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**DISCLOSEABLE TRANSACTION
IN RELATION TO
DISPOSAL OF INTERESTS IN SUBSIDIARIES**

On 27 August 2010 (after trading hours), EPI Metals (as the vendor), a wholly owned subsidiary of the Company, entered into the SZI Transfer Agreement with Rise Star (as the purchaser) and Mr. Chan (as guarantor to the purchaser), pursuant to which EPI Metals has conditionally agreed to sell the SZI Interest to Rise Star at a consideration of HK\$100,000.

On the same date (after trading hours), Fortune Hand (as the vendor), a wholly owned subsidiary of the Company, entered into the GW Transfer Agreement with Vigour Hero (as the purchaser) and Mr. Chan (as guarantor to the purchaser), pursuant to which Fortune Hand has conditionally agreed to sell the GW Shares to Vigour Hero at a consideration of HK\$900,000.

Based on the relevant percentage ratios calculations under the Listing Rules, the entering into of the SZI Transfer Agreement and the GW Transfer Agreement, in aggregate, constitute a discloseable transaction of the Company and therefore are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SZI TRANSFER AGREEMENT

Date: 27 August 2010 (after trading hours)

Parties:

Vendor: EPI Metals
Purchaser: Rise Star
Guarantor: Mr. Chan

Rise Star is an investment holding company. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiry, Rise Star and Mr. Chan, the ultimate beneficial owner of Rise Star, are third parties independent of the Company and its connected persons. Mr. Chan

has entered into the SZI Transfer Agreement to guarantee the obligations and liabilities of Rise Star under the SZI Transfer Agreement.

Asset to be disposed:

The SZI Interest, representing all paid up registered capital and equity interest in SZ Innovision.

Consideration:

The consideration for the disposal of the SZI Interest shall be HK\$100,000 which shall be paid by Rise Star to EPI Metals on the third Business Days following fulfillment of the condition precedent as set out below or such later date as may be agreed by EPI Metals and Rise Star in writing.

Condition precedent:

SZI Completion shall be conditional upon the approval of the relevant PRC authorities for the transfer of the SZI Interest by EPI Metals to Rise Star having been obtained (the “**SZI Condition**”).

In the event that the SZI Condition is not fulfilled within 120 days (or such later date as may be agreed by EPI Metals and Rise Star in writing) from the date of the SZI Transfer Agreement, all rights, obligations and liabilities of EPI Metals and Rise Star shall cease and determine and none of EPI Metals and Rise Star shall have any claim against the other save and except rights and liabilities which have accrued prior to termination.

Completion:

According to the SZI Transfer Agreement, within 30 days upon the SZI Condition being fulfilled (the “**Completion Period**”), EPI Metals shall complete the procedures in relation to the transfer of the SZI Interest to Rise Star and to obtain a new business license reflecting such change in shareholder (the “**Required Procedures**”).

In the event that the Required Procedures is not completed within 30 days of the SZI Condition being fulfilled, the Completion Period shall be extended automatically for a period of 30 days or a longer period as may be agreed by EPI Metals and Rise Star in writing (the “**Extended Period**”). In the event that EPI Metals fails to complete the Required Procedures within the Extended Period, all rights, obligations and liabilities of EPI Metals and Rise Star shall cease and determine, and the consideration shall be returned by EPI Metals to Rise Star within 7 Business Days with an interest calculated at the rate of 2% per annum from the date of receipt of the consideration to the date of refund. Save for the above, Rise Star is not entitled to have any further claim against EPI Metals under the SZI Transfer Agreement.

According to the terms of the SZI Transfer Agreement, failure of Vigour Hero to complete the GW Transfer Agreement will constitute a breach of the SZI Transfer Agreement by Rise Star and EPI Metals will be entitled to rescind the SZI Transfer Agreement and claim against Rise Star under the SZI Transfer Agreement.

