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

If you have sold or transferred all your shares in Lo's Enviro-Pro Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LO'S ENVIRO-PRO HOLDINGS LIMITED

勞氏環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE EXISTING SHARE OPTION SCHEME OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Lo's Enviro-Pro Holdings Limited to be held at Plaza 1 to 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25 August 2006 at 3:00 p.m. is set out on pages 20 to 24 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

31 July 2006

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	1
Letter from the Board	
1. Introduction	3
2. Proposed Amendments to the Current Articles of Association	4
3. Proposed Granting of the Buyback and Issuance Mandates	4
4. Proposed Refreshment of the Scheme Mandate Limit of the Existing Share Option Scheme and its Reason	5
5. Proposed Re-election of the Retiring Directors	7
6. Annual General Meeting and Proxy Arrangement	8
7. Recommendation	8
8. General Information	8
Appendix I – Explanatory Statement on the Buyback Mandate	9
Appendix II – Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Current Articles of Association	12
Appendix III – Details of the Retiring Directors proposed to be re-elected at the Annual General Meeting	13
Notice of the Annual General Meeting	20

RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	an annual general meeting of the Company to be held at Plaza 1 to 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25 August 2006 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 20 to 24 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Company”	Lo’s Enviro-Pro Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange;
“Current Articles of Association”	the current articles of association of the Company with the latest amendments approved by the Shareholders in the Company’s annual general meeting held on 25 August 2005;
“Director(s)”	the director(s) of the Company;
“Existing Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Existing Share Option Scheme, being 10% of the issued share capital of the Company as at the Listing Date;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 24 April 2003;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;

DEFINITIONS

“Latest Practicable Date”	26 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Date”	25 July 2003, the date on which trading in Shares commenced on the Stock Exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Participants”	whether full time or otherwise, any employee of the Group including any executive director, non-executive director and independent non-executive director of the Group or any consultant of the Group who has contributed or will contribute to the Group;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, share(s) forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.

LETTER FROM THE BOARD



LO'S ENVIRO-PRO HOLDINGS LIMITED

勞氏環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

Executive Directors:

Lo Kou Hong (*Chairman and Chief Executive Officer*)

Ko Lok Ping, Maria Genoveffa

Leung Tai Tsan, Charles

Cheung Pui Keung, James

Independent Non-executive Directors:

Poon Kwok Kiu

Cheng Kai Tai, Allen

Chiu Wai Piu

Registered Office:

P.O. Box 309 GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Principal Place of Business:

3/F, Caltex House

258 Hennessy Road

Wanchai

Hong Kong

31 July 2006

To the Shareholders

Dear Sir or Madam

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE EXISTING SHARE OPTION SCHEME OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the amendments to the Current Articles of Association; (ii) the granting of the Buyback Mandate to the Directors; (iii)

LETTER FROM THE BOARD

the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Buyback Mandate; (v) the refreshment of the Existing Scheme Mandate Limit; and (vi) the re-election of the retiring Directors.

2. PROPOSED AMENDMENTS TO THE CURRENT ARTICLES OF ASSOCIATION

The Stock Exchange has announced amendments to the Listing Rules which include, among other things, amendments to Appendix 3 and Appendix 13-B of the Listing Rules (which set out provisions with which the articles of association of a listed issuer incorporated in the Cayman Islands must conform) that came into effect on 1 March 2006. Under the amended provisions of Appendix 3 and Appendix 13-B of the Listing Rules, an issuer, where not otherwise provided by law, shall have power by ordinary resolution to remove any director before the expiration of his period of office. For the purpose of complying with such amended provisions of the Listing Rules, the Directors proposed to amend Articles 102 and 118 of the Current Articles of Association such that the Company shall have power by ordinary resolution instead of special resolution to remove any Director before expiration of his/her term of office.

The proposed amendments to the Current Articles of Association are stated in the proposed special resolution set out in item 4 of the notice convening the Annual General Meeting as contained in pages 20 to 24 of this circular. A copy of the Current Articles of Association will be available for inspection at the Company's principal place of business in Hong Kong at 3/F, Caltex House, 258 Hennessy Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

3. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

On 25 August 2005, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution (the "Buyback Mandate");
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Issuance Mandate"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

LETTER FROM THE BOARD

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 5 and 6 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I of this circular.

4. PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE EXISTING SHARE OPTION SCHEME AND ITS REASON

Pursuant to the written resolutions of the sole Shareholder of the Company passed on 24 April 2003, the Existing Share Option Scheme was adopted. The purpose of the Existing Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

On the date of adoption of the Existing Share Option Scheme, the Existing Scheme Mandate Limit was approved by the sole Shareholder. Pursuant to the Existing Scheme Mandate Limit, the Directors may grant options up to 10% of the issued share capital of the Company as at the Listing Date, i.e. not exceeding 30,000,000 Shares. Under the Existing Scheme Mandate Limit, options carrying the rights to subscribe for 21,660,000 Shares, representing 7.22% of the issued share capital of the Company as at the Listing Date, have been granted to the directors and employees of the Group and none of such options has been exercised. Since options carrying the rights to subscribe for 100,000 shares have lapsed (due

LETTER FROM THE BOARD

to the resignation of an employee of the Company), the Company is permitted to grant further options carrying the rights to subscribe for 8,440,000 Shares under the Existing Scheme Mandate Limit, being 2.81% of the issued share capital of the Company as at the Listing Date and as at the Latest Practicable Date. Upon the refreshment of the Existing Scheme Mandate Limit is approved at the Annual General Meeting, the Company is not allowed to grant options available to be granted under the Existing Scheme Mandate Limit, i.e. options carrying the rights to subscribe for 8,440,000 Shares.

The Directors consider that the Company should refresh the Existing Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Existing Scheme Mandate Limit is approved at the Annual General Meeting, based on the 300,000,000 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Company will be allowed under the “refreshed limit” to grant further options carrying the rights to subscribe for up to a total of 30,000,000 Shares, representing 10% of the issued share capital of the Company as at the Annual General Meeting. As no Shareholder has interest in the proposed refreshment of the Existing Scheme Mandate Limit, none of the Shareholders is required to abstain from voting at the Annual General Meeting.

Apart from the Existing Share Option Scheme, the Company has no other share option scheme currently in force. The following table shows the details of the share options granted/exercised/lapsed/outstanding under the Existing Share Option Scheme up to the Latest Practicable Date:

Class of Participants	Number of options granted	Number of options exercised	Number of options lapsed	Number of outstanding options
Directors	12,000,000	Nil	Nil	12,000,000
Employees	<u>9,660,000</u>	<u>Nil</u>	<u>100,000</u>	<u>9,560,000</u>
	<u><u>21,660,000</u></u>	<u><u>Nil</u></u>	<u><u>100,000</u></u>	<u><u>21,560,000</u></u>

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12 months period up to and including the respective dates of grant as set out in Rule 17.03(4) of the Listing Rules.

If the refreshment of the Existing Scheme Mandate Limit is approved at the Annual General Meeting, the existing outstanding options of the Company and the options to be granted under the “refreshed limit” will not exceed 30% of the issued share capital of the Company.

The Directors consider that the refreshment of the Existing Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Existing Share Option Scheme.

LETTER FROM THE BOARD

The refreshment of the Existing Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting to approve the said refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Existing Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General meeting.

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Existing Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General Meeting. A copy of the Existing Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at 3/F, Caltex House, 258 Hennessy Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

5. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 112 of the Current Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as the Managing Director or Joint Managing Director) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election at the relevant annual general meeting.

According to Article 112 of the Current Articles of Association, Dr Lo Kou Hong, Mr Leung Tai Tsan, Charles and Mr Cheung Pui Keung, James shall retire by rotation at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Dr Lo Kou Hong, Mr Leung Tai Tsan, Charles and Mr Cheung Pui Keung, James are set out in Appendix III of this circular.

LETTER FROM THE BOARD

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 20 to 24 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the amendments to the Current Articles of Association, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Buyback Mandate, the refreshment of the Existing Scheme Mandate Limit of the Existing Share Option Scheme and the re-election of the retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

7. RECOMMENDATION

The Directors consider that the proposed amendments to the Current Articles of Association, the proposed granting of the Buyback Mandate and the granting/extension of the Issuance Mandate, the refreshment of the Existing Scheme Mandate Limit of the Existing Share Option Scheme and the re-election of the retiring Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Current Articles of Association) and Appendix III (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
On behalf of the Board
Lo Kou Hong
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and the Shareholders as a whole.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 300,000,000 Shares.

Subject to the passing of the ordinary resolution no. 5 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase an aggregate nominal amount of the Shares of up to HK\$300,000 (equivalent to 30,000,000 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the laws of the Cayman Islands and/or any other applicable laws.

