

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

HIGHLIGHTS	For the six months ended		
	2008	2007	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Turnover	1,368,217	424,101	+222.62%
Gross profit	90,621	50,812	+78.35%
Profit attributable to equity holders of the Company	20,517	23,437	-12.46%
Earning per share attributed to equity holders of the Company (Hong Kong cents)			
– Basic	0.50	0.65	-23.08%
– Diluted	0.49	0.63	-22.22%
Dividend (Hong Kong cents)	NIL	0.25	N/A
	As at	As at	
	30 June 2008	31 December 2007	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Total assets	1,379,347	1,119,587	+23.20%
Net assets	838,568	781,852	+7.25%

RESULTS

The Board of Directors (the “Board”) of EPI (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively “EPI” or the “Group”) for the six months ended 30 June 2008 (the Interim Period”), together with the comparative figures for the corresponding period ended 30 June 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

		For the six months ended 30 June	
	Notes	2008 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)
Turnover	3	1,368,217	424,101
Cost of sales		<u>(1,277,596)</u>	<u>(373,289)</u>
Gross profit		90,621	50,812
Other income		4,497	4,469
Distribution and selling expenses		(15,234)	(9,237)
Administrative expenses		(36,931)	(15,337)
Other expenses	4	(18,948)	(3,208)
Finance costs	5	<u>(3,883)</u>	<u>(460)</u>
Profit before taxation	6	20,122	27,039
Taxation	7	<u>(3,085)</u>	<u>(3,602)</u>
Profit for the period		<u>17,037</u>	<u>23,437</u>
Attributable to:			
Equity holders of the Company		20,517	23,437
Minority interests		<u>(3,480)</u>	<u>–</u>
		<u>17,037</u>	<u>23,437</u>
Earnings per share for profit attributable to the equity holders of the Company (Hong Kong cents)			
– Basic	8	<u>0.50</u>	<u>0.65</u>
– Diluted	8	<u>0.49</u>	<u>0.63</u>
Dividend paid	9	<u>10,328</u>	<u>–</u>

The accompanying notes form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Notes	As at 30 June 2008 HK\$'000 (Unaudited)	As at 31 December 2007 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		34,230	30,541
Deposit for acquisition of property, plant and equipment		–	815
Prepaid lease payments		19,732	18,674
Loan receivable		17,433	24,933
Financial assets at fair value through profit and loss		2,340	2,340
Goodwill		12,225	–
		<u>85,960</u>	<u>77,303</u>
Current assets			
Inventories		186,472	146,064
Loan receivables		30,000	24,000
Trade and other receivables	10	764,514	671,102
Held-for-trading investments		1,352	9,673
Derivative financial instruments		22,603	1,999
Trade receivable from a joint venture partner		8,537	17,057
Prepaid lease payments		424	424
Pledged bank deposits		29,835	26,918
Bank balances and cash		249,650	145,047
		<u>1,293,387</u>	<u>1,042,284</u>
Current liabilities			
Trade and other payables	11	426,291	194,216
Derivative financial instruments		–	1,126
Bank borrowings	12	95,991	126,495
Taxation payable		18,497	15,898
		<u>540,779</u>	<u>337,735</u>
Net current assets		<u>752,608</u>	<u>704,549</u>
Total assets less current liabilities		<u><u>838,568</u></u>	<u><u>781,852</u></u>
Capital and reserves			
Share capital	13	41,313	41,350
Reserves		751,647	740,502
		<u>792,960</u>	<u>781,852</u>
Minority interest		45,608	–
Total equity		<u><u>838,568</u></u>	<u><u>781,852</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2008

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2008 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (the “HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations (“new Interpretations”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 January 2008.

HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new Interpretation had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK (IFRIC)-Int 13	Customer Loyalty Programmes ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENTS INFORMATION

Revenue represents the amount received and receivable for goods sold by the Group to customer, less return and discounts. An analysis of the Group's revenue, by business segments, is as follows:

(a) Business segments

For management purposes, the Group is currently organised into three operating divisions namely metals sourcing and trading, production of copper anode and consumer electronics. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Metals sourcing and trading	–	sourcing and trading of non-ferrous metals
Production of copper anode	–	manufacturing of copper anode
Consumer electronics	–	sourcing and trading of consumer electronic business

Segment information about these businesses is presented below.

