

[For immediate release]

**EPI and Daye Nonferrous Metals Sign Framework Agreement
On a Proposed Investment in a Joint Venture Company**

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**Sets to Further Expand into Investment of Non-ferrous Metals Mining
Business in the PRC**

(22 May 2007, Hong Kong) – EPI (Holdings) Limited (“EPI”) (stock code: 689) and Daye Nonferrous Metals Co. Ltd. (“Daye Nonferrous Metals”) today signed a Framework Agreement on a proposed investment in a joint venture company (“JVCO”).

Upon formation, EPI and Daye Nonferrous Metals will own 25% and 75% of JVCO respectively. EPI expected to contribute approximately RMB450 to RMB500 million, which will be subject to due diligence. If the proposed investment is realised, the assets of the JVCO will consist of three mines and a 66.47% interest in Tong Lu Shan Mine. Set below is the ensured reserves of the 3 mines and Tong Lu Shan Mine:

Ensured Reserves

Minerals	Copper tonnes	Gold kilo-gram	Silver kilo-gram	Molybdenum tonnes	Iron ore kilo-tonnes
Total	787,374	29,564	455,726	13,021	19,602

Based in Hubei Province, Daye Nonferrous Metals is the fourth largest copper mining companies in the PRC. Founded in 1953, after over 50 years of growth and development, it now has the capacity to explore 2,400,000 tonnes of ore annually with a total ore processing capacity of 3,420,000 tonnes. Per annum, Daye Nonferrous Metals also produces 250,000 tonnes of copper anodes, 4,000 kilo-gram of gold, 120 tonnes of silver, 600,000 tonnes of sulphuric acid, 350,000 tonnes of iron concentrates and 100,000 tonnes of copper products.

Mr. Joseph Wong, Chairman of EPI, said, “The signing of the framework agreement marks an important milestone for EPI. It further solidifies the expansion plan of our upstream supply chain business in non ferrous metal and strengthened our copper supply reserves for a long term copper and non ferrous metals investment. Daye Nonferrous Metals Nonferrous is the fourth largest copper and nonferrous metal quasi-sovereign China enterprise in mining and operators, we are very honoured to be able to partner with Daye Nonferrous Metals to develop our mining investment business.”

Mr. Zhang Lin, **President of Daye Nonferrous Metals** said, “EPI is a reputable and well-established company listed in Hong Kong, I am certainly pleased to cooperate in the joint venture company. The proposed investment has subsequently attracted full support from the Hubei Provincial Government and State-owned Assets Supervision and Administration of the State Council. We will continue to work closely and to cooperate with EPI to expand the joint venture company’s production capacity of our copper anodes, gold and silver, including the processing of ore and exploration of copper mines. We will use our best endeavors to list the shares of JVCO in the Stock Exchange of Hong Kong.”

Mr. Joseph Wong, Chairman of EPI and Mr. Zhang Lin, President of Daye Nonferrous Metals, signed the Frame Agreement today witnessed by Chinese Government Officials from Hubei Province.

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

EPI focuses on the high growth non-ferrous metals industry in the areas of copper, aluminium 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.

About Daye Nonferrous Metals Co. Ltd

Established in 1953, Daye Nonferrous Metals Co. Ltd. is a leading state-owned copper conglomerate with over 50 years of experience in mining, ore processing, smelting, biochemistry, mangle processing and residual heat power generation. The company is also involved in waste recycling, research and design, mine exploration, construction, machinery installation and dispatching system. Moreover, it is the fourth largest copper material production bases in China. Headquartered in the historical city of Huangshi in Hubei Province, the Group has seven subsidiaries, namely, Daye Non-ferrous Metals Co. Ltd, Daye Nonferrous Xincheng Copper Industry Co. Ltd, Daye Nonferrous Jinsheng Copper Industry Co. Ltd, Huangshi Jingu Copper Industry Co. Ltd, Changzhou Dajiang Copper Industry Co. Ltd, Shanghai Jinzhao Copper Industry Co. Ltd, Fushan Zhangtong & Daye Copper Products Co. Ltd. and one investing company, 中鋁大冶銅板帶有限公司. Daye Nonferrous Metals produces and distributes copper blisters, copper anodes, copper concentrate, sulphuric acid, phosphate fertilizer, gold, silver, nickel sulphate, molybdenum, palladium, selenium, iron concentrate, oxygen-free copper rods, coloured aluminium extrusion products, and cement, among others. Daye Nonferrous Metals is also engaged in milling, smelting of nonferrous metals, design, construction, technical support for construction projects, importing and exporting its own and other brands of mining products and equipment, material processing as well as external trade and futures trading.

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