

EPI Announces 2008 Interim Results

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Growing Demand for Copper and Base Metals Drives the Turnover soared 2.23 Times to HK\$1,368.2 million

(Hong Kong, 24 September 2008) – **EPI (Holdings) Limited** (“EPI” or the “Group”, SEHK: 689) announced its interim results for the six months ended 30 June 2008.

In the first six months of 2008, the Group’s turnover increased by 2.23 times to HK\$1,368.2 million. Gross profit increased by 78.35 % to HK\$90.6 million. Profit attributable to equity holders of the Company was HK\$20.5 million, representing a decrease of 12.46% from the same period last year. Basic earnings per share were HK 0.5 cents, compared with HK 0.65 cents per share in 2007.

The Board of Directors did not recommend the payment of an interim dividend. (2007: HK0.25 cents).

Mr. Joseph Wong, Chairman and CEO of EPI, said, “The growing demand for copper and base metals in China market has helped EPI to achieve positive results. In the review period, our investment direction was focused on closing our ongoing mining investment projects and further developing the synergies from our partnership with Jiangxi Copper. Our long term view regarding growth in demand for copper and resources in the China market remains positive.”

Business Review

Metals Sourcing and Trading

This segment recorded a 145.09% growth in sales turnover to HK\$611.9 million. Gross profit reached HK\$66.36 million, up by 46.1 %. Gross profit margin was 10.85%.

The Group sourced 17,934 tonnes of non-ferrous metals in China from overseas markets including the USA, Europe and Asia. The moderate decrease in volume as compared to the second half of 2007 is partly due to the constant adverse gap in copper prices between the Shanghai Futures Exchange and the London Metal Exchange during the first half of the year, which negatively impacted the global sourcing activities. While this market disequilibrium is expected to prevail during the rest of the year, EPI plans to introduce a new pricing model for part of the trading portfolio, which will see sales set up on a cost-plus basis.

Copper Anode Production

This segment recorded a 329.31 % growth in sales turnover to HK\$528.28 million. Gross profit reached HK\$17.33 million, up by 140.04 %. Gross profit margin was 3.28 %.

The Group's Qingyuan joint venture smelting plant produced and sold 17,242 tonnes of copper anode to Jiangxi Copper. The smelting plant did not run at its full operating capacity during the period. Heavy snows in the northern part of China during the Lunar New Year affected the transportation of products. Flooding in Guangdong province at the end of May 2008 affected the local supply of raw materials for production. Both incidents affected the smelting plant, causing it to slow production and during June 2008, the smelting plant scheduled an early shut down for maintenance over three weeks coinciding with the time when the supply of local raw materials was tight.

In August 2008, the smelting plant was running at full production capacity, reaching at approximately 5,000 tonnes a month. As such, the Group's turnover from copper anode production in the second half of 2008 will be substantially higher as compared to the first half of the year. Following the completion of the recent acquisition of an additional 9% equity interest in its joint venture company effective in October this year, the Group will see a further increase in its portion of the joint venture's turnover.

In order to strengthen the relationship with Jiangxi Copper and to fit into its supply chain, EPI has enlisted the support of Shenzhen Jiangtong Southern Company ("SJ Southern"), a wholly-owned subsidiary of Jiangxi Copper, to take an active role in managing the day-to-day operation of the smelting plant commencing in August 2008. The Group is also working with SJ Southern to formulate a plan to expand the existing business horizon.

Mining Investment

In view of the adverse financial market situation and the continuous downward trend in commodity prices, the Group has become more cautious and prudent in pursuing due diligence in relation to potential mining investments. EPI aims to negotiate the best terms for each project and expect to close some in 2009.

Consumer Electronic Business

This segment recorded a 343.78% growth in sales turnover to HK\$228.04 million. Gross profit reached HK\$6.9 million, up by 402.97%. Gross profit margin was 3.04%. Turnover contribution from Vision Tech was HK\$146 million.

The Group continued to sell DVD Combos and home theatres to the USA, Latin America and European markets during the period under review.

Business Outlook

Further strengthen partnership with Jiangxi Copper

To establish a closer partnership with Jiangxi Copper, the smelting plant copper anode production business will be jointly managed by SJ Southern and EPI Metals Ltd ("EPI Metals"). It is believed that this strategy will create a larger sourcing and business platform for EPI Metals by increasing its sales turnover volume through the larger demand for scrap copper and other base metals from SJ Southern and Jiangxi Copper's Jiangxi headquarters.

Mining projects under negotiation

The Group contemplates that profits from mining investments, once completed, will contribute to its revenue in 2009 and become a major revenue contributor. By directly investing in base and precious metal mining assets and acquiring companies with mining assets, the Group will gain access to a low cost and high profit margin base of precious metals to supply its partners over a long period.

Mr. Wong concluded, "In 2008 and 2009, investments in copper and mining will continue to be challenging and the international financial markets will remain unstable. However, we are determined to improve cost efficiency and profitability in our mining investments and scrap metal business through adopting a cautious approach. The management hopes to be able to close one mining investment project within the year. And as always, our ultimate goal is to deliver substantial value to our shareholders"

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

EPI is a high growth company that focuses on the non-ferrous metals and resource sector, with a business scope covering mining and resource investment, scrap metals sourcing and trading and copper anode production. Through strategic mergers and acquisitions, the Group is accelerating its growth by providing Chinese state-owned enterprises with high quality services that add value to their operations and enterprise value. The Group also operates an OEM/ODM consumer electronics business supplying customers in the USA, Europe and Latin America. EPI's mission is to achieve sustainable and high returns for its shareholders and to become a major player in non-ferrous metals and resources in Asia.

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