
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY
AND
PROPOSED BONUS ISSUE OF SHARES OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES 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 Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Wednesday, 29 August 2007 at 2:30 p.m. is set out on pages 23 to 26 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 websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.losgroup.com).

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.

30 July 2007

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EXPECTED TIMETABLE

Year 2007

Last day of dealings in Shares cum entitlements to the Bonus Share Issue	Tuesday, 21 August
First day of dealings in Shares ex-entitlements to the Bonus Share Issue	Wednesday, 22 August
Latest time for lodging share transfers to qualify for entitlements to the Bonus Share Issue	4:30 p.m. on Thursday, 23 August
Closure of Register of Members (both days inclusive)	From Friday, 24 August to Wednesday, 29 August
Latest time for lodging forms of proxy for the Annual General Meeting	2:30 p.m. on Monday, 27 August
Record Date for determining of entitlements to the Bonus Share Issue and right to attend and vote at the Annual General Meeting	Wednesday, 29 August
Annual General Meeting	Wednesday, 29 August
Re-open of Register of Members	Thursday, 30 August
Despatch of Bonus Shares certificates	Friday, 14 September
First day of dealings in Bonus Shares	Tuesday, 18 September

Note: All times in this circular refer to Hong Kong time.

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 Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Wednesday, 29 August 2007 at 2:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 23 to 26 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Bonus Shares”	the new Shares proposed to be issued by way of bonus issue by the Company as described herein;
“Bonus Share Issue”	the proposed issue by the Company of the Bonus Shares on the basis of one Bonus Share for every Share held by the Shareholders on the Record Date upon and subject to the terms and conditions referred to in this circular;
“Buyback Mandate”	as defined in paragraph 4(a) of the Letter from the Board;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“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;
“Consideration Shares”	a total of 5,000,000 new Shares to be issued by the Company (as detailed in the Company’s announcement and circular dated 4 May 2007 and 28 May 2007 respectively);
“Current Articles of Association”	the current articles of association of the Company with the latest amendments made on 25 August 2006;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;

DEFINITIONS

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 4(b) of the Letter from the Board;
“Latest Practicable Date”	25 July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the Register of Members as at the close of business on the Record Date and whose address(es) as shown in the Register of Members of the Company on that date is(are) outside Hong Kong and in respect of whom the Directors, based on legal opinions, consider the exclusion from the Bonus Share Issue to be necessary or expedient on account either of the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Record Date”	29 August 2007, being the date for determining of entitlement to the Bonus Shares;
“SFO”	the 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);
“Share Option Scheme”	the existing share option scheme adopted by the Company on 24 April 2003;
“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.



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 Managing Director*)

Ko Lok Ping, Maria Genoveffa

Leung Tai Tsan, Charles

Cheung Pui Keung, James

Non-executive Director:

Bai Qingzhong

Independent Non-executive Directors:

Cheng Kai Tai, Allen

Chiu Wai Piu

Wang Qi

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:

3rd Floor, Caltex House

258 Hennessy Road

Wanchai

Hong Kong

30 July 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

AND

PROPOSED BONUS ISSUE OF SHARES OF THE COMPANY

AND

PROPOSED GRANTING OF GENERAL MANDATES

TO REPURCHASE SHARES AND TO ISSUE NEW SHARES 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 increase in authorised share capital of the Company; (ii) the Bonus Share Issue; (iii) the granting of the Buyback

LETTER FROM THE BOARD

Mandate to the Directors; (iv) the granting of the Issuance Mandate to the Directors; (v) 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; and (vi) the re-election of the retiring Directors.

2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 Shares. In order to provide flexibility to accommodate future expansion and growth of the Group, the Company proposes to seek the approval of the Shareholders of increasing its authorised share capital from HK\$10,000,000 to HK\$20,000,000 by creation of an additional 1,000,000,000 unissued Shares of HK\$0.01 each.

