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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in LUKS INDUSTRIAL (GROUP) LIMITED, you should at once hand this circular to the purchaser or transferee or to the bank, a stockbroker or other registered dealer in securities or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LUKS INDUSTRIAL (GROUP) LIMITED

陸氏實業(集團)有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 366)

CIRCULAR ON
GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
RE-ELECTION OF DIRECTORS
AND
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING

This circular explains the General Issue Mandate and the Repurchase Mandate to be passed as ordinary resolutions and re-election of directors and proposed change of company name to be passed as special resolutions at the Annual General Meeting of the Company to be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong at 3:00 p.m. on 16 May 2007.

A notice convening the Annual General Meeting is set out on pages 15 to 17 of this circular and a form of proxy for use at the Annual General Meeting is enclosed together with this circular.

18 April 2007

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong at 3:00 p.m. on Wednesday, 16 May 2007
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Luks Industrial (Group) Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Extension Mandate”	The proposed general mandate to be sought at the Annual General Meeting to authorise the Directors to extend the General Issue Mandate and the Repurchase Mandate in the manner as set out in the notice of Annual General Meeting
“General Issue Mandate”	the proposed mandate to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate
“Latest Practicable Date”	17 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the proposed general mandate to be sought at the Annual General Meeting to authorise the Directors to repurchase Shares in the manner as set out in the notice of Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“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
“Vietnam”	The Socialist Republic of Vietnam

LETTER FROM THE CHAIRMAN



LUKS INDUSTRIAL (GROUP) LIMITED

陸氏實業(集團)有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 366)

Executive Directors:

Luk King Tin (*Chairman*)

Cheng Cheung

Luk Yan

Fan Chiu Tat, Martin

Luk Fung

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Liang Fang

Liu Li Yuan

Tam Kan Wing

Principal place of business:

5/F., Cheong Wah Factory Building

39-41 Sheung Heung Road

Tokwawan, Kowloon, Hong Kong

Company Secretary:

Fan Chiu Tat, Martin

18 April 2007

To: the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
RE-ELECTION OF DIRECTORS
AND
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information with regard to the resolutions to be proposed at the Annual General Meeting relating to, among other matters:

- (a) the granting to the Directors the General Issue Mandate, the Repurchase Mandate and Extension Mandate;

LETTER FROM THE CHAIRMAN

- (b) re-election of Directors; and
- (c) proposed change of Company name.

GENERAL ISSUE MANDATE

It is proposed that the General Issue Mandate be granted to the Directors to issue new Shares up to 20 per cent of the aggregate nominal amount of Shares in issue as at the date of passing the relevant resolution. There is however no present intention for any issuance of Shares pursuant to the General Issue Mandate to be granted.

As at the Latest Practicable Date, the issued share capital of the Company comprised 513,005,418 Shares. Assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the passing of the resolution approving the General Issue Mandate, the maximum number of Shares which may be issued pursuant to the General Issue Mandate on the date of passing the resolution will be 102,601,083 Shares.

GENERAL MANDATE FOR REPURCHASE BY THE COMPANY OF ITS OWN SHARES

On 18 May 2006, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares granted in the last annual general meeting which will lapse at the conclusion of the forthcoming Annual General Meeting of the Company. An ordinary resolution will therefore be proposed at the Annual General Meeting to approve the grant of a general mandate to the Directors to repurchase on Stock Exchange Shares of the Company up to a maximum of 10% of the issued Shares of the Company at the date of passing the resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 513,005,418 Shares. Assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the passing of the resolution approving the Repurchase Mandate, the maximum number of Shares which may be issued pursuant to the Repurchase Mandate on the date of passing the resolution will be 51,300,541 Shares.

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules on the Stock Exchange concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out in the Appendix II to this circular.

