

[For immediate release]

**EPI Announces 2006 Annual Results
Succeeds to Resume Trading on the Stock Exchange of Hong Kong**

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**A Year of Transformation
Ready for Growth in China's Non-ferrous Metals Market**

Financial Highlights

- Turnover was HK\$265 million
- Gross Profit was HK\$6.9 million
- Profit from operations was HK\$2.2 million
- Net profit attributable to shareholders increased by 32.3 times to HK\$265 million
- Earnings per share were 28.3 cents
- Solid financials with cash on hand and bank deposits at HK\$191 million

(Hong Kong, 24 April 2007) – EPI (Holdings) Limited (“EPI” or the “Group”, SEHK: 689) announced its annual results for the year ended 31 December 2006.

Trading Resumption

The Restructuring Proposal was completed on 20 September 2006 and the Group emerged from provisional liquidation. The Group resumed trading on the Stock Exchange of Hong Kong (“SEHK”) on 26 September 2006.

During the year, the Group’s principal business activities during the first three quarters were the sale of consumer electronics products. In order to maintain stable and increasing income for the Group, diversification of business activities is therefore necessary. In the fourth quarter, however, the Group began its diversification into the rapidly growing non-ferrous metals market in China, where it sees many opportunities.

The Group’s vision is to become the leading supplier of non-ferrous and scrap metals in China. Its mission is to develop strategic partnerships with selective major quasi-sovereign enterprises in China’s non-ferrous metals sector, using its global sourcing and financing capabilities to provide them with high quality supply chain services.

Results

Group turnover was HK\$265 million (2005: HK\$514 million). The Group made a profit before taxation of HK\$265 million (2005: HK\$10 million). Net profit attributable to shareholders increased by 32.3 times to HK\$265 million. Earnings per share were 28.3 HK cents (2005: HK 10.1 cents as restated).

The decline in turnover was caused by severe competition in the consumer electronics market together with increasing production costs. The lower turnover was partially offset by revenue generated by the metals trading business that was established in November 2006. The trading business generated a net profit of HK\$7 million within the last two months. The substantial increase of profit before taxation was due to non-recurring adjustments for the effects of debt restructuring, namely, a gain on debt restructuring of HK\$278 million less restructuring expenses of HK\$15 million.

In December 2006, the Group raised approximately HK\$172 million via the placing of 605,000,000 shares. The Group enjoyed a strong and healthy financial position. As at 31 December 2006, the Group's cash on hand and bank deposits totalled approximately HK\$191 million (31 December 2005: HK\$59,000).

Mr. Joseph Wong, Chairman and CEO of EPI, said, "I am pleased to report that EPI has entered a new stage of development in 2006. Subsequent to the resumption of trading of shares on the SEHK, we began our diversification into the rapidly growing non-ferrous metals market in China. We have already taken our first confident steps on what will be a long track record of rapid growth."

Business Review

Consumer Electronics Business

The Group is involved in the production of DVD combos, home theatres and portable DVDs for the U.S., Asian and European markets. In order to maintain good control over its production costs, the Group has sub-contracted its production on an OEM and ODM basis to reliable manufacturers in China. The Group has also expanded its service scope to include product design and marketing for key clients. The Group will continue to adopt proper measures to meet the increasing competition for its consumer electronics products.

Non-ferrous Metals Business

The Group began diversification of business activities into the non-ferrous metals industry during the last two months of 2006. Its first move was the establishment of a metals and scrap metals sourcing and trading team, based in Hong Kong, conducting global sourcing of copper scrap for clients in China.

This was quickly followed by the signing of the joint venture agreement with Jiangxi Copper Company Limited (“Jinagxi Copper”) (SEHK: 358) and Qingyuan Tongde Electric Co., Ltd in November 2006 to form Qingyuan JCCL EPI Copper Limited (“Qingyuan JCCL EPI”). The joint venture will engage in the sourcing and smelting of scrap copper and copper ore to produce copper blister and copper anode in China.

Outlook

Mr. Wong said, “Our diversification into the non-ferrous metals market in China was realized in the fourth quarter of 2006 and the initial contribution from the non-ferrous metals business is an encouraging indicator. Our plan to accelerate our activities is progressing on track.

“Our plans include the formation of joint venture operations for building new and acquiring existing non-ferrous metals production plants in China in co-operation with Jiangxi Copper and other reputable quasi-sovereign enterprises in China. We also plan to integrate the services of related supply chains, thus creating a worldwide sourcing network that provides quasi-sovereign enterprises in China with high quality, value-added services.”

Subsequent to the year end, in February 2007 the Group has established a second joint venture, Guangzhou (Foshan) Metals Company Limited, with Guangdong Guanghong International Trade Group Co. Ltd and Foshan Nanhai Xinweifeng Trading Co. Ltd. The joint venture provides one-stop metal warehousing, logistics, trading and financing services to small to medium size enterprises in Nanhai. Full operation will commence by mid 2007.

Qingyuan JCCL EPI has acquired a copper smelting plant in Qingyuan. The acquisition involves the purchase of copper ore and scrap copper smelting plants with a total area of 160,000 square meters. Full operation will commence by the end of June 2007. Maximum production capacity will be 100,000 tons per annum by the end of 2007, increasing to 200,000 tons per annum when at full production capacity in 2008.

The Group also established an international office in the Los Angeles, U.S. in the first quarter of 2007 to conduct global sourcing of copper scrap and copper ore for clients in China.

Market Potential

The Group sees tremendous potential in non-ferrous metals business in China. As of 30 November 2006, China's copper consumption reached 3.876 million tons, accounting for 21.8% of the world's total consumption, exceeding its production by 960,000 tons. Demand for non-ferrous metals in China is expected to continue to rise in 2007. The Group will accelerate its business diversification activities in the non-ferrous metals industry, in particular, in copper and related metals.

Mr. Wong said, "During the coming year, we will continue to focus our efforts on developing the highly promising non-ferrous metals business, while continuing to serve our existing customers in the consumer electronics field. We expect the contribution of our non-ferrous metals business to increase substantially in the coming financial year."

"We are confident that our close association with our existing Chinese business partners will provide expert guidance for our diversification into the non-ferrous metals market. EPI is building a business that generates immediate results and combines full endeavor in seeking opportunity with prudence in assessing risks and rewards. We promise to create steady and strong returns for shareholders in future." **Mr. Wong** concluded.

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About EPI (Holdings) Limited (Stock code: 689HK)

EPI focuses on the high growth non-ferrous metals industry in the areas of copper, aluminum and zinc. Building on the solid foundations of its scrap copper business, EPI is developing a portfolio of businesses including global sourcing, smelting, warehousing & logistics, financing of metals businesses and investment in mining. The Group plans to accelerate its growth through selective mergers and acquisitions and by integrating the services of related supply chains, thus creating a worldwide non-ferrous metals sourcing network that provides major non-ferrous metals quasi-sovereign enterprises in China with high quality, value-added services. The Group also continues to operate its consumer electronics business on an ODM and OEM basis, serving existing clients in the United States, Europe and Asia. In this way, EPI aims to become a leader in its field in China and achieve stable, strong returns for its shareholders.

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