Six months ended 30 June 2008 (Unaudited)

	Metals sourcing and trading <i>HK\$'000</i>	Production of copper anode <i>HK\$'000</i>	Consumer electronics <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover				
External sales	<u>611,898</u>	<u>528,280</u>	<u>228,039</u>	<u>1,368,217</u>
Result				
Segment results	43,266	11,716	(7,972)	47,010
Interest income				617
Other income				3,880
Unallocated corporate expenses				(27,502)
Finance cost				(3,883)
Profit before taxation				20,122
Taxation				(3,085)
Profit for the period				<u>17,037</u>

Six months ended 30 June 2007 (Unaudited)

	Metals sourcing and trading <i>HK\$'000</i>	Production of copper anode <i>HK\$'000</i>	Consumer electronics <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover				
External sales	249,663	123,053	51,385	424,101
Result				
Segment results	35,677	3,502	563	39,742
Other income				1,348
Unallocated corporate expenses				(13,591)
Finance costs				(460)
Profit before taxation				27,039
Taxation				(3,602)
Profit for the period				23,437

(b) Geographical segments

All the Group's assets and capital expenditure incurred during the period are located in the PRC (including Hong Kong), which is considered as one geographical location in an economic environment with similar risks and returns. In addition, over 90% of the Group's revenue by geographical market based on location of customer are also located in the PRC. Accordingly, no geographical segment revenue analysis is presented.

4. OTHER EXPENSES

	For the six months ended	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Change in fair value of other financial assets		
– held-for-trading	8,321	–
– derivative financial instruments	5,909	3,208
Restructuring expenses	4,718	–
	<u>18,948</u>	<u>3,208</u>

5. FINANCE COSTS

	For the six months ended	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings wholly repayable within five years	<u>3,883</u>	<u>460</u>

6. PROFIT BEFORE TAXATION

The following items have been charged/(credited) to the profit before taxation during the period:

	For the six months ended	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	600	167
Operating leases on land and building	3,907	1,570
Staff costs, including directors' emoluments	13,410	11,117
Share based payment under options scheme	1,600	4,000
Bank interest income	<u>(617)</u>	<u>(1,347)</u>

7. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the six months ended 30 June 2008 and the six months ended 30 June 2007.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the six months ended	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	<u>20,517</u>	<u>23,437</u>
Number of shares		
Weight average of ordinary shares for the purpose of basic earnings per share	4,128,995	3,621,048
Effect of dilutive potential ordinary shares: Options	<u>79,342</u>	<u>103,370</u>
Weight average number of ordinary shares for the purpose of diluted earnings per share	<u>4,208,337</u>	<u>3,724,418</u>

9. DIVIDENDS

On 27 June 2008, a dividend of HK\$0.25 cents per share was paid to shareholders as the final dividend for 2007.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007: HK\$0.25 cents per share).

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2008 <i>HK\$'000</i> (Unaudited)	As at 31 December 2007 <i>HK\$'000</i> (Audited)
Trade receivables	577,029	502,304
Bills receivables	–	28,756
	<hr/>	<hr/>
	577,029	531,060
Other receivable	34,205	46,934
Prepayments	153,280	72,755
Margin deposits to financial institutions	–	20,353
	<hr/>	<hr/>
	764,514	671,102
	<hr/> <hr/>	<hr/> <hr/>

The Group allows an average credit period of 90 days to its trade customers. The following is an aged analysis of trade and bills receivables at the balance sheet date:

	As at 30 June 2008 <i>HK\$'000</i> (Unaudited)	As at 31 December 2007 <i>HK\$'000</i> (Audited)
0-30 days	437,294	321,239
31-60 days	139,479	106,572
61-90 days	256	103,249
	<hr/>	<hr/>
	577,029	531,060
	<hr/> <hr/>	<hr/> <hr/>

