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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **EPI (Holdings) Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF FURTHER INTEREST IN QINGYUAN JCCL EPI COPPER LIMITED

Financial adviser to EPI (Holdings) Limited



**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 10 of this circular. A letter from Guangdong Securities containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 20 of this circular.

A notice convening a special general meeting of EPI (Holdings) Limited to be held at Room 3203, 32/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 10:00 a.m. on 17 September 2008 is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at Tricor Tengis Limited, the branch share registrar in Hong Kong of EPI (Holdings) Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish and in such event the form of proxy shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the Sale Loan by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the sale and purchase agreement entered into among the Purchaser, the Vendor and Mr. Fan on 11 August 2008 in relation to the Acquisition
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which banks in Hong Kong 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
“Completion”	completion of the sale and purchase of the Sale Share and assignment of the Sale Loan
“Completion Date”	date of Completion
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$25 million to be paid by the Purchaser to the Vendor upon Completion pursuant to the Agreement
“Deed of Assignment”	the deed of assignment to be entered into between the Purchaser and the Vendor for the assignment of the Sale Loan by the Vendor to the Purchaser (or its nominee(s))
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders on terms of the Agreement and the transactions contemplated thereunder
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company formed by all independent non-executive Directors to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the SGM
“JCCL EPI”	清遠江銅長盈銅業有限公司 (Qingyuan JCCL EPI Copper Limited), an equity joint venture company incorporated in the PRC with limited liability and is owned as to 51% by the Group, 40% by Jiangxi Copper Company Limited and 9% by Silver Luck as at the Latest Practicable Date
“Latest Practicable Date”	28 August 2008, being the latest practicable date prior to printing of this circular for ascertaining certain information contained on this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fan”	Mr. Fan Jixun
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong
“Purchaser”	EPI Metals Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sale Share”	all share(s) in the issued and fully paid up ordinary share capital of the Target Company as at the date of the Agreement and at Completion
“Sale Loan”	being the entire shareholder’s loan owed by the Target Group to the Vendor as at Completion, which is unsecured, interest free and without any fixed repayment date
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holders of Share(s)
“Shares”	shares of HK\$0.01 each in the share capital of the Company
“Silver Luck”	Silver Luck Holdings Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Big Base Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Vendor as at the Latest Practicable Date
“Target Group”	the Target Company and its subsidiary. As at the Latest Practicable Date, the Target Company has no subsidiary other than Silver Luck
“Vendor”	Create Wealth Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Fan
“%”	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate at HK\$1.00 = RMB0.88 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged.

LETTER FROM THE BOARD



(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

Executive Directors:

Mr. Wong Chi Wing, Joseph
Mr. Cheng Hairong
Mr. Chu Kwok Chi, Robert

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Leung Hon Chuen

*Head office and principal place
of business in Hong Kong:*

Room 6303, 63/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Xu Mingshe
Mr. Poon Kwok Shin, Edmond

1 September 2008

To the Shareholders

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF FURTHER INTEREST IN
QINGYUAN JCCL EPI COPPER LIMITED**

INTRODUCTION

By an announcement dated 11 August 2008, the Board announced that on the same day, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor and Mr. Fan, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Share and the Sale Loan at the Consideration of HK\$25 million.

The principal assets of the Target Group is its 9% equity interest in JCCL EPI, a 51% owned subsidiary of the Group as at the Latest Practicable Date. Following Completion, the Group will hold in aggregate 60% equity interest in JCCL EPI.

The Vendor is wholly owned by Mr. Fan, who is a director of JCCL EPI. Accordingly, Mr. Fan and the Vendor are connected persons of the Group and the transactions contemplated under the Agreement constitute connected transaction for the Company under

* For identification purpose only

LETTER FROM THE BOARD

Chapter 14A of the Listing Rules. Further, based on the applicable percentage ratios calculated pursuant to the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

This circular provides you with, among other things, further information on the Acquisition, the advice of Guangdong Securities, the recommendation of the Independent Board Committee and a notice convening the SGM.

THE AGREEMENT

Date:

11 August 2008

Parties:

Vendor: Create Wealth Investments Limited

Purchaser: EPI Metals Limited, a wholly-owned subsidiary of the Company

Guarantor: Mr. Fan

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the principal business activities of the Vendor are investment holdings. The Vendor is wholly owned by Mr. Fan, who has guaranteed the performance of the Vendor under the Agreement.

There was no previous transaction between the Group and the Vendor, and between the Group and Mr. Fan, which may require aggregation under Rule 14A.25 of the Listing Rules.

Assets to be acquired

1. the Sale Share, representing the entire issued share capital of the Target Company; and
2. the Sale Loan, being the entire shareholder's loan and other indebtedness owed by the Target Group to the Vendor as at Completion. As at 31 December 2007, the Sale Loan amounted to approximately HK\$8.6 million.