THE GW TRANSFER AGREEMENT

Date: 27 August 2010 (after trading hours)

Parties:

Vendor: Fortune Hand
Purchaser: Vigour Hero
Guarantor: Mr. Chan

Vigour Hero is an investment holding company. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiry, Vigour Hero and Mr. Chan, being the ultimate beneficial owner of Vigour Hero, are third parties independent of the Company and its connected persons. Mr. Chan has entered into the GW Transfer Agreement to guarantee the obligations and liabilities of Vigour Hero under the GW Transfer Agreement.

Asset to be disposed:

The GW Shares, representing all the shares in the issued share capital of Great Wall.

Consideration:

The total consideration for the disposal of the GW Shares shall be HK\$900,000 which shall be paid by Vigour Hero to Fortune Hand in the following manner:-

- (a) the sum of HK\$200,000 shall be paid upon signing of the GW Transfer Agreement as deposit (the “**Deposit**”); and
- (b) the balance of the consideration shall be paid by Vigour Hero to Fortune Hand on GW Completion.

Condition precedent:

GW Completion shall be conditional upon the SZI Transfer Agreement becoming unconditional (the “**GW Condition**”).

Fortune Hand may at its absolute discretion at any time waive the GW Condition by written notice to Vigour Hero.

In the event that the GW Condition is not fulfilled (or waived) on or before 31 December 2010 (or such later date as may be agreed by Fortune Hand and Vigour Hero in writing), all rights, obligations and liabilities of Fortune Hand and Vigour Hero shall cease and determine and none of Fortune Hand and Vigour Hero shall have any claim against the other save and except rights and liabilities which have accrued prior to termination and the Deposit shall be returned by Fortune Hand to Vigour Hero forthwith but without interest.

BASIS OF CONSIDERATION

The consideration of HK\$100,000 for the disposal of the SZI Interest was determined after arm's length negotiation between the parties to the SZI Transfer Agreement, with reference to, among other things, the loss-making performance of SZ Innovision for the year ended 31 December 2009, net deficit value of SZ Innovision as at 31 December 2009, the business prospects and profitability potential of SZ Innovision, and the outlook for consumer electronics industry.

The consideration of HK\$900,000 for the disposal of the GW Shares was determined after arm's length negotiation between the parties to the GW Transfer Agreement, with reference to, among other things, the loss-making performance of the GW Group for the year ended 31 December 2009, the business prospects and profitability potential of the GW Group, and the outlook for consumer electronics industry.

The consideration of HK\$900,000 represents a substantial discount to the net asset value of the GW Group as at 30 June 2010. In view of that, amongst other things, (i) the GW Group has suffered net loss of approximately HK\$1 million for the year ended 31 December 2009; (ii) the Directors expect that the sourcing and trading of consumer electronics products business of the Group would remain difficult, and continuous losses in the segment are expected in the near future; (iii) the principal business and operations of the GW Group (i.e. the trading and distribution of consumer electronic products) will be seriously affected without the provision of liaison and marketing services by SZ Innovision; (iv) the Company considers that the Disposals aligns with the Group's high growth strategy to dispose of non-core assets so as to focus on its resources exploration and production business, and become one of Asia's leading operators in the oil and gas industry by investing in oil and gas projects, the Directors consider that the considerations for the Disposals are acceptable.

INFORMATION ON SZ INNOVISION AND THE GW GROUP

SZ Innovision is principally engaged in the provision of liaison and marketing services for Innovision and was incorporated in the PRC. For the years ended 31 December 2008 and 31 December 2009, SZ Innovision recorded unaudited losses both before and after taxation of approximately RMB6.5 million and RMB11.6 million respectively. As at 30 June 2010, SZ Innovision had an unaudited net deficit value of approximately RMB12.7 million.

