534
Finance cost	164			164
Amortisation of prepaid lease payments	621	(621)		—
Depreciation of property, plant and equipment	9,779	(9,762)		17
(Gain) loss on disposal of property, plant and equipment	(27)	27		—
Loss on disposal of subsidiaries	—		29,430	29,430
Interest income	(236)	225		(11)
Share of profits of associates	(54,065)	54,065		—
Operating cash flows before movements in working capital	34,123			(11,196)
Increase in inventories	(8,642)	8,642		—
(Increase) decrease in trade and other receivables	(7,988)	8,038		50
Increase in trade and other payables	7,133	(6,885)		248
Cash generated from operations	24,626			(10,898)
Income tax paid	(4,172)	4,172		—
NET CASH FROM (USED IN) OPERATING ACTIVITIES	20,454			(10,898)
INVESTING ACTIVITIES				
Repayment of loans receivable	159,055			159,055
Purchase of property, plant and equipment	(10,081)	10,022		(59)
Addition of prepaid lease payment	(21,268)	21,268		—
Dividend received from associates	13,500	(13,500)		—
Interest received	236	(225)		11
Proceeds from disposal of property, plant and equipment	344	(344)		—
Proceeds from disposal of Disposal Group	—		154,000 (122,897)	31,103

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group for the year ended 31 December, 2010 <i>HK\$'000</i> <i>Note (b)</i>	Pro forma adjustments for the Disposal		The Remaining Group for the year ended 31 December, 2010 <i>HK\$'000</i>
		Pro forma adjustment <i>HK\$'000</i> <i>Note (f)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (g)</i>	
NET CASH FROM INVESTING ACTIVITIES	<u>141,786</u>			<u>190,110</u>
FINANCING ACTIVITIES				
Other borrowing raised	150,000			150,000
Prepaid loan interest	(15,000)			(15,000)
Dividend paid to minority shareholders of Rookwood	<u>(15,680)</u>	15,680		<u>—</u>
NET CASH FROM FINANCING ACTIVITIES	<u>119,320</u>			<u>135,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	281,560			314,212
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	165,498			165,498
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>2,917</u>	(2,896)		<u>21</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	<u>449,975</u>			<u>479,731</u>

Notes:

- (a) Figures extracted from the unaudited condensed consolidated financial statements of the Group as set out in the interim report of the Company for the six months ended 30 June, 2011.
- (b) Figures extracted from the consolidated financial statements of the Group as set out in the 2010 annual report of the Company for the year ended 31 December, 2010.
- (c) The adjustment reflects the exclusion of the assets and liabilities of the Disposal Group as at 30 September, 2011 assuming the Disposal had been taken place on 30 June, 2011.

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Estimated unaudited loss on disposal of the Disposal Group is calculated as follows:

	HK\$'000
Total Consideration (<i>note i</i>)	<u>154,000</u>
Net assets of the Disposal Group:	
Carrying amount of assets and liabilities of the Disposal Group excluding amount due to immediate holding company (<i>note ii</i>)	482,801
Release of translation reserve upon the Disposal (<i>note iii</i>)	<u>(32,769)</u>
Adjusted net assets of the Disposal Group	450,032
Less: Non-controlling interests (49% equity interests in Disposal Group)	<u>(220,515)</u>
Group's share of adjusted net assets of the Disposal Group	<u>229,517</u>
Estimated unaudited loss on disposal of Disposal Group	<u><u>(75,517)</u></u>
Effect on reserves	
Estimated unaudited loss on disposal of Disposal Group	75,517
Release of translation reserve upon the Disposal (<i>note iii</i>)	<u>32,769</u>
	<u><u>108,286</u></u>

Notes:

- (i) On 7 September, 2011, the Company has entered into a sales and purchase agreement with an independent third party, Mezzo International Limited (the "Purchaser"). Pursuant to this sales and purchase agreement, the Company has conditionally agreed to dispose of 51% of the entire issued share capital of Rookwood and a shareholders' loan owned by the Disposal Group to the Company of approximately HK\$31,399,000 for an aggregated cash consideration of HK\$154,000,000 ("Total Consideration").
- (ii) Amount of approximately HK\$482,801,000 represents net assets of the Disposal Group as at 30 September, 2011 of HK\$451,402,000, excluded the carrying amount of shareholders' loan, represented by the Disposal Group's amount due to immediate holding company of HK\$31,399,000. Figures extracted from the unaudited consolidated statement of financial position of the Disposal Group as at 30 September, 2011, as set out in Appendix II of this circular.
- (iii) In accordance with Hong Kong Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates", upon the disposal of the Group's entire interest in a foreign operation, all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss. Figures extracted from the unaudited consolidated statement of changes in equity of the Disposal Group as at 30 September, 2011, as set out in Appendix II of this circular.
- (d) The adjustment reflects the exclusion of the results of the Disposal Group and the exchange differences arising from translation of the Disposal Group for the year ended 31 December, 2010, assuming the Disposal had been taken place on 1 January, 2010. Figures extracted from the unaudited consolidated statements of comprehensive income of the Disposal Group as set out in Appendix II of this circular.

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

- (e) The adjustment reflects the loss on disposal of the Disposal Group, assuming the Disposal had been taken place on 1 January, 2010. Estimated unaudited loss on disposal of the Disposal Group is calculated as follows:

	<i>HK\$'000</i>
Total Consideration (<i>note i</i>)	<u>154,000</u>
Net assets of the Disposal Group:	
Carrying amount of assets and liabilities of the Disposal Group	
excluding amount due to immediate holding company (<i>note ii</i>)	379,262
Exchange reserve recycled from equity to profit or loss upon the Disposal (<i>note iii</i>)	<u>(19,596)</u>
Adjusted net assets of the Disposal Group	359,666
Less: Non-controlling interests (49% equity interests in Disposal Group)	<u>(176,236)</u>
Group's share of adjusted net assets of the Disposal Group	<u>183,430</u>
Estimated unaudited loss on disposal of Disposal Group	<u><u>(29,430)</u></u>

Notes:

- (i) As stated in Note c(i) above.
- (ii) Amount of approximately HK\$379,262,000 represents net assets of the Disposal Group as at 1 January, 2010 of HK\$347,863,000, excluded the carrying amount of shareholders' loan, represented by the Disposal Group's amount due to immediate holding company of HK\$31,399,000. Figures extracted from the unaudited consolidated statement of financial position of the Disposal Group for the year ended 31 December, 2010 as set out in Appendix II of this circular.
- (iii) As stated in Note c(iii) above.
- (f) The adjustment reflects the exclusion of the cash flows of the Disposal Group and the effect of foreign exchange on bank balances and cash of the Disposal Group for the year ended 31 December, 2010, assuming the Disposal had been taken place on 1 January, 2010. The cash flows of the Disposal Group are extracted from the unaudited consolidated statement of cash flows of the Disposal Group for the year ended 31 December, 2010 as set out in Appendix II of this circular.
- (g) The adjustments reflect net cash inflow from the disposal of the Disposal Group, which represent the Total Consideration of HK\$154,000,000 and the cash and cash equivalent of the Disposal Group as at 1 January, 2010 of HK\$122,897,000, assuming the Disposal had been taken place on 1 January, 2010.
- (h) The above pro forma adjustments will have no continuing effect on the Remaining Group in the subsequent reporting periods.

(B) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the report from Zenith CPA Limited in respect of the unaudited pro forma financial information of the Remaining Group as set out in this Appendix for the purpose of incorporation into this circular.



