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**DELAY IN DESPATCH OF CIRCULAR AND
UPDATE OF INFORMATION RELATING TO
MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE COOPERATION AGREEMENT**

Reference is made to the announcement issued by the Company dated 11 December 2008 regarding the Cooperation Agreement. The Company is further negotiating some of the terms of the Cooperation Agreement with the contracting parties concerned with regard to certain regulatory requirements in the PRC, and the Company expects that a supplemental agreement in relation to the amendments of terms of the Cooperation Agreement as set out in the Announcement may be entered into by the Company and the relevant parties. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules to extend the despatch date of the Circular to no later than 21 days after the completion of the further negotiation. Attention is drawn to the Shareholders that the amendments of terms of the Cooperation Agreement may or may not materialize.

Reference is made to the announcement issued by the Company dated 11 December 2008 regarding the Cooperation Agreement (the “**Announcement**”). Unless otherwise defined, words and expressions used herein shall have the same meanings as those used in the Announcement.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to despatch the circular (the “**Circular**”) to the Shareholders within 21 days after publication of the Announcement, which is on or before 1 January 2009.

However, the Company is currently further negotiating some of the terms of the Cooperation Agreement with the contracting parties concerned with regard to certain regulatory requirements in the PRC, and the Company expects that a supplemental agreement in relation to the amendments of terms of the Cooperation Agreement as set out in the Announcement may be entered into by the Company and the relevant parties. Therefore, more time is required by the Company for the negotiation of the proposed amendments of terms of the Cooperation Agreement and to obtain information on the revised terms in the said supplemental agreement for incorporation into the Circular.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules to extend the despatch date of the Circular to no later than 21 days after the completion of the further negotiation.

Attention is drawn to the Shareholders that the amendments of terms of the Cooperation Agreement may or may not materialize. Further announcement will be made by the Company as and when appropriate in relation to any revised terms of the Cooperation Agreement.

For and on behalf of
EPI (Holdings) Limited
Wong Chi Wing, Joseph
Chairman

Hong Kong, 31 December 2008

As at the date of this announcement, the board of directors of the Company comprises of three executive Directors, namely, Mr. Wong Chi Wing, Joseph, Mr. Cheng Hairong and Mr. Chu Kwok Chi, Robert, one non-executive Director, namely Mr. Leung Hon Chuen and three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Xu Mingshe and Mr. Poon Kwok Shin, Edmond.

* *For identification purpose only*