

Roots Biopack Industry Limited

September 2, 2008

To Whom It May Concern

Dear Sir/Madam,

Re : Corporate Announcement

Recently there has been rumour and false allegations in the market regarding the relationship of Roots Biopack Limited and the Oung family business. This announcement serves to clarify such rumour and false allegations.

Roots Biopack Limited ("RBL"), the trading company, established in May 2004 was sold by the Oung Family in March 2007. However, the production arm, Roots Biopack Industry Limited ("RBIL") and Shunde Factory, still remain the Oung family business. Since May, 2007, no goods is supplied or sold to RBL, Roots Biopack Europe, Moonen Packaging, Biopack Environment Limited, Biopack Environmental Solutions Inc. and / or companies relating to them. Ever since May, 2007, these companies can no longer use the certifications of RBIL or Shunde Factory. On April 25, 2008, we had issued a legal warning letter to Roots Biopack Europe who had infringed our intellectual property rights and intentionally misrepresented the general public by using our Global Food Packaging Standard Certifications No. 238 (BRC/iop) on their booth and leaflet in the Interpack Show 2008, Dusseldorf Germany. Worse still, this Certificate has expired on Dec 29, 2005. If any company is infringing the intellectual property rights of RBIL or Shunde Factory, decisive actions will be taken to protect our intellectual property rights.

For the avoidance of doubt, we confirm that all the goods of RBIL or Shunde Factory are supplied exclusively to Earth Buddy Limited as our world wide representative. Earth Buddy Limited is the trading arm of Earth Buddy Group which engaged in eco friendly and biodegradable products since 1992. Earth Buddy Group is also a member of the Oung family business.

For and on behalf of
Roots Biopack Industry Limited

Albert Oung
CEO & Director