11. TRADE AND OTHER PAYABLES

	As at 30 June 2008 <i>HK\$'000</i> (Unaudited)	As at 31 December 2007 <i>HK\$'000</i> (Audited)
Trade payables	155,458	79,390
Bills payables	131,018	99,801
	<hr/>	<hr/>
	286,476	179,191
Other payables and accruals	139,815	15,025
	<hr/>	<hr/>
	426,291	194,216
	<hr/> <hr/>	<hr/> <hr/>

The following is an aged analysis of trade and bills payables at the balance sheet date:

	As at 30 June 2008 <i>HK\$'000</i> (Unaudited)	As at 31 December 2007 <i>HK\$'000</i> (Audited)
0-30 days	286,476	177,397
31-60 days	–	1,794
	<hr/>	<hr/>
	286,476	179,191
	<hr/> <hr/>	<hr/> <hr/>

12. BANK BORROWINGS

	As at 30 June 2008 <i>HK\$'000</i> (Unaudited)	As at 31 December 2007 <i>HK\$'000</i> (Audited)
Bank loans		
Secured	–	44,966
Unsecured	95,991	81,529
	<hr/>	<hr/>
	95,991	126,495
	<hr/> <hr/>	<hr/> <hr/>

The ranges of effective interest rate (which are also equal to contracted interest rate) on Group's borrowings are as follow:

	As at 30 June 2008 HK\$'000 (Unaudited)	As at 31 December 2007 HK\$'000 (Audited)
Effective interest rate:		
Fixed-rate borrowings	–	5.832% to 6.48%
Variable-rate borrowings	6% to 6.75%	5% to 5.83%

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each at 1 January 2007, 31 December 2007 and 30 June 2008	<u>25,000,000,000</u>	<u>250,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 1 January 2007	3,608,212,570	36,082
Issued of shares (note (a))	573,540,000	5,735
Exercise of share option (note (b))	4,400,000	44
Exercise of warrants subscription right (note (c))	7,976,000	80
Share repurchase (note (d))	<u>(59,100,000)</u>	<u>(591)</u>
At 31 December 2007 (Audited)	4,135,028,570	41,350
Share repurchase (note (d))	(7,680,000)	(77)
Exercise of share option (note (e))	<u>4,000,000</u>	<u>40</u>
At 30 June 2008 (Unaudited)	<u>4,131,348,570</u>	<u>41,313</u>

Notes:

- (a) On 14 June 2007, the Company entered into a subscription with Climax Associates Limited (the "CA Ltd."), the controlling shareholder of the Company to allot and issue 573,540,000 ordinary shares of HK\$0.01 each at a subscription price of HK\$0.81 per share. The subscription agreement is conditional upon completion of the placing of 573,540,000 ordinary shares of the Company made by the placing agent on behalf of CA Ltd.. On 20 June 2007, following the completion of the placing, 573,540,000 ordinary shares of HK\$0.01 were issued to CA Ltd. pursuant to the subscription agreement.
- (b) During the year 2007, Mr. Leung Hon Chuen, Mr. Poon Kwok Shin, Edmond and an employee had exercised share options amounting to 4,400,000 shares at the subscription price of HK\$0.205 per share.
- (c) On 25 July 2007, 7,976,000 unit of warrants have been exercised.

(d) The Company repurchased its own share on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares	Highest HK\$	Lowest HK\$	Aggregate consideration paid HK\$
January 2007	23,500,000	0.200	0.189	4,688,540
August 2007	35,600,000	0.600	0.470	20,084,000
January 2008	7,680,000	0.375	0.290	2,437,978

The above share were cancelled upon repurchase. None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008 and the year ended 31 December 2007.

(e) During the six months ended 30 June 2008, Mr. Chu Kwok Chi Robert and an employee had exercised share options amounting to 4,000,000 shares at the average subscription price of HK\$0.23 per share.

14. WARRANTS

On 14 June 2007, the Company entered into the warrant placing agreement with the placing agent pursuant to which the placing agent agreed to place warrants attaching the rights to subscribe for 143,380,000 shares on the basis of the initial exercise price of HK\$0.94 per warrant share, on behalf of the Company, to placees who are independent of the Company and its connected persons, at the issue price of HK\$0.08 per warrant. The warrants were exercisable from 29 June 2007 to 28 June 2008.