The principal assets of the Target Group is its 9% equity interest in JCCL EPI, which is a 51% owned subsidiary of the Group as at the Latest Practicable Date. JCCL EPI is principally engaged in copper smelting and production of copper anode.

Consideration

The Consideration of HK\$25 million will be payable by cash by the Purchaser to the Vendor upon Completion. As at the Latest Practicable Date, the Consideration has not yet been satisfied.

LETTER FROM THE BOARD

The Consideration was determined after arms length negotiation between the Purchaser and the Vendor based on (i) the historical price-to-earnings ratio of approximately 3.6 times based on 9% share of the annualised net profit after tax of JCCL EPI for the period from 6 June 2007 (date of commencement of formal operation) to 31 December 2007 of approximately RMB25.5 million (equivalent to approximately HK\$29.0 million); and (ii) the face value of the Sale Loan of approximately HK\$8.6 million as at 31 December 2007.

The Directors consider that using historical price-to-earnings ratio as one of the bases of arriving at the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole, as copper smelting and production of copper anode are not capital intensive business, therefore the value of JCCL EPI should be based on its earning ability instead of the value of its tangible assets. The Consideration will be financed by the Group's internal resources.

Conditions Precedent

Completion is conditional upon the following conditions being satisfied:

- (a) the Vendor's warranties as set out in the Agreement remaining true and accurate, and not misleading, in all material respects as at Completion;
- (b) the Vendor having delivered a legal opinion issued by a PRC legal adviser acceptable to the Purchaser (acting reasonably) in respect of Silver Luck's equity interest in JCCL EPI, in both form and substance satisfactory to the Purchaser (acting reasonably);
- (c) the Vendor having delivered a legal opinion (subject to the usual assumptions and qualifications) issued by a firm of lawyers practicing the laws of the British Virgin Islands and dated not earlier than 7 days before the Completion Date, confirming that the Vendor and the Target Company are both validly existing under the laws of the BVI and in good standing, that the Vendor has the full power and authority to enter into the Agreement and to execute the instrument of transfer and the Deed of Assignment, and that the Agreement, the instrument of transfer and the Deed of Assignment when executed constitutes legal and binding obligations on the Vendor;
- (d) approval by the Shareholders (or Independent Shareholders, if required) of the Agreement and the transactions contemplated thereunder, (if required) at a general meeting, in compliance with the requirements of the Listing Rules; and
- (e) all other relevant requirements under the Listing Rules and/or all necessary approvals and processes of the relevant authorities for the entering into and implementation of the Agreement and the transactions contemplated thereunder have been fulfilled, obtained and/or complied with by the Purchaser and/or its holding companies.

LETTER FROM THE BOARD

The Purchaser may at its absolute discretion at any time waive the above conditions (other than conditions (d) and (e)) by written notice to the Vendor. Neither the Vendor nor the Purchaser may waive conditions (d) and (e). As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Completion

Completion shall take place on the third Business Day after the date on which the last of the conditions precedent is fulfilled (or waived), or such other date as the parties to the Agreement may agree in writing prior to Completion. In the event that any of the conditions is not fulfilled (or waived) on or before 31 October 2008 (or such later date as may be agreed by the parties in writing) and/or the condition (a) does not remain fulfilled (and is not waived by the Purchaser) on the Completion Date, all rights, obligations and liabilities of the parties to the Agreement shall cease and determine and none of the parties shall have any claim against the other save and except for rights and liabilities which have accrued prior to termination.

INFORMATION ON THE TARGET GROUP

The Target Company and Silver Luck are principally engaged in investment holdings and were incorporated on 19 April 2007 and 13 April 2007 respectively. Save for the investment in JCCL EPI and the Sale Loan, the Target Group does not engage in any significant business activities since incorporation and does not have any significant assets and liabilities. For the period from 19 April 2007 (date of incorporation of the Target Company) to 30 June 2008, the Target Group recorded an unaudited loss both before and after taxation of HK\$19,637. As at 30 June 2008, the Target Group had an unaudited net liabilities of approximately HK\$19,629.

JCCL EPI is a 51% owned subsidiary of the Group and was established by the Purchaser, Jiangxi Copper Company Limited and 清遠市同德電器實業有限公司 (Qingyuan Tongde Electric Industrial Co. Ltd.), a company controlled by Mr. Fan. Qingyuan Tongde Electric Industrial Co. Ltd. owned 9% equity interest in JCCL EPI before it transferred such interest to Silver Luck in January 2008 at historical cost. The investment cost of such interest in JCCL EPI of Qingyuan Tongde Electric Industrial Co. Ltd. was RMB8.1 million (equivalent to approximately HK\$9.2 million).

