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**ANNOUNCEMENT**  
**INCREASE IN INTEREST OF A SUBSTANTIAL SHAREHOLDER**

This is a voluntary announcement made by EPI (Holdings) Limited (the “**Company**”).

The board of directors (the “**Directors**”) of the Company was informed by Mr. Wu Shaozhang (“**Mr. Wu**”), a substantial shareholder of the Company, of the following transactions:

- (a) On 30 June 2010, South America Petroleum Investment Holdings Limited, a company beneficially wholly-owned by Mr. Wu, had signed an agreement with TCL Transportation Holdings Limited, a company beneficially wholly-owned by TCL Corporation, for the acquisition of the entire issued share capital of TCL Peak Winner Investment Limited (“**TCL Peak Winner**”) (the “**Acquisition**”). The assets held by TCL Peak Winner are 690,731,707 shares of the Company and HK\$674,777,600 convertibles notes issued by the Company on 3 November 2009. The completion of the Acquisition is expected to take place on/before 31 August 2010.
- (b) On 2 August 2010, City Smart International Investment Limited (“**City Smart**”), a company beneficially wholly-owned by Mr. Wu, had exercised the conversion right to convert HK\$256,250,000 of the convertible notes issued by the Company on 3 November 2009 at the conversion price of HK\$0.205 per share, pursuant to which 1,250,000,000 shares of the Company will be allotted and issued (“**Share Conversion**”). The conversion shares have been issued on 5 August 2010.
- (c) On 3 August 2010, City Smart sold HK\$594,500,000 convertible notes issued by the Company on 3 November 2009 to independent third parties (the “**Sale**”).

Before completion of the Acquisition, the Share Conversion and the Sale (collectively, the “**Transactions**”), Mr. Wu together with the companies controlled by him, hold HK\$879,742,400 convertible notes issued by the Company on 3 November 2009 and 74,668,568 shares of the Company, representing approximately 0.68% of the issued share capital of the Company. After completion of the Transactions, Mr. Wu together with the companies controlled by him will hold HK\$703,770,000 convertible notes issued by the Company on 3 November 2009 and 2,015,400,275 shares of the Company, representing approximately 13.29% of the issued share capital of the Company. The net effect of the Transactions, assuming the Acquisition will be completed, is that the shareholding of Mr.

Wu and the companies controlled by him in the Company will increase. The Company was informed by Mr. Wu that he and the companies controlled by him do not have any present intention to reduce their shareholding stakes in the Company.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the completion of the Transactions mentioned above are set out as follows:

	Before completion of the Transactions		After completion of the Transactions	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Rich Concept Worldwide Limited ( <i>Note 1</i> )	1,258,108,277	11.42	1,258,108,277	8.30
Wong Chi Wing Joseph ( <i>Note 2</i> )	38,966,000	0.35	38,966,000	0.26
Chu Kwok Chi Robert ( <i>Note 3</i> )	338,529,383	3.07	338,529,383	2.23
City Smart International Investment Limited ( <i>Note 4</i> )	74,668,568	0.68	1,324,668,568	8.74
TCL Corporation	700,000,000	6.36	700,000,000	4.61
TCL Peak Winner Investment Limited ( <i>Note 5</i> )	690,731,707	6.27	690,731,707	4.55
Poon Kwok Shin Edmond ( <i>Note 6</i> )	2,000,000	0.02	2,000,000	0.01
Shares repurchased but not yet cancelled ( <i>Note 7</i> )	64,980,000	0.59	64,980,000	0.43
Public Shareholders ( <i>Note 8</i> )	7,845,867,561	71.24	10,745,867,561	70.87
	<u>11,013,851,496</u>	<u>100.00</u>	<u>15,163,851,496</u>	<u>100.00</u>

*Notes:*

1. Rich Concept Worldwide Limited is a company beneficially wholly-owned by Mr. Wong Chi Wing Joseph, the Chairman and CEO of the Company.
2. Mr. Wong Chi Wing Joseph is the Chairman and CEO of the Company.
3. Mr. Chu Kwok Chi Robert is the executive Director of the Company.
4. City Smart International Investment Limited is a company beneficially wholly-owned by Mr. Wu Shaozhang.
5. The entire issued share capital of TCL Peak Winner Investment Limited will be transferred from TCL Transportation Holdings Limited, a company wholly-owned by TCL Corporation, to South America Petroleum Investment Holdings Limited, a company beneficially wholly-owned by Mr. Wu Shaozhang, upon the completion of the Acquisition.
6. Mr. Poon Kwok Shin Edmond is an independent non-executive Director.

7. The Company had repurchased 5,100,000 shares on 29 June 2010, 4,040,000 shares on 30 June 2010, 2,540,000 shares on 2 July 2010, 16,020,000 shares on 5 July 2010, 3,040,000 shares on 7 July 2010, 2,600,000 shares on 8 July 2010, 4,180,000 shares on 12 July 2010, 5,080,000 shares on 13 July 2010, 14,600,000 shares on 14 July 2010, 2,020,000 shares on 15 July 2010, 3,300,000 shares on 16 July 2010 and 2,460,000 shares on 19 July 2010 but these shares have not yet been cancelled.
8. HK\$594,500,000 convertible notes issued by the Company on 3 November 2009 were converted to shares at the conversion price of HK\$0.205 per share and 2,900,000,000 conversion shares were allotted on 5 August 2010.

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

Hong Kong, 6 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*