During the year ended 31 December 2007, 7,976,000 new shares were issued on exercise of the warrants.

No warrants had been exercised during the six months ended 30 June 2008 before the expiry of the warrants on 28 June 2008.

15. SUBSEQUENT EVENTS

On 11 August 2008, the Group entered into an agreement to acquire 9% equity interest in Qingyuan JCCL EPI Copper Limited ("JCCL EPI"), a 51% owned subsidiary of the Group, at the consideration of HK\$25,000,000. Upon completion in October 2008, the Group will hold in aggregate 60% equity interest in JCCL EPI.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

Profit before taxation

The profit before taxation for the six months ended 30 June 2008 was HK\$20.12 million, a decrease of 25.58% and profit attributable to equity holders of the Company was HK\$20.52 million, a decrease of 12.46% as compared to the same period of 2007. The main reasons for the decreases were:

- The Group had made a provision of HK\$8,321,000 for diminution in value of held-for-trading investments. The Group had allocated HK\$9.7 million to an investment portfolio to trade stock in Hong Kong in the year 2007. Due to the global plunge in stock prices during the period to 30 June 2008 and the uncertainty of recovery of the financial markets, in addition to the adjustment to the fair market value provision as at 30 June 2008 the Group made a further provision of HK\$3,304,000 to cover the impairment of held-for-trading investments. The total provision of HK\$8,321,000 accounted for 86% of the original value of the held-for-trading investments and the Group does not foresee the need to make a significant provision in the second half of year 2008. The Group will not increase its allocation of funds to the investment portfolio in held-for-trading investments in the year 2008.
- An adjustment for loss of HK\$5,909,000 on our copper forward contracts was recognised during the period, representing an accrual made for mark-to-market adjustment on our open position as at 30 June 2008. This accrued loss was subsequently reversed after the reporting period and our current position generates both realised and unrealised gains on outstanding contracts.
- The Group had to consolidate the expenses of Vision Tech International Holdings Limited (“Vision Tech”), a listed company in Hong Kong of which the Group acquired an equity interest of 57.92% on 3 March 2008. Vision Tech incurred expenses of HK\$13.59 million during the period ended 30 June 2008, of which HK\$4,718,000 was attributable to the company’s restructuring.

OPERATIONS REVIEW

Comparison of business segment results for the first six months of 2008 and 2007

Metals sourcing and trading

- | | |
|-----------------------|----------|
| • Turnover | +145.09% |
| • Gross profit | +46.10% |
| • Gross profit margin | -40.35% |
- The Group earned a higher margin in 2007 when the copper price was on an upward trend and goods were stocked at low levels prior to the commencement of production at the copper anode plant.
 - During the first half of 2008, the Group's trading business in Hong Kong sourced 17,934 tonnes of non-ferrous metals in China and from overseas markets including the USA, Europe and Asia, reflecting a moderate decrease in volume as compared to the second half of 2007. This is partly due to the constant adverse gap in copper prices between the Shanghai Future Exchange (SHFE) and the London Metal Exchange (LME) 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, we have plans to address this challenge, including the introduction of a new pricing model for part of our trading portfolio, which will see sales set up on a cost-plus basis.

Copper anode production

- | | |
|-----------------------|----------|
| • Turnover | +329.31% |
| • Gross profit | +140.04% |
| • Gross profit margin | -44.12% |
- The smelting plant commenced its full operations in June 2007 and the turnover for the same period last year was not on a comparable basis to the period under review.
 - 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.

- The smelting plant has gradually increased its production capacity following the maintenance shut down and in August 2008 was running at full production capacity, reaching at approximately 5,000 tonnes a month. It is expected to maintain this production level throughout the rest of the year.
- It is expected that 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 because the smelting plant has stepped up its production capacity. Following the completion of the recent acquisition of an additional 9% equity interest in our joint venture company effective in October this year, the Group will see a further increase in our portion of the joint venture's turnover.
- In order to strengthen the relationship with Jiangxi Copper and to fit into its supply chain, the Group has enlisted the support of Shenzhen Jiangtong Southern Company ("SJ Southern"), a subsidiary company of Jiangxi Copper, to take an active role in managing the day-to-day operation of the smelting plant commencing in August 2008. Besides the enhanced cooperation on smelting plant management, the Group is now working with SJ Southern to formulate a plan to expand our existing business horizon. The plan, when materialised, will see our scrap copper sourcing business significantly increase in the coming year.