JCCL EPI is principally engaged in copper smelting and production of copper anode. For the year ended 31 December 2007, JCCL EPI recorded audited profit before and after tax both of approximately RMB26.7 million (equivalent to approximately HK\$30.3 million) based on Hong Kong Financial Reporting Standards. Prior to that, JCCL EPI did not generate any revenue and did not incur any expense. As at 31 December 2007, JCCL EPI had an audited net assets value of approximately RMB116.7 million (equivalent to approximately HK\$132.6 million) based on Hong Kong Financial Reporting Standards.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in sourcing and trading of non-ferrous metals and audio-visual products, and through JCCL EPI, engaged in copper smelting and production of copper anode.

As at the Latest Practicable Date, JCCL EPI is owned as to (i) 51% by the Group, (ii) 40% by Jiangxi Copper Company Limited, and (iii) 9% by Silver Luck. Following Completion, the Company will hold in aggregate 60% equity interest in JCCL EPI. The Company is optimistic towards the prospects of JCCL EPI and considers that the increase in interest in JCCL EPI will contribute towards further earning capabilities of the Group.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

After Completion, the equity interest in JCCL EPI held by the Company will increase by 9% from 51% to 60% and the financial results of JCCL EPI will continue to be consolidated into the Group's financial statement.

The Directors expect that immediately upon Completion, the Acquisition will have no significant effect on the value of total assets and total liabilities of the Group.

LISTING RULES IMPLICATIONS

The Vendor is wholly owned by Mr. Fan, who is a director of JCCL EPI. Accordingly, Mr. Fan and the Vendor are connected persons of the Group and the transactions contemplated under the Agreement constitute connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the terms of the Agreement and the transactions contemplated thereunder are subject to, among other things, approval by the Independent Shareholders in the SGM. Further, based on the applicable percentage ratios calculated pursuant to the Listing Rules, the Acquisition also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As confirmed by the Vendor, neither itself nor its associates (including Mr. Fan) are interested in any Shares. Accordingly, none of the Shareholders has an interest in the Agreement which is different from other Shareholders and thus none of the Shareholders is required to abstain from voting at the SGM.

SGM

A notice convening the SGM, at which an ordinary resolution will be proposed to the Shareholders to approve the Agreement and the transactions contemplated thereunder is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is accompanied with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Tricor Tengis Limited, the branch share registrar in Hong Kong of the Company, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event

LETTER FROM THE BOARD

not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish and in such event the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

The Independent Board Committee comprising all of the two independent non-executive Directors was established to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and are therefore entitled to give independent recommendation to the Independent Shareholders. Your attention is drawn to its letter of recommendation set out on page 10 of this circular.

Guangdong Securities was appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. Your attention is drawn to its letter of advice set out from pages 11 to 20 of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

1 September 2008

To the Independent Shareholders

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF FURTHER INTEREST IN
QINGYUAN JCCL EPI COPPER LIMITED**

We refer to the circular of the Company dated 1 September 2008 (the “Circular”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise you on the terms of the Agreement and the transactions contemplated thereunder. Guangdong Securities has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out from pages 11 to 20 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the Agreement and the transactions contemplated thereunder and taking into account of the independent advice of Guangdong Securities, in particular the principal factors, reasons and recommendation as set out in its letter from pages 11 to 20 of the Circular, we consider that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,
the Independent Board Committee
Xu Mingshe
Poon Kwok Shin, Edmond
Independent Non-executive Directors

* For identification purpose only

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

1 September 2008

*To: The independent board committee and the independent shareholders
of EPI (Holdings) Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION – ACQUISITION OF FURTHER INTEREST IN QINGYUAN JCCL EPI COPPER LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 1 September 2008 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 11 August 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Sale Share and the Sale Loan at the Consideration of HK\$25.0 million in cash upon Completion.

Pursuant to Rule 14.08 of the Listing Rules, as one of the applicable percentage ratios of the Acquisition exceed 5% but is not more than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, since the Vendor is wholly-owned by Mr. Fan, who is a director of JCCL EPI, both Mr. Fan and the Vendor are connected persons of the Group and the Acquisition constitutes connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Agreement is subject to the approval of the Independent Shareholders at the SGM. As stated in the Board Letter, neither the Vendor itself nor its associates (including Mr. Fan) are interested in any Shares and therefore no Shareholder has an interest in the Agreement which is different from other Shareholders and thus no Shareholder is required to abstain from voting on the relevant resolution at the SGM.

LETTER FROM GUANGDONG SECURITIES

The Independent Board Committee comprising Mr. Xu Mingshe and Mr. Poon Kwok Shin, Edmond (both being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Acquisition is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution to approve the Agreement and the transactions contemplated therein at the SGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date hereof. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Purchaser, the Vendor, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities has been to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GUANGDONG SECURITIES

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

(1) The Agreement

On 11 August 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Sale Share and the Sale Loan at the Consideration of HK\$25.0 million in cash upon Completion.

