



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED
縱橫財經公關顧問(中國)有限公司

[For Immediate Release]



LO'S ENVIRO-PRO ANNOUNCES 2006 INTERIM RESULTS

EXPANDS INTO MAINLAND MEDICAL WASTE MARKET TO CREATE NEW SOURCE OF REVENUE

(Hong Kong, 15 December 2006) – Lo's Enviro-Pro Holdings Limited ("Lo's Enviro-Pro" or the "Company") (stock code: 309) today announced its interim results for the six months ended 30 September 2006. The Company's turnover reached approximately HK\$87.16 million, and a loss attributable to equity holder of the Company of approximately HK\$17.60 million was recorded. The loss was mainly attributable to the unfruitful development of Mak Tai Construction and Engineering Ltd., a subsidiary of the Company operating the business of renovation and repairs works projects. In light of the complexity of doing business in renovation and repairs works projects, the Company would not take on any further jobs after completing its current portfolio.

As the local economy improves, unemployment rate has lowered. At the same time, the Government has launched a Wage Protection Movement for cleaning and security service workers. These factors have pushed up the wages of cleaning workers. And as fierce competition still prevails in the cleaning services sector, the growth in number of contracts and turnover has been limited.

However, the Company has prepared in advance for the impacts of higher staff costs and started a re-engineering exercise to reduce service cost, develop effective service structures and tighten human resources management as well as upgrade IT support.

Dr. Lo Kou Hong, Chairman of Lo's Enviro-Pro, said, "Building on the 25 years of experience we have in providing all round cleaning services in Hong Kong, we will actively expand the scope of our businesses to cover medical waste treatment in the PRC, which has huge development potential. Lo's is ready to march into a new era of growth."

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The Company's first step in developing the new business is to form a joint venture with Tsinghua Daring (HK) Holdings Ltd. to help China process medical waste in an environmentally friendly and more economical way. The initial investment of the joint venture is HK\$80 million for setting up centralized medical waste processing centres that use a patented steam-sterilization technology in eight cities in Mainland China. Other than incineration, the technology is the only medical waste processing method approved by the China's State Environmental Protection Administration.

The potential of this new line of business is enormous because the Chinese Government is resolved in establishing a program to ensure that medical waste is disposed systematically and safely including introducing relevant regulations. The State Council approved and issued the "Medical Waste Management Regulations" and related laws in June 2003. The provision requires all prefecture-level cities and county-level cities to centralize medical waste processing. By the end of 2005, there were still 690 cities that had not yet set up their centralized medical waste processing centres

Dr. Lo concluded, "As the economy continues to improve, so has the demand for higher quality cleaning services. We firmly believe we have the management expertise and ability to provide a comprehensive range of cleaning services that can strengthen our industry leadership in Hong Kong. At the same time, diversifying into medical waste disposal business in the PRC will provide Lo's with a new source of revenue and in turn help to enhance shareholder's value."

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About Lo's Enviro-Pro Holdings Limited

On top of 25 years of experience in cleaning and pest-control services in Hong Kong, Lo's Enviro-Pro Holdings is diversifying into the specialized area of processing medical waste in China to bask in the country's rising awareness and urgent need for environment protection. The Company was awarded the ISO 9001, ISO 14001 and OHSAS 18001 for its quality service in 2002.

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