3. BONUS SHARE ISSUE

Reasons for the Bonus Share Issue

The Directors believe that the Bonus Share Issue is a return to the support of the Shareholders. The Bonus Share Issue will also allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

Basis of the Bonus Share Issue

As announced on 10 July 2007 in conjunction with the announcement of the Group's results for the year ended 31 March 2007, the Board recommended to make a bonus issue of Shares, credited as fully paid, by way of capitalisation of part of the Company's share premium account, on the basis of one Bonus Share for every one existing Share held by the Shareholders whose names appear on the Register of Members of the Company on the Record Date.

Status of Bonus Shares

The Bonus Shares will, subject to the memorandum and articles of association of the Company, rank *pari passu* in all respects with the Shares from their date of issue except that they will not rank for any dividend/distribution declared or recommended by the Company in respect of the financial year ended 31 March 2007.

Fractions of the Bonus Shares

Fractional entitlements (if any) to the Bonus Shares will not be allotted to Shareholders and will be aggregated and sold for the benefit of the Company.

LETTER FROM THE BOARD

Effect of the Bonus Share Issue on the shareholding

As at the Latest Practicable Date, the issued share capital of the Company comprised 387,680,000 Shares. On the basis that the 5,000,000 Consideration Shares are issued before the Annual General Meeting and that except for the issue of the Consideration Shares, the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, a total of 392,680,000 Bonus Shares will be issued under the Bonus Share Issue and an amount of HK\$3,926,800 from the Company's share premium account will be capitalised and applied in paying up in full of the 392,680,000 Bonus Shares. Upon allotment of the Consideration Shares and completion of the Bonus Share Issue, the total issued share capital of the Company will be enlarged to 785,360,000 Shares.

Effect of the Bonus Share Issue on the Outstanding Share Options

As at the Latest Practicable Date, share options attaching the rights to subscribe for 24,380,000 Shares granted under the Share Option Scheme remained outstanding. In accordance with the Share Option Scheme and the Listing Rules, holders of outstanding share options who have not exercised their share options prior to the Record Date will be entitled to adjustment to the exercise price and/or the number of their outstanding share options. As at the Latest Practicable Date, adjustments to the outstanding options are yet to be determined.

Conditions of the Bonus Share Issue

The Bonus Share Issue is conditional upon (i) the passing of the ordinary resolution to approve the Bonus Share Issue at the Annual General Meeting; and (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Bonus Shares.

Closure of Register of Members

The Register of Members of the Company will be closed from Friday, 24 August 2007 to Wednesday, 29 August 2007 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Bonus Share Issue and attending and voting at the Annual General Meeting, unregistered holders of shares of the Company should ensure that all transfers of shares of the Company accompanied by the relevant share certificates and the 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 Thursday, 23 August 2007.

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Trading arrangements

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonus Shares. Subject to (i) the granting of the listing of and permission to deal in the Bonus Shares on the Stock Exchange; and (ii) the compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date on which dealings in the Bonus Shares commence on the Stock Exchange or such other date as shall be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Settlement of transaction between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

The Bonus Shares will be traded in board lots of 1,000 Shares. It is expected that certificates for the Bonus Shares will be posted to Shareholders on Friday, 14 September 2007 at their own risk and the first date of dealing in Bonus Shares will be on or about Tuesday, 18 September 2007.

The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of and permission to deal in Bonus Shares on any stock exchange other than the Stock Exchange.

Stamp Duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

Shareholders resident outside Hong Kong

As at the Latest Practicable Date, none of the Shareholders as recorded on the Company's Register of Members had address(es) which is/are outside Hong Kong based on information provided by the Share Registrar of the Company.

If, as at the close of the business on the Record Date, a Shareholder's address as recorded on the Register of Members of the Company is in a place outside Hong Kong, the Shareholder may not be eligible to participate in the Bonus Share Issue. If necessary, the Board will make enquiries as to whether the Bonus Share Issue to the Overseas Shareholder(s) may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to allot the Bonus Shares to such Overseas Shareholder(s), no issue of the Bonus Shares will be made to such Overseas Shareholders. The Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the

LETTER FROM THE BOARD

Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, if the amount of the net proceeds payable to any particular Shareholder is less than HK\$50, the net proceeds will be retained by the Company instead for its own benefit and will not be paid to the Shareholders affected. Such Overseas Shareholder(s) receiving a copy of this circular outside Hong Kong may not treat the same as an invitation to participate in the Bonus Share Issue unless such invitation could lawfully be made to such Overseas Shareholder(s) without having to comply with any registration or other legal requirements in the relevant territory.

4. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 25 August 2006, the Shareholders passed, among other things, ordinary resolutions to grant to the Directors the general mandates to allot, issue and deal with not more than 60,000,000 Shares, being 20% of the total share capital of the Company in issue on the date of passing of such resolution (the “2006 Issuance Mandate”), and to repurchase its own Shares in accordance with the Listing Rules.

Pursuant to the subscription agreement entered into between the Company and The Lo’s Family Limited (the controlling Shareholder) on 6 November 2006 in relation to a top-up placing, the Company has fully utilized the 2006 Issuance Mandate by allotting and issuing a total of 60,000,000 Shares.

At the extraordinary general meeting of the Company held on 27 June 2007, the independent Shareholders passed, among other things, ordinary resolutions to grant to the Directors new general mandates to allot, issue and deal with not more than 72,536,000 Shares, being 20% of the total share capital of the Company in issue on the date of passing of such resolution (the “Refreshed Issuance Mandate”), and to repurchase its own Shares in accordance with the Listing Rules. Such mandates will lapse at the conclusion of the Annual General Meeting. As at the Latest Practicable Date, no Shares have been issued under the Refreshed Issuance Mandate.

At the Annual General Meeting, ordinary resolutions will be proposed 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 (i.e. an aggregate nominal amount of the Shares up to HK\$785,360 (equivalent to 78,536,000 Shares) on the basis that the 5,000,000 Consideration Shares are issued before the Annual General Meeting and that except for the issue of the Consideration Shares, the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “Issuance Mandate”); and

LETTER FROM THE BOARD

- (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.

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. 6 and 7 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 to this circular.

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 of the Company) 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.

Pursuant to Article 95 of the Current Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Article 112.

According to the above provisions in the Current Articles of Association and the agreement among the Board members, Mr Cheng Kai Tai, Allen, Mr Chiu Wai Piu, Mr Wang Qi and Professor Bai Qingzhong shall retire 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 Mr Cheng Kai Tai, Allen, Mr Chiu Wai Piu, Mr Wang Qi and Professor Bai Qingzhong are set out in Appendix III to 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 23 to 26 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the increase in the authorised share capital of the Company, the Bonus Share Issue, 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 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 websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.losgroup.com). 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 increase in authorised share capital of the Company, the Bonus Share Issue, the granting of the Buyback Mandate and the granting/extension of the Issuance Mandate 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 387,680,000 Shares.

Subject to the passing of the ordinary resolution no. 6 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 5,000,000 Consideration Shares are issued before the Annual General Meeting and that except for the issue of the Consideration Shares, 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 up to HK\$392,680 (equivalent to 39,268,000 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting (calculated on the above basis), 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 2007) 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

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the Buyback Mandate are set out below:

	As at the Latest Practicable Date		Immediately after full exercise of the Buyback Mandate	
	Number of issued Shares held (Note 4)	Percentage of issued share capital of the Company (Note 4)	Number of issued Shares held (Note 5)	Percentage of issued share capital of the Company (Note 5)
Director				
Ms Ko Lok Ping, Maria Genoveffa (Note 1)	600,000	0.15%	600,000	0.17%
Mr Cheung Pui Keung, James (Note 2)	140,000	0.04%	140,000	0.04%
Shareholder (Note 3)				
The Lo's Family Limited	<u>210,000,000</u>	<u>53.48%</u>	<u>210,000,000</u>	<u>59.42%</u>
	<u>210,740,000</u>	<u>53.67%</u>	<u>210,740,000</u>	<u>59.63%</u>
Public Shareholders	<u>181,940,000</u>	<u>46.33%</u>	<u>142,672,000</u>	<u>40.37%</u>
	<u><u>392,680,000</u></u>	<u><u>100.00%</u></u>	<u><u>353,412,000</u></u>	<u><u>100.00%</u></u>

Note 1: The Shares were held by Ms Ko Lok Ping, Maria Genoveffa personally.