ZENITH CPA LIMITED
诚丰会计师事务所有限公司
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6-8 Harbour Road,
Wanchai, Hong Kong
香港湾仔港湾道6-8号
瑞安中心3楼318室

TO THE DIRECTORS OF GREENFIELD CHEMICAL HOLDINGS LIMITED

We report on the unaudited pro forma financial information of Greenfield Chemical Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the disposal of Rookwood Investments Limited (“Rookwood”) and its subsidiaries (“Disposal Group”) might have affected the financial information presented, for inclusion in Appendix III of the circular issued by the Company dated 15 March, 2012 (the “Circular”). The basis of preparation of the unaudited pro forma financial information is set out on page 33 of the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 June, 2011 or any future date or the results and cash flows of the Group for the year ended 31 December, 2010 or any future period.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Zenith CPA Limited

Certified Public Accountants

Cheng Po Yuen

Practising Certificate Number: P04887

Hong Kong

15 March, 2012

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

(b) Interests and Short Positions of Substantial Shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, of each person, other than a Director or chief executive of the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital:

Long/short position in the Shares and underlying Shares of the Company:

Name	Capacity	Number of Shares held	Long or Short Position	Percentage of issued share capital of the Company
Hong Han Limited ("Hong Han")	Beneficial owner	140,000,000	Long	51.31%

Name	Capacity	Number of Shares held	Long or Short Position	Percentage of issued share capital of the Company
Mr. Wan Zhongbo (“ Mr. Wan ”)	Held by controlled corporation (<i>Note 1</i>)	140,000,000	Long	51.31%
Simsen International Corporation Limited (“ Simsen International ”)	Held by controlled corporation (<i>Note 1</i>)	140,000,000	Long	51.31%
Ms. Liu Jia (“ Ms. Liu ”)	Held by controlled corporation (<i>Note 1</i>)	140,000,000	Short	51.31%
China Century Worldwide Limited	Beneficial owner (<i>Note 2</i>)	30,952,381	Long	11.34%
Mr. Ji Xiao Bo (“ Mr. Ji ”)	Held by controlled corporation (<i>Note 2</i>)	30,952,381	Long	11.34%

Notes:

1. Hong Han is wholly and beneficially owned by each of Mr. Wan and Ms. Liu as to 50%. Ms. Liu has pledged her entire interest in the shares in Hong Han to Simsen Capital Finance Limited, a wholly owned subsidiary of Simsen International, to secure a loan granted to Ms. Liu. Therefore, Mr. Wan and Simsen International are deemed to be interested in the Shares held by Hong Han and Ms. Liu is deemed to hold a short position in the Shares.
2. China Century Worldwide Limited, is interested in 30,952,381 underlying Shares in connection with the convertible bonds issued by the Company on 17 March, 2011 in an outstanding principal amount of HK\$65,000,000 at the conversion price of HK\$2.1 per conversion share. China Century Worldwide Limited is beneficially owned by Mr. Ji.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December, 2010 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (b) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more.
- (c) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are fixed term contracts with more than 12 months to run irrespective of the notice period.

6. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or claims of material importance and, so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

7. MATERIAL CONTRACTS

The following contract (not being a contract entered into in the ordinary course of business) has been entered into by members of the Group within the two years immediately preceding the date of this circular and ending on the Latest Practicable Date and are or may be material:

- (a) the Agreement;
- (b) the sale and purchase agreement dated 21 September, 2010 between the Company as purchaser and China Century Worldwide Limited as vendor and in respect of the acquisition of the entire issued share capital in Ace Winner Holdings Limited at a total consideration of HK\$400,000,000;
- (c) the underwriting agreement dated 10 February, 2012 and entered into between the Company, Hong Han and Kingston Securities Limited in relation to the underwriting arrangement in respect of the open offer on the basis of one offer share for every two existing Share in issue and held on the record date with bonus issue on the basis of eleven bonus shares for every one offer share taken up;
- (d) the loan agreement dated 23 December, 2010 made between SHK Finance Limited and the Company relating to a term loan of HK\$150 million to the Company;

