

[For Immediate Release]



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

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TAPS ENORMOUS POTENTIAL IN MUNICIPAL WASTE TREATMENT SERVICE MARKET

(Hong Kong, 10 December 2008) – Independent Shareholders of **Lo's Enviro-Pro Holdings Limited** ("Lo's Enviro-Pro" or "the Group") (stock code: 309) gave their approval at the Group's extraordinary general meeting today for the Group to acquire 58% of the issued share capital and 40 new shares of Peixin Group Limited ("Peixin") at a total consideration of HKD109.8 million. When the acquisition is completed, the Group will own 70% indirect interest in Peixin

Subsequent to the acquisition, the Group will have unaudited pro forma net asset attributable to the Shareholders of worth approximately HK\$232.21 million, which will be approximately 58.71% more than the audited consolidated net asset value of the Group attributable to the Shareholders of HK\$146.31 million as at 31 March 2008.

Shuyang ITAD, Peixin's major assets, is in the business of managing municipal solid waste management, including operation of a waste treatment plant, conversion of waste into useful products such as organic fertilizers and sale of those products, and research and development of waste recycling technologies. The waste treatment plant in Shuyang County has a designed treatment capacity of 500 tonnes per day and is expected to commence commercial operation in early 2009.

The volume of municipal waste disposed in China has been increasing in recent years. According to the "*China Environmental Protection Industry*" journal (《中國環保產業》) published by the China Association of Environmental Protection Industry (中國環保產業協會), the volume of municipal waste disposed has increased from 118 million tonnes in 2000 to 148 million tonnes in 2006, with an increase of 30 million tonnes in 6 years. As industrialization and urbanization continue to progress rapidly in China, the volume of municipal waste is expected to keep rising. In recent years, the growingly concerned about pollution caused by waste incineration and disposal in landfills, the Chinese government has tightened management of municipal waste treatment as stated in the "*Management Rules on Municipal Waste*" issued by the Ministry of Housing and Urban-Rural Development in July 2007. The waste treatment plant that Shuyang ITAD will operate will meet demand of the market with a solution that is environmental friendly. The Group is confident that the demand for the services Shuyang ITAD is prepared to offer will continue to grow.

Dr. Lo Kou Hong, Chairman of Lo's Enviro-Pro, said, "We are pleased to have shareholders' support for the acquisition of Peixin and the Group developing municipal waste treatment business in China. We have reached a new milestone in the business area. Applying the patented ITAD technology, Shuyang ITAD can effectively convert municipal waste into organic fertilizers and related by-products, thus offers Shuyang County a pollution-free waste treatment solution. At the same time, the Group can expect to boost its profitability by selling the fertilizers and the other resultant products. Backed by favorable local policies, we have full confidence in the development of our municipal waste treatment business and expect it to strong returns to the Group."

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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/>

For Enquiries:

Strategic Financial Relations (China) Limited

Marcus Keung	(852) 2114 4967	marcus.keung@sprg.com.hk
Winnie Kwong	(852) 2864 4839	winnie.kwong@sprg.com.hk
Amanda Xu	(852) 2864 4860	amanda.xu@sprg.com.hk
Fax:	(852) 2527 1271	