Note 2: The Shares were held by Mr Cheung Pui Keung, James personally.

Note 3: The 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 the 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, including Ms Ko Lok Ping, Maria Genoveffa who is the wife of Dr Lo.

Note 4: Presuming that the 5,000,000 Consideration Shares have been issued as at the Latest Practicable Date. On this basis, the total issued share capital of the Company as at the Latest Practicable Date was 392,680,000 Shares.

Note 5: Presuming that the issued share capital of the Company remained at 392,680,000 Shares immediately before the full exercise of the Buyback Mandate. On this basis, the total issued share capital of the Company immediately after the full exercise of the Buyback Mandate would be 353,412,000 Shares. Presuming also that all the Shares on the full exercise of the Buyback Mandate are purchased from the public Shareholders.

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>
2006		
July	0.340	0.310
August	0.325	0.300
September	0.730	0.320
October	0.780	0.500
November	1.960	0.690
December	2.030	1.660
2007		
January	2.580	1.750
February	3.180	2.330
March	4.500	2.790
April	5.110	4.200
May	5.500	4.390
June	4.660	4.000
July (Up to the Latest Practicable Date)	4.700	3.950

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 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 aggregate equal to not less than one-tenth of the total sum paid up on all the 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) MR CHENG KAI TAI, ALLEN, AGED 43

Position and experience

Mr Cheng Kai Tai, Allen (“Mr Cheng”) is an independent non-executive Director and the Chairman of the Audit Committee and Remuneration Committee of the Company. Other than that, Mr Cheng does not hold any position in the Company or in any member of the Group. Mr Cheng was appointed as an independent non-executive Director on 26 August 2004. Mr Cheng is a qualified accountant and a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has practised as a Certified Accountant in Hong Kong for over 10 years. Mr Cheng has extensive professional experience in audit, taxation, financial management, corporate recovery and restructuring. He holds a Master degree of accountancy in Jinan University in the PRC, and is now acting as a consultant of a number of international companies with business interests in textile, retailing, metal trading and manufacturing in PRC. Mr Cheng currently serves as an independent non-executive director of Modern Beauty Salon Holdings Limited (a company listed on the main board of the Stock Exchange – Stock Code: 919).

Save as disclosed above, Mr Cheng has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Cheng, the term of office of Mr Cheng is about one year up to the date of the holding of the forthcoming annual general meeting of the Company. He 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 Cheng was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Cheng 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 letter of appointment issued by the Company to Mr Cheng, Mr Cheng is entitled to receive a fixed director's fee of HK\$120,000 per annum payable on a 12-month basis, which is determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions. Apart from the aforesaid, Mr Cheng is also eligible to participate in the Company's share option scheme. However, Mr Cheng is not eligible to participate in any bonus schemes or other benefits of the kind available to the executive Directors.

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 Cheng involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Cheng that need to be brought to the attention of the Shareholders.

(2) MR CHIU WAI PIU, AGED 60**Position and experience**

Mr Chiu Wai Piu ("Mr Chiu") is an independent non-executive Director and a member of the Audit Committee and Remuneration Committee of the Company. Other than that, Mr Chiu does not hold any position in the Company or in any member of the Group. Mr Chiu was appointed as an independent non-executive Director on 30 September 2004. He is a very experienced and reputable journalist and has over 30 years' experience in journalism. Mr Chiu has been a reporter, an editor, the main news assignment editor, the local news assignment editor, the managing editor and the editorial writer in newspapers and a senior research officer in "One Country Two Systems Research Institute". Currently, Mr Chiu is the assistant editor-in-chief in Hong Kong "Wen Wei Po". Mr Chiu has been the founding treasurer and the second-session chairman of the "Hong Kong Federation of Journalists". In 2006, he was elected as the Vice Secretary-General & Treasurer in the new session of re-election of committee members of the "Hong Kong Federation of Journalists". Mr Chiu has, for many years, devoted himself wholeheartedly in boosting cooperation among local journalists, enhancing professional conduct of journalists and developing the relationship and advocating the interchange of knowledge between journalists in Hong Kong and Mainland China. Mr Chiu's great contribution in this field is highly praised and recognized.