Consumer electronics business

- Turnover +343.78%
- Gross Profit +402.97%
- Gross Profit Margin +13.43%
- The turnover at the consumer electronics business includes that of Innovision Enterprises Limited (Innovision), a wholly owned subsidiary of the Group together with the contribution from the Group's acquisition on 3 March 2008 of Vision Tech, a company that engages in consumer electronics business. The turnover of Vision Tech was HK\$146 million. Innovision's turnover increased by 59.38% for the six months ended 30 June 2008 comparing to the same period of 2007, from organic growth.
- Innovision continued to sell DVD Combos and home theatres to the USA, Latin America and the European markets, outsourcing production on an OEM and ODM basis to its exclusive China manufacturers. During the period, the consumer electronics team leveraged its sales network and business expertise to help with the restructuring and rescue of Vision Tech.

Warehousing, logistics and metals financing

Our current plans for further stepping up existing copper anode production capacity as well as for the expansion of our global sourcing capability are expected to draw on our existing resources significantly. As a result, our original plan to pursue opportunities in scrap metal financing will be put on hold at this time, thus allowing us to focus on these other new initiatives in the coming year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008, the Group was in a healthy financial position with HK\$250 million cash on hand. The Group did not have any long term debt and liabilities mainly comprised of trade payables and short term bank loans and overdrafts repayable within one year.

HEDGING AGAINST COMMODITY PRICE FLUCTUATIONS

The extreme volatility in the prices of commodities including copper is part of the market risk that our copper trading business presently faces. The Group continues to take a prudent approach in managing this type of market risk by hedging our inventory position through appropriate copper forward contracts. Strict internal policies and procedures are in place to ensure our position is regularly reviewed and monitored, thus ensuring that the Group is not exposed to undue market risk. Apart from these copper forward contracts, the Group does not have any outstanding positions in other type of derivative products.

INTERIM DIVIDEND

The board of directors of the Company has resolved that no interim dividend be paid for the period (2007: HK\$0.25 cents per share).

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2008, the Company repurchased and redeemed the shares as follows:

Date	Number of Shares repurchased	Method of Shares repurchase	Prices per Share	
			Highest HK\$	Lowest HK\$
17 January 2008	4,980,000	On the Exchange	0.315	0.290
18 January 2008	2,700,000	On the Exchange	0.375	0.305
	<u>7,680,000</u>			

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has compiled with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

For the period ended 30 June 2008, the Company has complied with the CG Code with deviations from the code provision A.2.1 and A.4.1 of the CG Code as summarized below.

The code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Chi Wing Joseph is the chairman and chief executive officer of the company. The Company recognizes the importance of segregating the duties of the chairman and the chief executive officer and has tried its best to identify a high caliber executive to take up either one of these roles. A suitable candidate has not yet been identified but the Company will continue to look for the right person for the post.

The code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Currently the non-executive directors were not appointed for a specific term. However, all non-executive directors were subject to retirement and offer themselves for re-election at each Annual General Meeting in accordance with the Company’s Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Upon specific enquiry by the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited consolidated accounts for the six months ended 30 June 2008 with the Directors.

The Audit Committee comprises two Independent Non-executive Directors, namely Mr. Poon Kwok Shin Edmond (Chairman of the Audit Committee) and Mr. Xu Mingshe and one Non-executive Director, Mr. Leung Hon Chuen. Mr. Poon is a certified public accountant.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Hong Kong Exchange and Clearing Limited at www.hkex.com.hk under the section “Latest Listed Company Information” and on the website of the Company at <http://www.epiholdings.com/announcements.shtml>. The 2008 Interim Report containing all the information required under paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on the Exchange will be published on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this report the Board comprises 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.

On behalf of the Board
EPI (Holdings) Limited
Wong Chi Wing Joseph
Chairman

Hong Kong, 24 September 2008