The Company is empowered by its memorandum and articles of association to repurchase Shares. The laws of the Cayman Islands provide that the amount paid in connection with a share repurchase by a company may only be paid out of either the profits of the Company or out of the proceeds of a fresh issue of shares made for such purpose or, subject to the articles of association of the Company and the provisions of the Cayman Islands laws, out of capital.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2006) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, The Lo's Family Limited, the Company's substantial shareholder, was interested in 210,000,000 Shares, representing 70% of the total issued share capital of the Company. The Lo's Family Limited held the said 210,000,000 Shares in the capacity as the trustee of The Lo's Family Unit Trust, a unit trust of which all the units in issue were owned by Equity Trustee Limited as trustee of The Lo's Family Trust. The Lo's Family Trust is a discretionary trust, the founder of which is Dr Lo Kou Hong (the Chairman of the Board) and the beneficiaries of which include the family members of Dr Lo. Ms Ko Lok Ping, Maria Genoveffa, an executive Director and the wife of Dr Lo, is one of the beneficiaries of The Lo's Family Trust. Pursuant to Part XV of the SFO, Dr Lo and Ms Ko were deemed to be interested in the 210,000,000 Shares owned by The Lo's Family Limited as trustee of The Lo's Family Unit Trust. On the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of The Lo's Family Limited (in the capacity as the trustee of The Lo's Family Unit Trust) in the issued Shares would be increased to approximately 78% of the total issued share capital of the Company. The Directors will not make repurchase of Shares if the result of the repurchase would be that less than 25% of the issued share capital of the Company were in public hands. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the granting of the Buyback Mandate is approved by the Shareholders.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
July	0.540	0.500
August	0.560	0.520
September	0.530	0.510
October	0.520	0.460
November	0.560	0.380
December	0.500	0.350
2006		
January	0.425	0.380
February	0.405	0.365
March	0.380	0.310
April	0.350	0.300
May	0.385	0.330
June	0.340	0.295
July (Up to the Latest Practicable Date)	0.340	0.310

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Current Articles of Association.

According to Article 76 of the Current Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least five Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

In addition, in compliance with the Listing Rules, any vote of shareholders at a general meeting will be taken on a poll where:

- (a) the chairman of the general meeting and/or the directors individually or collectively hold proxies in respect of shares representing 5% or more of the total voting rights at the general meeting, and the meeting votes, on a show of hands, in the opposite manner to that instructed in those proxies unless it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands;
- (b) the meeting is to approve connected transactions;
- (c) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (d) the meeting is to approve granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; or
- (e) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) Dr Lo Kou Hong, aged 63

Position & experience

Dr Lo Kou Hong (“Dr Lo”) is the founder of the Group. Currently, he is the Chairman, Chief Executive Officer, Chairman of the Executive Committee of the Company and a member of the Remuneration Committee of the Company. Dr Lo is also a director of certain subsidiaries of the Group. Other than that, Dr Lo does not hold any position in the Company or in any member of the Group. Prior to establishing Lo’s Cleaning Services Limited in 1975, Dr Lo served as a manager at a local property management company. Dr Lo received his secondary education in Hong Kong. He was awarded an honorary doctorate degree in Business Management in 2003 by Burkes University in Turks & Caicos Islands in the British West Indies. Dr Lo has not held any other directorships in listed public companies in the last three years.

Length of service

Dr Lo entered into a director’s service agreement with the Company on 1 February 2003 which sets out that the term of appointment of Dr Lo is initially fixed for 3 years from 1 February 2003. Such agreement shall continue unless and until terminated by either party giving to the other not less than 6 calendar months’ prior notice in writing (the “6 Months’ Notice”) or payment in lieu of the 6 Months’ Notice or combination of any part of the 6 Months’ Notice and payment in lieu of the remaining part of the 6 Months’ Notice at any time during the continuance of the service agreement. Dr Lo’s appointment is also subject to the retirement and re-election provisions as set out in the Current Articles of Association. The provisions of the Current Articles of Association in respect of directors’ retirement and re-election have been set out in paragraph 5 of the Letter from the Board in this circular.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Dr Lo had the following interests in the shares/underlying shares of the Company pursuant to Part XV of the SFO:

- (i) 210,000,000 Shares, representing 70% of the total issued share capital of the Company. Such Shares were held by The Lo’s Family Limited in the capacity as the trustee of The Lo’s Family Unit Trust, a unit trust of which all the units in issue were owned by Equity Trustee Limited as trustee of The Lo’s Family Trust. The Lo’s Family Trust is a discretionary trust, the founder of which is Dr Lo and the beneficiaries of which include the family members of Dr Lo. Pursuant to Part XV of the SFO, Dr Lo is deemed to be interested in the 210,000,000 Shares owned by The Lo’s Family Limited (in the capacity as the trustee of The Lo’s Family Unit Trust); and

- (ii) 6,000,000 share options of the Company attaching thereto the rights to subscribe for 6,000,000 Shares, representing 2% of the issued share capital of the Company. The said share options are held as to 3,000,000 share options by Dr Lo personally and 3,000,000 share options by Ms Ko Lok Ping, Maria Genoveffa, the wife of Dr Lo.

Save as disclosed above, Dr Lo did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Dr Lo is the husband of Ms Ko Lok Ping, Maria Genoveffa, an executive Director and the brother-in-law of Mr Ko Yam Ping, the Senior Operations Manager of the Group. Save as disclosed in this paragraph and the above paragraphs under the heading “Interests in shares”, Dr Lo does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Director’s emoluments

Pursuant to the director’s service agreement entered into between Dr Lo and the Company on 1 February 2003, Dr Lo’s emoluments are set out below:

- (i) The remuneration of Dr Lo for the first year from the commencement of his employment is fixed at HK\$1,440,000 per annum payable in arrears by 12 equal monthly instalments of HK\$120,000 per month. The remuneration of Dr Lo for the subsequent years shall be reviewed and determined by the Board annually, taking into consideration the past performance of Dr Lo and the total amount of increment in the salary of Dr Lo for each year subsequent to the first year within the initial fixed term of 3 years shall not be more than 20% of his annual salary for the previous year. Currently, Dr Lo still receives a monthly salary of HK\$120,000.
- (ii) Dr Lo is entitled to a year-end fixed sum bonus on completion of his service with the Company for every 12 full months at the end of each calendar year, the amount of which is equivalent to his then 1 month salary. In the event that Dr Lo has completed less than 12 full months’ service with the Company by the end of a calendar year, his entitlement for the year-end fixed sum bonus shall be payable on a pro-rata basis.
- (iii) Dr Lo is entitled to a discretionary bonus to be determined by the Board by reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items (“Net Profits”) provided that the aggregate amount of discretionary bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 10% of the Net Profits for the relevant financial year.

- (iv) Dr Lo is entitled to participate in the Group's retirement plan and the Company and Dr Lo shall each pay contributions of 10% and 5% of Dr Lo's monthly salary.
- (v) Dr Lo is entitled to the reimbursement of all reasonable travelling hotel and other expenses reasonably and properly incurred by him in or about the performance of his duties.
- (vi) Dr Lo is entitled to receive a monthly housing allowance of HK\$50,000. Currently, Dr Lo still receives a monthly housing allowance of HK\$50,000.

Dr Lo shall not be entitled to receive any other salary or over-time compensation or remuneration or commission from any of the subsidiaries of the Company. Apart from the aforesaid, Dr Lo is also eligible to participate in the Company's share option scheme. The emoluments of Dr Lo are determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions.

Information need to be disclosed and matters need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is discloseable nor is/was Dr Lo involved in any of the matters required to be disclosed pursuant to any of the requirement under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Dr Lo that need to be brought to the attention of the Shareholders.

(2) Mr Leung Tai Tsan, Charles, aged 53

Position & experience

Mr Leung Tai Tsan, Charles ("Mr Leung") is an executive Director, Finance Director, Company Secretary, Qualified Accountant and a member of the Executive Committee and Remuneration Committee of the Company. Mr Leung is also a director of certain subsidiaries of the Company. Other than that, Mr Leung does not hold any position in the Company or in any member of the Group. Mr Leung is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Prior to joining the Group in January 2001, Mr Leung has over 20 years of experience in accounting, auditing and financial management. Mr Leung has not held any other directorships in listed public companies in the last three years.