Mr Chiu has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Chiu, the term of office of Mr Chiu is about one year up to the date of the holding of the forthcoming annual general meeting of the Company. He 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 Chiu was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Chiu 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 letter of appointment issued by the Company to Mr Chiu, Mr Chiu is entitled to receive a fixed director's fee of HK\$120,000 per annum payable on a 12-month basis, which is determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions. Apart from the aforesaid, Mr Chiu is also eligible to participate in the Company's share option scheme. However, Mr Chiu is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

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 Chiu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Chiu that need to be brought to the attention of the Shareholders.

(3) MR WANG QI, AGED 52**Position and experience**

Mr Wang Qi (“Mr Wang”) has been an independent non-executive Director and a member of the Audit Committee and Remuneration Committee of the Company since 26 August 2006. Other than that, Mr Wang does not hold any position in the Company or in any member of the Group. Mr Wang is a director of TianChuang Property Co Ltd. (a company listed in The Shanghai Stock Exchange – Stock Code: 600791) engaging in property development in Beijing. Mr Wang is also the general manager of TianChuang Science and Technology Development Co. Ltd., engaging in investment of technologically related businesses. Mr Wang is a qualified Senior Engineer and has over 20 years of experience in business management. He was a senior investment manager of China Commercial Construction Development Company from 1989 to 2000 and was responsible for the investment and listing projects of various companies in the Mainland China. Mr Wang also served as an Executive Officer to manage some of the investment projects of Hong Kong Regal Hotel Group from 1997 to 2000 and New World Group from 1993 to 2000 in the Mainland China. In addition, Mr Wang has devoted himself in developing the business connection and communication between Hong Kong and the Mainland China in the field of business management and investment.

Save as disclosed above, Mr Wang has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Wang, the term of office of Mr Wang is about one year up to the date of the holding of the forthcoming annual general meeting of the Company. He 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 Wang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Wang 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 letter of appointment issued by the Company to Mr Wang, Mr Wang is entitled to receive a fixed director's fee of HK\$120,000 per annum payable on a 12-month basis, which is determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions. Apart from the aforesaid, Mr Wang is also eligible to participate in the Company's share option scheme. However, Mr Wang is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

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 Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr Wang that need to be brought to the attention of the Shareholders.

(4) PROFESSOR BAI QINGZHONG, AGED 62**Position and experience**

Professor Bai Qingzhong ("Professor Bai") has been a non-executive Director since 23 July 2007. Other than that, Professor Bai does not hold any position in the Company or in any member of the Group. Professor Bai is a professor of Tsinghua University. He graduated from Tsinghua University in 1970, and further studied in Imperial College of London as a senior visiting scholar from 1994 to 1995. Professor Bai has strong academic qualifications and extensive management experience.

Professor Bai has served as deputy director of the Department of Environment Science and Engineering of Tsinghua University. Currently, Professor Bai is the president of Beijing Guohuan Tsinghua Environmental Engineering Design & Research Institute, the director of Environment Impact Assessment Division of Tsinghua University and the chief secretary of the Committee of Solid Wastes Disposal and Utilization of China Association of Environmental Protection Industry. He has engaged in the work of environmental protection for more than 30 years, accomplished various major technological research projects of the State and won various awards.