GENERAL EXTENSION MANDATE

It is recommended that a new Extension Mandate be granted to the Directors permitting them, after the grant of the Repurchase Mandate to add to the General Issue Mandate any Shares representing the aggregate nominal value of the Shares in the Company repurchased pursuant to the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

The authority conferred on the Directors by the General Issue Mandate, the Repurchase Mandate and the Extension Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “Luks Industrial (Group) Limited 陸氏實業(集團)有限公司” to “Luks Group (Vietnam Holdings) Company Limited 陸氏集團(越南控股)有限公司”. The change of name of the Company shall become effective after the approval by the Shareholders by way of a special resolution at the Annual General Meeting and the Registrar of Companies in Bermuda granting approval for the change of name of the Company. Relevant filing will also be made with the Companies Registry in Hong Kong for the change of name of the Company.

REASONS FOR THE CHANGE OF NAME

The Company started as an industrial company engaging in electronics manufacturing business since it was established in 1975 and thus has adopted the name including “Industrial” in it. Today, the Company has successfully transformed into a holding company with its principal subsidiaries situated in Vietnam, engaging in cement manufacturing and property investment and development business. For the year ended 31 December 2006, the Group had over 95% of its income generated from Vietnam and its major assets are also located in Vietnam. The proposed new name of the Company not only can more accurately reflect the nature and business of the Group, but it can also give investors a clear perception of the strategy and future development of the Group.

SHARE CERTIFICATES

The share certificates bearing the Company’s existing name will continue to be evidence of title and valid for trading, settlement and registration purposes. There will not be any arrangements for free exchange of existing share certificates for new share certificates under the new name of the Company. However, only new share certificates of the Company will be issued under the new name of the Company after the change of its name has become effective. A further announcement will be made once the change of name of the Company becomes effective and on any proposed change in the stock trading name of the Company.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held on Wednesday, 16 May 2007 at 3:00 p.m. at Jade Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong is set out as Appendix III on pages 15 to 17 of this circular and a form of proxy for use at the Annual General Meeting is herein enclosed. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company’s principal place of business in Hong Kong in accordance with the instructions printed thereon not later than 48 hours before the time for

LETTER FROM THE CHAIRMAN

holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the Annual General Meeting if they so wish.

DEMAND BY POLL

Pursuant to Bye-Law 66 of the existing Bye-Laws, at any general meeting, a poll may be demanded in respect of a resolution put to the vote at the meeting by:–

- (a) the chairman of such meeting; or
- (b) at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a member or members present in person (or in the case of a member 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 members having the right to vote at the meeting; or
- (d) a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares in which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RE-ELECTION OF DIRECTORS

In accordance with the Code of Corporate Governance Practices under the Listing Rules, all independent non-executive Directors of the Company, including Mr. Liang Fang, Mr. Liu Li Yuan and Mr. Tam Kan Wing will retire and be eligible for re-election as independent non-executive Directors of the Company at the Annual General Meeting.

In accordance with Article 87 of the Bye-laws, Mr. Luk Yan and Mr. Fan Chiu Tat Martin will retire by rotation and will be eligible for re-election as executive Directors of the Company at the Annual General Meeting.

Biographical details of the above Directors are set out in Appendix I to this circular.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors consider that the granting of the General Issue Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of Directors of the Company and the proposed change of name of the Company are in the best interests of the Company and Shareholders and accordingly recommend that you should vote in favour of the resolutions referred to above to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
Luk King Tin
Chairman

This Appendix contains the biographical details of the Directors eligible to re-election at the Annual General Meeting that are required by the Listing Rules to be disclosed to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the re-election of Directors.

Mr. Liang Fang, aged 55, is an independent non-executive Director of the Company and a member of the Company's audit committee. Mr. Liang graduated from the Massachusetts Institute of Technology of the USA with a MBA degree. Mr. Liang is currently the President of Asia of Freeborders Limited.

Mr. Liang does not have any interest in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO, Mr. Liang has not entered into any service contract with the Company.

Mr. Liang is subject to retirement by rotation and re-election in accordance with the Bye-laws and in accordance with the Code of Corporate Governance Practices under the Listing Rules. The amount of director's remuneration paid to Mr. Liang by the Company for the year of 2006 was HK\$100,000 and he is not entitled to any bonus payments. The remuneration of Mr. Liang is fixed with reference to his experience, responsibilities in the Company and prevailing market level of remuneration.

