

**EPI Sets Forth Metal Logistics and Financing Businesses  
Accelerates Development of Non-ferrous Metal Business**

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**Establishes Joint Venture --  
Guangzhou (Foshan) Metals Company Limited  
with Guanghong and Nanhai Xinweifeng**

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**Establishment of Credit Facility with Zhanjiang Commercial Bank**

(12 February 2007, Hong Kong) – EPI (Holdings) Limited (“EPI”) (stock code: 689) held a signing ceremony today to establish a joint venture **Guangzhou (Foshan) Metals Company Limited**. The joint venture is formed between its wholly-owned subsidiary EPI Metals Limited (“EPI Metals”) and Guangdong Guanghong International Trade (Group) Co. Ltd. (“Guanghong”) and Foshan Nanhai Xinweifeng Trading Company Limited (“Nanhai Xinweifeng”).

Officiating guests at the ceremony included Mr. Cui He, Chairman of Guanghong Assets Management Company Limited, the parent company of Guanghong, Mr. Yu Xiao Bo, President of Guanghong, Mr. Joseph Wong, Chairman & CEO of EPI, and the representative of Nanhai Xinweifeng.

The total investment of the joint venture is RMB20 million of which RMB10 million is the registered capital. Guanghong, EPI Metals and Nanhai Xinweifeng will invest RMB5 million, RMB4 million and RMB1 million, representing 50%, 40% and 10% of the registered capital respectively. EPI Metals has the option of increasing its shareholding to 50% within a year. The joint venture established a credit facility of RMB300 million with Zhanjiang Commercial Bank as initial funding requirements for its metal logistics and financing services.

The joint venture will provide one-stop metal warehousing, logistics, trading and financing services to SMEs in Nanhai, particularly manufacturers who use non-ferrous metal as raw material, to help them resolve issues in relation to logistics warehousing, fundings of working capital, unstable raw material supply, lack of credit resources. Aiming to reinforce systemised and enterprise development of the non-ferrous metal market in Southern China, the joint venture’s mission is to build a major modern metal trading centre capable of facilitating commodity and information flows with the comprehensive streamline logistics, warehousing and financing capabilities and all round convenient services.

Nanhai City is an important industrial base with metal manufacturer and related enterprise population of over 800 SMEs. In 2005, the total consumption of cooper, aluminium and zinc as raw materials was over 5.5 million tonnes, that accounts for 39% of the China market. The annual total trading volume of metal products was approximately RMB170 billion in 2005.

**Mr. Cui He, Chairman of Guanghong Assets Management Company Limited**, said, "We are very pleased to be working with two outstanding and competent enterprises, EPI Metals and Nanhai Xinweifeng. This joint venture is an important milestone for the Group in its bid to expand our logistics and warehousing businesses. With EPI as a partner, we have a much boosted asset base and stronger capital for speeding up business development. We will fully support the joint venture's operation."

**Mr. Joseph Wong, Chairman and CEO of EPI**, said, "We are pleased to establish the second joint venture with a large state-owned enterprise of China, Guanghong, within four months after the Group's shares resumed trading on the HKEx. The joint venture symbolizes our further expansion of our non-ferrous metal business from sourcing, smelting to metal logistics and financing. Riding on the strong regional networks of Guanghong and Nanhai Xinweifeng in China and the financial support from Zhangjiang Commercial Bank, we are confident that this new business model will meet the financing and raw material needs of SMEs in Southern China region. We look forward to seeing the new business model expand beyond Nanhai into other potential rich regions in China. Our mission is to generate stable and high returns for our shareholders."

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**Guanghong International Trading Co. Ltd.**

Guanghong Assets Management Co. Ltd, Guanghong's parent company, is the state-owned enterprise under the Guangdong Provincial Government, which is one of the three largest asset-management companies within the Guangdong Province as well as the leading enterprise in non-ferrous metal in the region. In 2005, Guanghong recorded a total turnover of RMB1.2 billion with profit after tax reached RMB17 million. Guanghong is the sales and distribution agent of Aluminium Corporation of China (Chalco) Limited (Stock code: 2600), Jiangxi Copper Company Limited (Stock code: 358) and Tongling Nonferrous Metal Group. The sales agreement with Aluminium Corporation of China (Chalco) Limited will be transferred to the Joint Venture Company – Guanghong (Foshan) Metals Company Limited – which is established between Guanghong and EPI in February 2007.

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

EPI is committed to focus in the high growth non-ferrous metal business of copper, aluminium and zinc. Business scope includes metal sourcing, smelting, financing and mining investment. Leverage on the solid foundation built by scrap copper, EPI will further develop other raw material business in non-ferrous metal. Through selective merger and acquisition, the Group aims to accelerate its growth by integrating related supply chain's value-added services to achieve a worldwide sourcing network and to provide state-owned enterprise with high quality, high value added services. EPI's mission is to maintain stable and maximum return to shareholders. The Group will continue to operate its consumer electronic businesses in the form of ODM and OEM with existing client base across United States, Europe and Asia region.

**About Foshan Nanhai Xinweifeng Trading Co. Ltd.**

Nanhai Xinweifeng is a well-established private owned enterprise in Nanhai City. With over 20 years of experiences, its main business covers non-ferrous metal trading, production, processing and warehousing. Moreover, the Company owns several pieces of land in Nanhai City for further development.

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