Professor Bai participated in the project of "The Research on Sewage Disposal and Reutilization in North China Cities" in the sixth Five-year State Plan and won the "Scientific and Technological Progress Award (Class 1)" granted by the State Education Commission. He took charge of and completed the project of "The Selection, Research

and Production of Waterproof and Non-Leakage Landfill Materials” in the eighth Five-year State Plan and won the “Scientific and Technological Progress Award (Class 2)” granted by Ministry of Education. He participated in the work of research and design of the hazardous wastes landfill in Shenzhen, which was the first landfill in the State complying with international standards and won the “Scientific and Technological Progress Award (Class 3)” granted by the State Environmental Protection Administration. He took charge of and completed the project of “The State’s Implementation Plan on the Management of Hazardous Wastes and the Research on Decision Support Information System” in the ninth Five-year State Plan and won the “Scientific and Technological Progress Award (Class 3)” granted by the Municipality of Beijing. He participated in the completion of the State 863 Project of “Technological Research on Recycling and Comprehensive Utilization of Obsolete Electric Appliance” and the State’s key scientific and technological project of “Research on Technological Standard of Environmental Engineering Service”. He also participated in and accomplished the feasibility, development and design works on various projects of landfill and incineration of urban, medical and hazardous wastes.

Professor Bai has published more than 50 theses and compiled the Volume on Solid Wastes of “Handbook on Engineering Technology of Disposal of the Three Kinds of Wastes”, and was awarded the title of “Outstanding Technological Researcher” granted by Chinese Society For Environmental Sciences.

Professor Bai has not held any directorships in any other listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Professor Bai, the term of office of Professor Bai is about one year up to the date of the holding of the 2008 annual general meeting of the Company. He 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, Professor Bai was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Professor Bai 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 letter of appointment issued by the Company to Professor Bai, Professor Bai is entitled to receive a fixed director's fee of HK\$120,000 per annum payable on a 12-month basis, which is determined by the Board by reference to his skills and experience, time commitment, the remuneration benchmark in the industry and the prevailing market conditions. Apart from the aforesaid, Professor Bai is also eligible to participate in the Company's share option scheme. However, Professor Bai is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

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 Professor Bai involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Professor Bai that need to be brought to the attention of the Shareholders.



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 Lo's Enviro-Pro Holdings Limited (the "Company") will be held at Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Wednesday, 29 August 2007 at 2:30 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 2007;
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 an ordinary resolution:

"THAT the authorised share capital of the Company be increased from HK\$10,000,000 to HK\$20,000,000 by the creation of an additional 1,000,000,000 new unissued shares of HK\$0.01 each in the capital of the Company.";

5. 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 (the "Stock Exchange") granting the listing of, and permission to deal in the new shares of HK\$0.01 each in the capital of the Company (the "Shares") to be issued pursuant to this resolution:

- (a) the amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new Shares (the "Bonus Shares"), such Bonus Shares, credited as fully paid, to be allotted and distributed (subject as referred to in paragraph (b) below) among shareholders of the Company whose names appear on the Register of Members of the Company at the close of business on 29 August 2007 (the "Record Date") on the basis of one Bonus Share for every existing Share held by the shareholders

NOTICE OF THE ANNUAL GENERAL MEETING

of the Company on the Record Date, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares;

- (b) no fractional Bonus Shares shall be allotted to shareholders of the Company and fractional entitlements (if any) will be aggregated and sold for the benefit of the Company;
 - (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall rank pari passu in all respects with the existing issued Shares as at the date of issuing such Bonus Shares except that they will not rank for the bonus issue of shares mentioned in this resolution; and
 - (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in paragraph (a) of this resolution.”;
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 (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
- (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 articles of association of the Company or the Cayman Islands laws 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 meeting.”;

NOTICE OF THE ANNUAL GENERAL MEETING

7. 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

- (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 articles of association of the Company or the Cayman Islands laws 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 meeting;

NOTICE OF THE ANNUAL GENERAL MEETING

“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).”; and

8. 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. 6 and 7 set out in the notice convening this meeting (the “Notice”), the general mandate referred to in resolution no. 7 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. 6 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.”.

On behalf of the Board
Lo Kou Hong
Chairman

Hong Kong, 30 July 2007

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 Friday, 24 August 2007 to Wednesday, 29 August 2007, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed bonus issue of shares of the Company and attending and voting at the above meeting of the Company, unregistered holders of shares of the Company should ensure that 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 Thursday, 23 August 2007.
- (d) In relation to the ordinary resolutions nos. 6, 7 and 8 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.