

商界展關懷

caringcompany 2005/06

Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Lo's Cleaning Services Ltd, a wholly-owned subsidiary of Lo's Enviro-Pro Holdings Ltd, was again awarded "Caring Company 2005/2006" by the Hong Kong Council of Social Service.

Dear Shareholders,

The Board of Directors (the "Board") of Lo's Enviro-Pro Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") announces the annual results of the Company and its subsidiaries for the year ended 31 March 2006. The Group recorded a loss of HK\$4,557,000 as compared with a net profit of HK\$1,917,000 last year. Revenue for the year was approximately HK\$183,339,000 representing a slight increase of 2.8% comparing with HK\$178,285,000 of last year.

OPERATING REVIEW

2005/2006 continued to be a challenging year for the Group. The businesses suffered firstly as a result of the fierce competition in general cleaning services which in turn led to a stringent profit margin and secondly, the gradual up-rising of operating costs and labour wages with the gradual recovery of the economy. Notwithstanding these challenges and the difficult environment, the Group still regards cleaning services as its core business.

To keep pace with the Group's policy of diversifying its businesses and to broaden the revenue base, Mak Tai Construction & Engineering Ltd, a subsidiary of the Group, provided renovation and maintenance works to various properties and in addition, through an associated company, the Group obtained the sole agency of a celebrated Italian brand of stone maintenance and care products in Mainland China, Hong Kong and Macau.

INTERNAL CONTROL

Coupled with the above diversification of businesses, the Group continued the implementation of financial and cost control. The board and senior management are committed to ensuring that the businesses are under timely and effective supervision so as to retain our competitive edge and maintain our market share.

CHAIRMAN'S STATEMENT

OUTLOOK

The Board is confident that the economy of Hong Kong and Mainland China will maintain growth in the coming year. The Group is adapting to the ever changing business environment and is formulating business plans which will place the Group in a good position to seize any new development opportunities. The Board is cautiously optimistic in the businesses for 2006/2007.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to our shareholders, customers and business partners for their continued support and to all of our staff for their untiring effort and contribution during the year.

Lo Kou Hong
Chairman