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**Ko Yo Ecological Agrotech (Group) Limited**

**玖源生態農業科技(集團)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8042)**

**DESPATCH OF CIRCULAR RELATING TO  
VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION;  
APPLICATION FOR WHITEWASH WAIVER;  
PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL;  
PROPOSED SUBDIVISION OF SHARES OF HK\$0.10 EACH INTO  
FIVE SHARES OF HK\$0.02 EACH; AND  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
EXPECTED TIMETABLE IN RELATION TO PROPOSED SUBDIVISION  
OF SHARES OF HK\$0.10 EACH INTO FIVE SHARES OF HK\$0.02 EACH**

Reference is made to the press announcement of the Company dated 21 September 2007 (the “**Announcement**”) in relation to, among other things, the Acquisition, the Whitewash Waiver, proposed increase of authorised share capital of the Company, the Share Subdivision and proposed change in board lot size. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

**DESPATCH OF CIRCULAR**

The Board is pleased to announce that the circular setting out, amongst other things, (i) further details of the terms of the Sale and Purchase Agreement, the Whitewash Waiver, the proposed increase in authorised share capital of the Company, the Share Subdivision, the trading arrangements in respect of the Subdivided Shares and the procedure for the free exchange of existing share certificates of the Company; (ii) the recommendation from the independent board committee of the Company in respect of the Sale and Purchase Agreement and the Whitewash Waiver; (iii) the letter of advice from independent financial adviser to the independent board committee and the

independent shareholders of the Company, Optima Capital Limited, in relation to the terms of the Sale and Purchase Agreement and the Whitewash Waiver; and (iv) a notice to convene the EGM at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Sale and Purchase Agreement, the Whitewash Waiver, the proposed increase in authorised share capital of the Company and the Share Subdivision has been despatched on 7 December 2007.

## **EXPECTED TIMETABLE**

The Board is pleased to announce that timetable regarding the Share Subdivision has been fixed, which is set out below.

The expected timetable for the Share Subdivision and the relevant trading arrangements for the change in board lot size are set out below:

2007

Latest time for lodging forms of proxy for the EGM .....	10:00 a.m. on Saturday, 22 December
EGM .....	10:00 a.m. on Monday, 24 December
Announcement of the results of the EGM .....	Thursday, 27 December
Effective date for the Share Subdivision .....	Thursday, 27 December
Dealings in the Subdivided Shares commence .....	9:30 a.m. on Thursday, 27 December
Original counter for trading in the Shares in board lot of 5,000 Shares each closes and temporary counter for trading in the Subdivided Shares in board lot of 25,000 Subdivided Shares each (in the form of existing share certificates) opens .....	9:30 a.m. on Thursday, 27 December
First day of free exchange of existing share certificates in board lot of 5,000 Shares each for new share certificates in board lot of 20,000 Subdivided Shares each .....	Thursday, 27 December

Original counter for trading in  
the Subdivided Shares in board lot of  
20,000 Subdivided Shares each (in the  
form of new share certificates) reopens .....9:30 a.m. on Friday, 11 January

Parallel trading in the Subdivided Shares  
(in the form of existing share certificates  
and new share certificates) commences .....9:30 a.m. on Friday, 11 January

Temporary counter for trading in  
the Subdivided Shares in board lot of  
25,000 Subdivided Shares (in the form  
of existing share certificates) closes .....4:00 p.m. on Friday, 1 February

Parallel trading in the Subdivided Shares  
(in the form of existing share certificates  
and new share certificates) ends .....4:00 p.m. on Friday, 1 February

Last day for free exchange of existing share  
certificates in board lot of 5,000 Shares each  
for new share certificates in board  
lot of 20,000 Subdivided Shares each .....Monday, 11 February

Matching service for the sale and purchase  
of odd lots of subdivided Shares .....from Friday, 11 January 2008  
to Friday, 1 February 2008

Further announcement will be made if there are any changes to the above timetable.  
All time references above refer to Hong Kong time.

By order of the Board  
**Koyo Ecological Agrotech (Group) Limited**  
**Li Weiruo**  
*Chairman*

Hong Kong, 7 December 2007

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, being Mr. Li Weiruo, Mr. Yuan Bai, Ms. Chi Chuan, Ms. Man Au Vivian, Mr. Li Shengdi and three independent non-executive directors of Mr. Hu Xiaoping, Mr. Woo Che-wor, Alex and Mr. Qian Laizhong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and the website of the Company at [www.koyochem.com](http://www.koyochem.com).*