Length of service

Mr Leung entered into a director's service agreement with the Company on 1 February 2003 which sets out that the term of appointment of Mr Leung is initially fixed for 3 years from 1 February 2003. Such agreement shall continue unless and until terminated by either party

giving to the other not less than 3 calendar months' prior notice in writing (the "3 Months' Notice") or payment in lieu of the 3 Months' Notice or combination of any part of the 3 Months' Notice and payment in lieu of the remaining part of the 3 Months' Notice at any time during the continuance of the service agreement. Mr Leung's appointment is also subject to the retirement and re-election provisions as set out in the Current Articles of Association. The provisions of the Current Articles of Association in respect of directors' retirement and re-election have been set out in paragraph 5 of the Letter from the Board in this circular.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Leung had 3,000,000 share options of the Company attaching thereto the rights to subscribe for 3,000,000 Shares, representing 1% of the issued share capital of the Company. Save as disclosed above, Mr Leung did not have or was not deemed to have any other interests in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Leung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the director's service agreement entered into between Mr Leung and the Company on 1 February 2003, Mr Leung's emoluments are set out below:

- (i) The remuneration of Mr Leung for the first year from the commencement of his employment is fixed at HK\$1,200,000 per annum payable in arrears by 12 equal monthly instalments of HK\$100,000 per month. The remuneration of Mr Leung for the subsequent years shall be reviewed and determined by the Board annually, taking into consideration the past performance of Mr Leung and the total amount of increment in the salary of Mr Leung for each year subsequent to the first year within the initial fixed term of 3 years shall not be more than 20% of his annual salary for the previous year. Currently, Mr Leung still receives a monthly salary of HK\$100,000.
- (ii) Mr Leung is entitled to a year-end fixed sum bonus on completion of his service with the Company for every 12 full months at the end of each calendar year, the amount of which is equivalent to his then 1 month salary. In the event that Mr Leung has completed less than 12 full months' service with the Company by the end of a calendar year, his entitlement for the year-end fixed sum bonus shall be payable on a pro-rata basis.

- (iii) Mr Leung is entitled to a discretionary bonus to be determined by the Board by reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items (“Net Profits”) provided that the aggregate amount of discretionary bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 10% of the Net Profits for the relevant financial year.
- (iv) Mr Leung is entitled to participate in the Group’s retirement plan and the Company and Mr Leung shall each pay contributions of 10% and 5% of Mr Leung’s monthly salary.
- (v) Mr Leung is entitled to the reimbursement of all reasonable travelling hotel and other expenses reasonably and properly incurred by him in or about the performance of his duties.

Mr Leung shall not be entitled to receive any other salary or over-time compensation or remuneration or commission from any of the subsidiaries of the Company. Apart from the aforesaid, Mr Leung is also eligible to participate in the Company’s share option scheme. The emoluments of Mr Leung are determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions.

Information need to be disclosed and matters need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is discloseable nor is/was Mr Leung involved in any of the matters required to be disclosed pursuant to any of the requirement under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Leung that need to be brought to the attention of the Shareholders.

(3) Mr Cheung Pui Keung, James, aged 29

Position & experience

Mr Cheung Pui Keung, James (“Mr Cheung”) is an executive Director and a member of Executive Committee of the Company. Mr Cheung is also a director of certain subsidiaries of the Company. Other than that, Mr Cheung does not hold any position in the Company or in any member of the Group. Mr Cheung joined the Group in October 1999 and has over 5 years of experience in cleaning and related services. He holds a Bachelor of Business Administration degree from the Lingnan University, Hong Kong. Mr Cheung has not held any other directorships in listed public companies in the last three years.

Length of service

Mr Cheung entered into a director's service agreement with the Company on 13 January 2004 which sets out that the term of appointment of Mr Cheung is initially fixed for 3 years from 13 January 2004. Such agreement shall continue unless and until terminated by either party giving to the other not less than 3 calendar months' prior notice in writing (the "3 Months' Notice") or payment in lieu of the 3 Months' Notice or combination of any part of the 3 Months' Notice and payment in lieu of the remaining part of the 3 Months' Notice at any time during the continuance of the service agreement. Mr Cheung's appointment is also subject to the retirement and re-election provisions as set out in the Current Articles of Association. The provisions of the Current Articles of Association in respect of directors' retirement and re-election have been set out in paragraph 5 of the Letter from the Board in this circular.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Cheung was interested in the Shares and underlying Shares as follows:

- (i) 140,000 Shares, representing approximately 0.047% of the issued share capital of the Company; and
- (ii) 3,000,000 share options of the Company attaching thereto the rights to subscribe for 3,000,000 Shares, representing 1% of the issued share capital of the Company.