Mr. Liang is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Except for the aforesaid appointment, Mr. Liang does not hold any position with the Company nor any subsidiaries of the Company. Save as disclosed, there is no information to be disclosed pursuant to (h) to (v) of rule 13.51(2) under the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Liu Li Yuan, aged 56, is an independent non-executive Director of the Company. Mr. Liu is a graduate with a Diploma from the Faculty of Law of the University of Beijing. He is currently a Managing Director of a property investment and management company in the People's Republic of China.

Mr. Liu does not have any interest in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. Mr. Liu has not entered into any service contract with the Company.

Mr. Liu is subject to retirement by rotation and re-election in accordance with the Bye-laws and in accordance with the Code of Corporate Governance Practices under the Listing Rules. The amount of director's remuneration paid to Mr. Liu by the Company for the year of 2006 was HK\$100,000 and he is not entitled to any bonus payments. The remuneration of Mr. Liu is fixed with reference to his experience, responsibilities in the Company and prevailing market level of remuneration.

Mr. Liu is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Except for the aforesaid appointment, Mr. Liu does not hold any position with the Company nor any subsidiaries of the Company. Save as

disclosed, there is no information to be disclosed pursuant to (h) to (v) of rule 13.51(2) under the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Tam Kan Wing, aged 41, has more than 18 years of experience in auditing, taxation, finance and accounting fields. He is currently the sole proprietor of K.W. Tam & Co., a CPA firm in Hong Kong. He holds a Bachelor's degree of Arts in Accountancy from the City University of Hong Kong. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and Taxation Institute of Hong Kong.

Mr. Tam does not have any interest in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. Mr. Tam has not entered into any service contract with the Company.

Mr. Tam is subject to retirement by rotation and re-election in accordance with the Bye-laws and in accordance with the Code of Corporate Governance Practices under the Listing Rules. The amount of director's remuneration paid to Mr. Tam by the Company for the year of 2006 was HK\$100,000 and he is not entitled to any bonus payments. The remuneration of Mr. Tam is fixed with reference to his experience, responsibilities in the Company and prevailing market level of remuneration.

Mr. Tam is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Except for the aforesaid appointment, Mr. Tam does not hold any position with the Company nor any subsidiaries of the Company. Save as disclosed, there is no information to be disclosed pursuant to (h) to (v) of rule 13.51(2) under the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Luk Yan, aged 42, is an executive Director of the Company. He is currently responsible for the Group's property investments and management in Vietnam. He has been with the Group for 17 years.

Mr. Luk Yan has a personal interest and a family interest of 6,370,800 Shares and 174,000 Shares respectively of the Company as at the Latest Practicable Date. Save as disclosed, Mr. Luk Yan does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Luk Yan has not entered into any service contract with the Company and is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. The remuneration payable to Mr. Luk Yan will be fixed by the Board, with reference to his experience, responsibilities in the Company and prevailing market level of remuneration. Mr. Luk Yan will receive a director's fee of HK\$100,000 for the year ended 31 December 2006.

Mr. Luk Yan is a son of Mr. Luk King Tin and Madam Cheng Cheung, the Chairman and an executive Director of the Company respectively. Mr. Luk King Tin and Madam Cheng Cheung are also the substantial Shareholders of the Company. Mr. Luk Yan is the elder brother of Mr. Luk Fung, an executive Director of the Company.

Mr. Fan Chiu Tat, Martin, aged 40 is an executive Director and the Company Secretary of the Company. He graduated from the University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. Mr. Fan is also the Financial Controller of the Company. He has been with the Group for 17 years.

As at the Latest Practicable Date, Mr. Fan holds 3,500,000 ordinary shares of the Company. Save as disclosed, Mr. Fan does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Fan has not entered into any service contract with the Company nor has any specific length of appointment but he is subject to retirement by rotation and re-election in accordance with the Bye-laws.

The remuneration payable to Mr. Fan will be fixed by the Board, with reference to his experience, responsibilities in the Company and prevailing market level of remuneration. Mr. Fan will receive a director's fee of HK\$100,000 for the year ended 31 December 2006.

