

**[For Immediate Release]**



**LO'S ENVIRO-PRO ANNOUNCES  
 ACQUISITION OF A WASTE TREATMENT BUSINESS IN SHUYANG COUNTY, JIANGSU**

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**EXTENDS BUSINESS SCOPE INTO MUNICIPAL WASTE HANDLING  
 TO BRING PROMISING RETURNS**

(Hong Kong, 3 November 2008) – **Lo's Enviro-Pro Holdings Limited** (“Lo's Enviro-Pro” or “the Group”) (stock code: 309), today announced that it has entered into an Acquisition Agreement with ITAD Biotechnology Limited (the “Vendor”) and Peixin Group Limited (“Peixin”), pursuant to which Lo's Enviro-Pro will conditionally acquire 58% of the issued share capital of Peixin and subscribe 40 new shares to be allotted by Peixin, at a total consideration of HKD109.8 million. The acquisition is subject to the Independent Shareholders' approval at the extraordinary general meeting. Upon completion of the acquisition, the Group will own 70% indirect interest in Peixin, which has been developing a waste treatment plant in Shuyang County, Jiangsu Province, China.

The total consideration comprises the Sale Shares Consideration of HKD65 million and the Allotment Shares Consideration of HKD44.8 million. The Sales Shares Consideration will be satisfied by the issue of Convertible Notes at the principal amount of HKD65 million to the Vendor. Assuming full conversion of the Convertible Notes, 209,677,419 Conversion Shares will be converted, which will represent 26.92% of the existing issued share capital of the Group and 21.21% of the enlarged issued share capital. The Conversion Price will be HKD0.31 per Conversion Share, which represents a premium of 63.16% over the average closing price of HKD0.19 of the Group for the last 10 consecutive trading days.

As for the Allotment Shares Consideration of HKD44.8 million, it will be satisfied in cash, by applying the funding obtained from the placement of the Group's new shares in May 2007.

The principal asset of Peixin is its investment in Shuyang ITAD Environmental Technology Limited (Shuyang ITAD), a wholly foreign-owned enterprise. After the completion of acquisition, Shuyang ITAD will be principally engaged in the municipal solid waste management, including the operations of a waste treatment plant, conversion of waste into useful products such as organic fertilizers, sale of the converted products, and the research and development of waste recycling technologies. The waste treatment plant, located in Shuyang County, Jiangsu Province, has a designed treatment capacity of 500 tonnes per day and is expected to commence its commercial operations in or about January 2009.

The Vendor has warranted that the audited net profit after taxation of Shuyang ITAD for the year 2009 and 2010 shall not be less than RMB10.0 million and RMB30.0 million respectively.

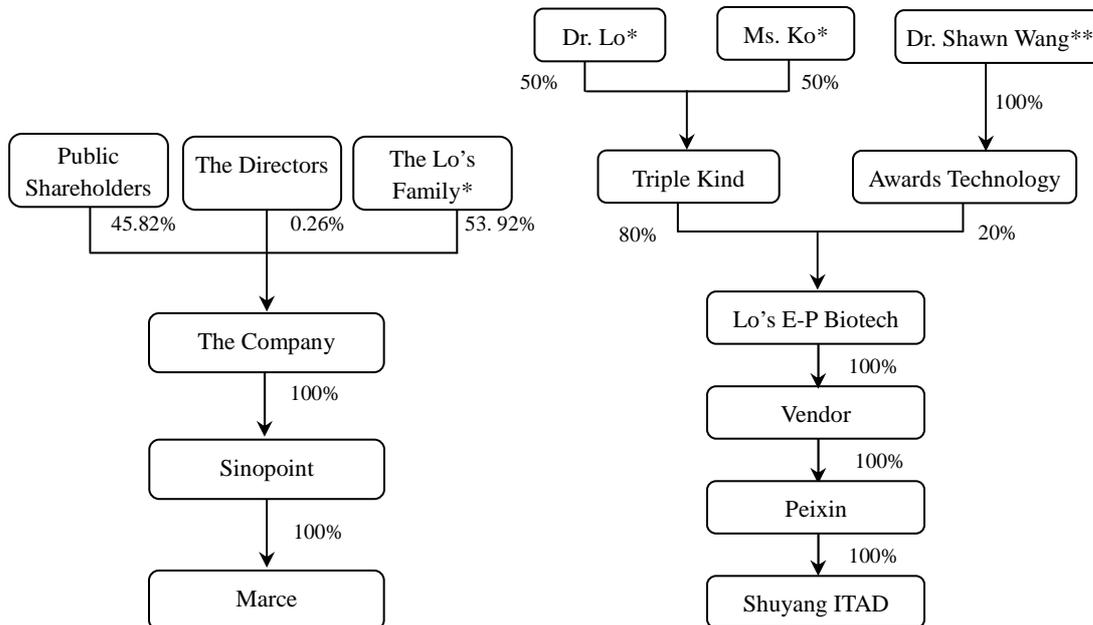
The Shuyang municipal government has always been very supportive of the municipal waste handling business and it has offered various incentives to Shuyang ITAD. In September 2006, the Vendor has signed an agreement with the Shuyang municipal government in relation to the future operation of the waste treatment plant, which will be operated by Shuyang ITAD. According to the agreement, Shuyang municipal government will make arrangement to deliver municipal waste of not less than 300 tonnes per day to the waste treatment plant, and pay a subsidy of RMB20.0 for each tonne of municipal waste being treated, for the three years after commencement of the waste treatment plant's business operation. Such favorable policies are essential for the future development of the Group's municipal waste handling business.