Save as disclosed above, Mr Cheung did not have or was not deemed to have any other interests in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Cheung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the director's service agreement entered into between Mr Cheung and the Company on 13 January 2004, Mr Cheung's emoluments are set out below:

- (i) The remuneration of Mr Cheung for the first year from the commencement of his employment is fixed at HK\$480,000 per annum payable in arrears by 12 equal monthly instalments of HK\$40,000 per month. The remuneration of Mr Cheung for the subsequent years shall be reviewed and determined by the Board annually, taking into consideration the past performance of Mr Cheung and the total amount of

increment in the salary of Mr Cheung for each year subsequent to the first year within the initial fixed term of 3 years shall not be more than 20% of his annual salary for the previous year. Currently, Mr Cheung still receives a monthly salary of HK\$40,000.

- (ii) Mr Cheung is entitled to a year-end fixed sum bonus on completion of his service with the Company for every 12 full months at the end of each calendar year, the amount of which is equivalent to his then 1 month salary. In the event that Mr Cheung has completed less than 12 full months' service with the Company by the end of a calendar year, his entitlement for the year-end fixed sum bonus shall be payable on a pro-rata basis.
- (iii) Mr Cheung is entitled to a discretionary bonus to be determined by the Board by reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items ("Net Profits") provided that the aggregate amount of discretionary bonuses payable to all executive Directors in respect of any financial year of the Group shall not exceed 10% of the Net Profits for the relevant financial year.
- (iv) Mr Cheung is entitled to participate in the Group's retirement plan and the Company and Mr Cheung shall each pay contributions of 10% and 5% of Mr Cheung's monthly salary.
- (v) Mr Cheung is entitled to the reimbursement of all reasonable travelling hotel and other expenses reasonably and properly incurred by him in or about the performance of his duties.

Mr Cheung shall not be entitled to receive any other salary or over-time compensation or remuneration or commission from any of the subsidiaries of the Company. Apart from the aforesaid, Mr Cheung is also eligible to participate in the Company's share option scheme. The emoluments of Mr Cheung are determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions.

Information need to be disclosed and matters need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is discloseable nor is/was Mr Cheung involved in any of the matters required to be disclosed pursuant to any of the requirement under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Cheung that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



LO'S ENVIRO-PRO HOLDINGS LIMITED

勞氏環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Plaza 1 to 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25 August 2006 at 3:00 p.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2006;
2. To re-elect the retiring Directors and to authorise the Board of Directors to fix the respective Directors' remuneration;
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT the Articles of Association of the Company be and are hereby amended in the following manner:

(I) Article 102

By deleting the existing Article 102 in its entirety and substituting therefor the following new Article 102:

‘102. The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

NOTICE OF THE ANNUAL GENERAL MEETING

- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- (vi) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- (vii) if he shall be removed from office pursuant to these Articles.’;

(II) Article 118

By deleting the existing Article 118 in its entirety and substituting therefor the following new Article 118:

- ‘118.(a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.
- (b) Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.’;

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of issued shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Cayman Islands law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meetings.”;

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Cayman Islands law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meetings;

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”;

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice convening this meeting (the “Notice”), the general mandate referred to in resolution no. 6 set out in the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution no. 5 set out in the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”; and

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (“Share Option Scheme”) of the Company adopted by the resolution of the sole shareholder of the Company passed on 24 April 2003, the existing scheme mandate limit under the Share Option Scheme be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme

NOTICE OF THE ANNUAL GENERAL MEETING

(excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution (“Refreshed Limit”) and that the Directors of the Company be and are hereby authorised to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”.

On behalf of the Board

Lo Kou Hong

Chairman

Hong Kong, 31 July, 2006

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (c) The register of members of the Company will be closed from Tuesday, 22 August 2006 to Friday, 25 August 2006, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the above annual general meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company’s Share Registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 21 August 2006.
- (d) Concerning the special resolution no. 4 set out in the above notice, approval is being sought to amend the Company’s articles of association in order to conform to the amended Appendix 3 and Appendix 13-B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The details of such amendments are set out in the Company’s circular dated 31 July 2006.
- (e) In relation to the ordinary resolutions nos. 5, 6 and 7 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.
- (f) In respect of the ordinary resolution no. 8 set out in the above notice, approval is being sought to refresh the scheme mandate limit under the Company’s existing share option scheme to give more flexibility to the Directors to grant options to eligible participants under the existing share option scheme of the Company.