Great Wall is principally engaged in investment holding and was incorporated in British Virgin Islands. Save for its interests in Innovision, Great Wall does not engage in any significant business activities since incorporation and does not have any significant assets and liabilities. Innovision is principally engaged in the trading and distribution of consumer electronic products and was incorporated in Hong Kong. For the years ended 31 December 2008 and 31 December 2009, the GW Group recorded unaudited profits both before and after taxation of approximately HK\$2.2 million and unaudited losses both before and after taxation of approximately HK\$1 million respectively. As at 30 June 2010, the GW Group had an unaudited net asset value of approximately HK\$12 million.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is principally engaged in the sourcing and trading of non-ferrous metals, sourcing and trading of consumer electronics products and petroleum exploration and production. According to the 2009 annual report of the Company, the Directors expect that the sourcing and trading of consumer electronics products business of the Group would remain difficult in the near future and that the Company would focus on the development of oil business.

The Company considers that the Disposals align with the Group's strategy to dispose of non-core assets so as to focus on its resources exploration and production business.

The Company expects to recognise a gain of approximately HK\$14.5 million in the accounts of the Group upon SZI Completion. Upon SZI Completion, SZ Innovision will cease to be subsidiary of the Company, and the Company will no longer have any interest in SZ Innovision.

The Company expects to recognise a loss of approximately HK\$11.1 million in the accounts of the Group upon GW Completion. Upon GW Completion, Great Wall and Innovision will cease to be subsidiaries of the Company, and the Company will no longer have any interest in Great Wall and Innovision.

The Company intends to use the sale proceeds as general working capital of the Group.

Based on the above, the Directors consider that the terms of each of the SZI Transfer Agreement and the GW Transfer Agreement are fair and reasonable, and that the Disposals are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on the relevant percentage ratios calculations under the Listing Rules, the entering into of the SZI Transfer Agreement and the GW Transfer Agreement, in aggregate, constitute a discloseable transaction of the Company and therefore are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Board”	the board of Directors
“Business Day”	any day on which banks in Hong Kong and the PRC generally are open for clearing and settlement business, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.

“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liabilities, the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Disposals”	collectively the disposals of the SZI Interest and the GW Shares pursuant to the SZI Transfer Agreement and the GW Transfer Agreement respectively
“EPI Metals”	EPI Metals Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Group
“Fortune Hand”	Fortune Hand Industries Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Group
“Great Wall”	Great Wall Infrastructure Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Group as at the date of this announcement
“Group”	the Company and its subsidiaries
“GW Completion”	the completion of the GW Transfer Agreement
“GW Group”	Great Wall and its subsidiary, Innovision
“GW Shares”	the entire issued shares of Great Wall
“GW Transfer Agreement”	the agreement entered into among Fortune Hand, Mr. Chan and Vigour Hero on 27 August 2010 in relation to the disposal of the entire interests in Great Wall
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Innovision”	Innovision Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Group as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Tsz Lok

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rise Star”	Rise Star Industrial Limited, a company incorporated in Hong Kong with limited liability and ultimately beneficially wholly-owned by Mr. Chan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Innovision”	深圳基漢貿易有限公司 (Shenzhen Innovision Trading Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Group as at the date of this announcement
“SZI Completion”	the completion of the SZI Transfer Agreement
“SZI Interest”	the entire paid up registered capital and equity interest in SZ Innovision
“SZI Transfer Agreement”	the equity transfer agreement entered into among EPI Metals, Mr. Chan and Rise Star on 27 August 2010 in relation to the disposal of the entire interests in SZ Innovision
“Vigour Hero”	Vigour Hero Limited, a company incorporated in the British Virgin Islands with limited liability and ultimately beneficially wholly-owned by Mr. Chan

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

Hong Kong, 27 August 2010

As at the date of this announcement, the Board comprises of three executive Directors, namely Mr. Wong Chi Wing, Joseph, Mr. Chu Kwok Chi, Robert and Mr. Zhou Jacky, one non-executive Director, namely Mr. Leung Hon Chuen and three independent non-executive Directors, namely, Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Poon Kwok Shin, Edmond.

* *for identification purpose only*