Furthermore, upon completion of the acquisition, the Vendor will grant Shuyang ITAD licenses to use the patented ITAD technology and the trademark Fertlife 綠意™. ITAD technology is a proven technology for the conversion of municipal waste into organic fertilizer, whereby the organic fertilizer produced has been registered by the Vendor with the Ministry of Agriculture of China as suitable for agricultural use. Upon commencement of the operation of the waste treatment plant, Shuyang ITAD will apply for a provisional organic fertilizer registration certificate from the Ministry of Agriculture to sell its organic fertilizer for agricultural use.

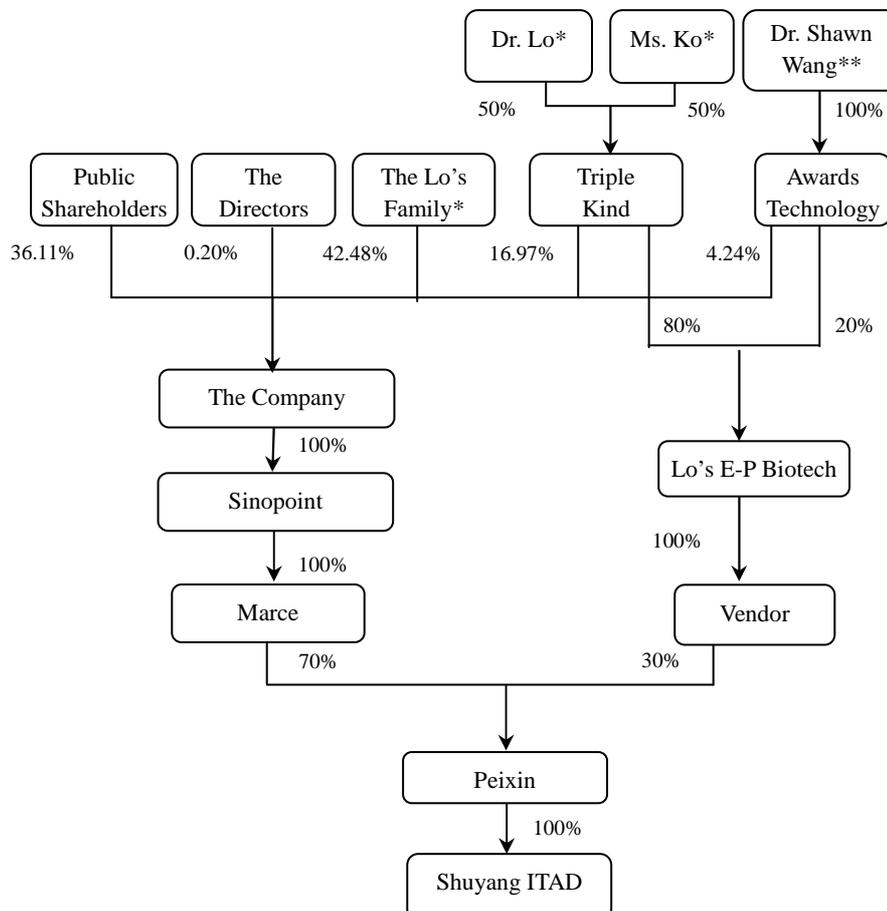
**Dr. Lo Kou Hong, Chairman of Lo's Enviro-Pro**, said, "The Chinese government has a growing concerns about pollution caused by the disposal of municipal waste using conventional landfill and incineration methods. According to the Ministry of Housing and Urban-Rural Development of China, China's municipal waste already reached 156 million tonnes in 2005 (representing 0.12 tonnes per capita). Given the continuous growth in China's economy, coupled with the rapid industrialisation and expansion of urban area, it is expected that the production of municipal wastes will continue to increase. Therefore, Lo's Enviro-Pro sees huge potential in the municipal waste management business. The application of the proprietary patented ITAD technology will allow the Group to enjoy a first mover advantage to establish a strong foothold in China's municipal waste management business. Furthermore, the subsequent sales of the organic fertilizers, which are converted from the municipal wastes, will provide the Group with additional income, and thereby broadening our earnings base."

## Group Structure

### Before the Acquisition



### After the Acquisition and the issue of the Conversion Shares



\* Dr. Lo and Ms. Ko are the beneficiaries of The Lo's Family Trust

\*\* an Independent Third Party

**About Lo's Enviro-Pro Holdings Limited**

On top of 31 years of experience in cleaning and pest-control services in Hong Kong, Lo's Enviro-Pro Holdings is diversifying into the specialized area of medical waste treatment in China to bask in the country's rising awareness and urgent need for environment protection. The Group adopts a patented steam-sterilization technology from Canada, which is currently the only approved non-incineration technology for treatment of medical waste, to process the fast growing medical waste in China. In 2002, the Group's main subsidiary achieved certification in ISO 9001 Quality Management System, ISO 14001 Environmental Management System, OHSAS 18001 Occupational Health and Safety Management System etc. The Group has been awarded the Caring Company logo from the Hong Kong Council of Social Services (HKCSS) for the forth consecutive year since 2004. More details about the Group can also be found at <http://www.losgroup.com/>

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