- (e) the agreement dated 22 September, 2010 entered into between the Company, Mezzo International Limited and Mr. Lee Seng Hui regarding the disposal of 51% interests in Rookwood Investments Limited and the related shareholders' loans at a consideration of HK\$150 million, and the deed of termination dated 21 December, 2010; and
- (f) the agreement dated 18 February, 2010 made between Zengcheng City Fuheyuan Farm Limited and Guangzhou Springfield Chemical Company Limited in relation to the purchase of a property at Pingzhong Road, Dajing, Sanjing Village, Zhongxin Town, Zengcheng, Guangzhou City, Guangdong Province, the PRC at an aggregate consideration of RMB18,000,000.

Save as disclosed above, there are no other contracts (not being contracts in the ordinary course of business) being entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date, which are or may be material.

8. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinion and advice contained in this circular:

Name	Qualification
Zenith CPA Limited (“ Zenith ”)	Certified Public Accountant
Deloitte Touche Tohmatsu (“ Deloitte ”)	Certified Public Accountant

Zenith and Deloitte have given and have not withdrawn their written consent to the issue of this circular with the inclusion of their letter and report and reference to their name in the form and context in which it appears.

As at the Latest Practicable Date, Zenith and Deloitte did not have any direct or indirect shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, Zenith and Deloitte did not have any direct or indirect interest in any assets which have been since 31 December, 2010 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. GENERAL

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong of the Company is Unit 2304, 23/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

- (c) The secretary of the Company is Ms. Leung Pui Ying, a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The principal registrar of the Company is Butterfield Fund Services (Cayman) Limited, Butterfield House, 68 Fort Street, P.O. Box 705, George Town, Grand Cayman, Cayman Islands.
- (e) The branch share registrar of the Company in Hong Kong is Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal office of the Company at Unit 2304, 23/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on any business day from the date of this circular up to and including 31 March, 2012:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to under the paragraph headed “Material Contracts” in this Appendix IV;
- (c) the annual reports of the Company for the two financial years ended 31 December, 2009 and 31 December, 2010;
- (d) the interim report of the Company for the six months ended 30 June, 2011;
- (e) an accountants’ report on the unaudited pro forma financial information on the Remaining Group as set out in Appendix III to this circular;
- (f) the letters of consent from Zenith and Deloitte referred to under “Expert and Consent” in this Appendix IV;
- (g) a copy of each of the circulars issued by the Company pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules since 31 December, 2010, being the date of the latest published audited accounts of the Company; and
- (h) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



GREENFIELD CHEMICAL HOLDINGS LIMITED

嘉輝化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 582)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Greenfield Chemical Holdings Limited (the “**Company**”) will be held at Unit 2304, 23/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on 31 March, 2012 at 10:30 a.m. to consider and, if thought fit, pass with or without amendments the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the sale and purchase agreement dated 19 January, 2012 (the “**Agreement**”) (a copy of which, signed by the Chairman of the Meeting for the purposes of identification, has been produced to the meeting marked “A”) entered into between the Company, Mezzo International Limited and Mr. Lee Seng Hui be and is hereby approved, confirmed and ratified; and the Directors of the Company be and are hereby authorised to do such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the Agreement and the implementation of all transactions contemplated thereunder.”

By Order of the Board
Greenfield Chemical Holdings Limited
Li Li
Executive Director

Hong Kong, 15 March, 2012

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

Unit 2304, 23/F., West Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan
Hong Kong

* for identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. A form of proxy in respect of this extraordinary general meeting (“Meeting”) is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the Meeting and voting in person if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy of such power or authority, must be deposited with the Company’s Registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.
3. As at the date hereof, the Board comprises Mr. Hu Jun, Ms. Zhang Ying, Mr. Li Li, Mr. Zhang Yang and Mr. Jiang Zhiqian as executive Directors and Mr. Fok Ho Yin, Thomas, Mr. Ng Hoi Yue and Mr. Chiang Chi Kin, Stephen as independent non-executive Directors.