Mr. Fan is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Save as disclosed, there is no information to be disclosed pursuant to (h) to (v) of rule 13.51(2) under the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders of the Company.

This explanatory statement contains all the information required pursuant to rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

THE SHARE REPURCHASE RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions. In this regard, the definition of “Shares” in the Listing Rules would, include shares of all classes and securities which carry a right to subscribe or purchase Shares of the Company.

EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 513,005,418 existing Shares of the Company in issue as at the Latest Practicable Date and on the basis that no new Shares of the Company are issued or repurchased prior to the date of the resolution approving the Repurchase Mandate could accordingly result in up to 51,300,541 Shares of the Company being repurchased by the Company during the course of the period from the date of resolution granting the Repurchase Mandate until the earlier of the conclusion of the first annual general meeting of the Company following the passing of the said resolution or the revocation or variation of the existing repurchase mandate by Shareholders of the Company in general meeting.

The Directors would like to draw the attention of the Shareholders as regards the amendments to the Listing Rules promulgated by the Stock Exchange as announced on 30 January 2004 and in particular those amendments made to paragraph 10.06(2) on “Dealing Restrictions”. Upon the taking effect of the amendments to the Listing Rules on 31 March 2004, major changes in relation to repurchase by the Company of its securities in the market are as follows:

1. The restriction to repurchase by the Company in any one calendar month of not more than 25% of the total number of a certain kind of Shares which were traded on the Stock Exchange in the preceding calendar month is cancelled;
2. The Company shall not purchase its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which Shares would be traded on the Stock Exchange;
3. The Company shall not purchase Shares during the period of 1 month immediately preceding the earlier of
 - 3.1 the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any yearly, half-yearly, quarterly or any other interim period (whether or not required under the Listing Rules); and

- 3.2 the deadline for the Company to publish an announcement of its results for any yearly or half-yearly under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules).

and ending on the date of the results announcement unless the circumstances are exceptional.

Shareholders are advised to refer to the new Listing Rules for details.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares of the Company in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

Repurchases must be funded entirely from the Company's available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the Bye-laws of the Company and the applicable laws of Hong Kong and Bermuda. Under Bermuda law, no Shares shall be repurchased except out of the capital paid up therein or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares. If a premium is payable, it shall be provided for out of fund of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

On the basis of the combined net tangible assets of the Group as at 31st December 2006, being the balance sheet date for the latest published audited accounts of the Company and taking into account the current working capital position of the Company, the Directors consider that no material adverse effect on the working capital and gearing position of the Company may result in the event that the Repurchase Mandate was to be exercised in full in the period before the Repurchase Mandate expires. The Directors however do not propose to exercise the Repurchase 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.

GENERAL

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, any associates of any Director, have any present intention in the event that the Repurchase Mandate is approved by Shareholders to sell any of the Shares of the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If, as a result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Assuming that there is a Share repurchase, Mr. Luk's interest in the shares of the Company will increase to about 66.53% of the Company's total issued shares.

As at the Latest Practicable Date, the following person holds more than 10% of the entire issued share capital of the Company:—

Name	Shares
Luk King Tin ("Mr. Luk")	307,162,184
(including Shares in the name of	59.88%
KT (Holdings) Limited and his family interest) (<i>Note</i>)	

Note:

The interest includes:

- (1) Mr. Luk's personal interest in 195,011,286 Shares (representing 38.01% of the total issued shares of the Company).
- (2) Mr. Luk's corporate interest in K T (Holdings) Limited (a company which is 100% beneficially owned by Mr. Luk) which held 57,226,071 Shares (representing 11.16% of total issued shares of the Company).
- (3) Mr. Luk's family interest is held by his wife, Madam Cheng Cheung. Madam Cheng has a personal interest in 18,012,800 Shares (representing 3.51% of the total issued shares of the Company) and through CC (Holdings) Ltd. (a company which is 100% beneficially owned by Madam Cheng Cheung) holds 36,912,027 Shares (representing 7.20% of the total issued shares of the Company).

Apart from the said persons, the Directors are not aware of any single Shareholder who holds more than 10% of the issued Share capital of the Company.

The Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate will have under the Takeovers Code and so far as is known to the Directors, no other Shareholders of the Company at present may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase the Company's Shares pursuant to the Repurchase Mandate.

APPENDIX II**EXPLANATORY STATEMENT ON
REPURCHASE OF THE COMPANY'S SHARES**

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 of the Company, or has undertaken not to do so, if the Repurchase Mandate was approved by Shareholders.

The Company has not repurchased any of its Shares, whether on the Stock Exchange or otherwise, during the previous six months.

The highest and lowest prices at which the Shares of the Company have traded on the Stock Exchange for the twelve months preceding the Latest Practicable Date:–

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2006	1.45	1.15
May 2006	1.37	1.12
June 2006	1.36	1.27
July 2006	1.96	1.34
August 2006	2.33	1.69
September 2006	2.82	2.22
October 2006	4.01	2.11
November 2006	4.80	3.26
December 2006	3.94	3.36
January 2007	5.25	3.37
February 2007	5.62	4.71
March 2007	5.31	4.26

**LUKS INDUSTRIAL (GROUP) LIMITED**

陸氏實業(集團)有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 366)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Jade Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 16 May, 2007 at 3:00 p.m. to transact the following ordinary business:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2006.
2. To declare a final dividend for the year ended 31st December, 2006.
3. To re-elect retiring Directors and to authorise the Board of Directors to fix the remuneration of the Directors.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

and by way of special business to consider, and if thought fit, pass with or without amendments the following resolutions as:

Ordinary Resolutions

5. “**THAT** the Directors be and are hereby granted an unconditional general mandate to repurchase Shares issued by the Company in accordance with all applicable laws and subject to the following conditions:
 - (a) such mandate should not extend beyond the Relevant Period (defined in subparagraph (c) below);
 - (b) the aggregate nominal amount of Shares purchased or agreed conditionally or unconditionally to be purchased by the Directors of the Company pursuant to this Resolution should not exceed 10% of the aggregate nominal amount of the Shares of the Company in issue at the date of passing of this Resolution; and
 - (c) for the purpose 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 Bye-laws of the Company or any applicable law of Bermuda to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
- 6. **“THAT** the Directors be and are hereby granted an unconditional general mandate to issue and allot additional Shares in the capital of the Company or securities convertible into Shares, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate should not extend beyond the Relevant Period (defined in subparagraph (c) below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors, otherwise than pursuant to a Rights Issue (as defined in subparagraph (c) below) or pursuant to the grant or exercise of options issued under any share option scheme adopted by the Company or pursuant to any scrip dividend scheme or with the consent of the Company in general meeting, should not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
 - (c) for the purpose 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 Bye-laws of the Company or any applicable law of Bermuda to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company 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 exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT** the general mandate granted to the Directors to issue and dispose of additional Shares pursuant to Ordinary Resolution 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 5 set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this Resolution.”

A Special Resolutions

8. “**THAT** subject to the approval of the Registrar of Companies in Bermuda, the name of the Company be changed from “Luks Industrial (Group) Limited 陸氏實業(集團)有限公司” to “Luks Group (Vietnam Holdings) Company Limited 陸氏集團(越南控股)有限公司” is hereby approved and the Director(s) and is hereby authorized to do such act and execute such document to effect the change of name of the Company”.

By Order of the Board
Martin Fan
Company Secretary

Hong Kong, 18 April 2007

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, 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 thereof, must be deposited at the Company’s principal place of business at 5/F., Cheong Wah Factory Building, 39-41 Sheung Heung Road, Tokwawan, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting (as the case may be).
- (3) The Register of Members will be closed from 14 May, 2007 to 16 May, 2007, both dates inclusive, during which period no transfers of shares will be effected. To determine entitlements to the proposed final dividend and the voting right in the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, Tengis Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on 11 May, 2007.
- (4) With regard to Ordinary Resolutions 6 and 7 above, the Directors wish to state that they have no immediate plans to issue any new Shares of the Company.
- (5) With respect to Special Resolution 8 above, the Board considers the proposed change of name of the Company will reflect the nature and business of the Group more accurately and give investors a clear perception of the strategy and future development of the Group.