Pursuant to the Agreement, the Completion is conditional upon the fulfilment of certain conditions precedent which are detailed under the paragraph headed “Conditions Precedent” of the Board Letter or waiver thereof (as the case may be) on or before 31 October 2008 (or such later date as the parties to the Agreement may agree in writing).

As advised by the Directors, the terms of the Agreement were negotiated and entered into on arm’s length basis between the parties thereto and the Directors are of the view that the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

(2) Background of the Acquisition

Information on the Group

The Group is principally engaged in sourcing and trading of non-ferrous metals and audio-visual products. Through JCCL EPI, which is currently owned as to 51% by the Company, the Group is also engaged in copper smelting and production of copper anode. According to the annual report of the Company for the year ended 31 December 2007 (the “**2007 Annual Report**”), Climax Associates Limited became the controlling shareholder of the Company in September 2006 and adopted a business strategy to diversify the Group’s business operation and position the Group into the non-ferrous metals and resource sectors.

As stated in the 2007 Annual Report, the Group carried out or proposed several strategic mergers and acquisitions in recent years, including (i) the formation of JCCL EPI for copper anode production in November 2006; (ii) the investment in Guangzhou (Foshan) Metals Company Limited for metals logistics and metals financing business in February 2007; and (iii) the formation of a joint venture company with Daye Non Ferrous Metals Company for the operation of four mines in Hubei, the PRC. Following those mergers and acquisitions, scrap metals sourcing, copper anode production and metals financing have emerged to be the core businesses of the Group.

LETTER FROM GUANGDONG SECURITIES

Set out below is a summary of the audited financial results of the Group for the two years ended 31 December 2007 as extracted from the 2007 Annual Report:

	For the year ended 31 December 2007		For the year ended 31 December 2006	
		<i>% of total turnover of the Group</i>		<i>% of total turnover of the Group</i>
	<i>HK\$'000</i>		<i>HK\$'000</i>	
Turnover				
– Metals sourcing and trading (<i>Note</i>)	1,188,933	57.91	–	N/A
– Production of copper anode	749,133	36.49	–	N/A
– Consumer electronics	114,934	5.60	264,803	100.00
Total	<u>2,053,000</u>	<u>100</u>	<u>264,803</u>	<u>100</u>
		<i>% of total net profit of the Group</i>		<i>% of total net profit of the Group</i>
	<i>HK\$'000</i>		<i>HK\$'000</i>	
Segment results				
– Metals sourcing and trading	104,098	85.03	–	N/A
– Production of copper anode	17,899	14.62	–	N/A
– Consumer electronics	424	0.35	853	100.00
Total	<u>122,421</u>	<u>100</u>	<u>853</u>	<u>100</u>

Note: The sales for the year ended 31 December 2007 attributable to metals sourcing and trading was approximately HK\$1,268,516,000, of which approximately HK\$79,583,000 was inter-segment sales which was eliminated.

As depicted by the above table, the Group derived all of its revenue from the consumer electronics segment for the year ended 31 December 2006. Nevertheless, during the year ended 31 December 2007, the Group had explored into the metal sourcing and trading, and production of copper anode segments and the financial performance of these two segments had far outpaced the consumer electronics segment during the same said year under review. In addition, the audited total turnover of the Group rose from approximately HK\$264.8 million to HK\$2,053.0 million, representing a significant upsurge of more than six fold during the 2007 financial year. In view of the aforesaid segment performance and improving financial results of the Group for the year ended 31 December 2007,

LETTER FROM GUANGDONG SECURITIES

we consider that the Group had effectively implemented its business strategy to diversify its business operation and position itself into the non-ferrous metals and resource sectors.

In the coming future, the Directors confirmed that it is the strategy of the Group to build on the solid foundations laid within the scrap copper and non-ferrous metal supply chain business and thereby providing stable revenue income to the Group. As a long term strategy, the Group will pursue investment projects in the mining and resources sectors.

Information on the Target Group

We noted from the Board Letter that the Target Group comprises the Target Company and Silver Luck, which were incorporated on 19 April 2007 and 13 April 2007 respectively and are both wholly-owned by the Vendor. Save for the investment of 9% equity interest in JCCL EPI and the Sale Loan, the Target Group has neither had any significant business activities nor assets and liabilities since the date of its incorporation.

Information on JCCL EPI

We noted from the Board Letter that JCCL EPI was incorporated in the PRC with limited liability and it is principally engaged in copper smelting and production of copper anode. As at the Latest Practicable Date, JCCL EPI was owned as to 51% by the Group, 40% by Jiangxi Copper Company Limited and 9% by Silver Luck.

From the Board Letter, we further noted that JCCL EPI recorded an audited profit before and after tax of approximately RMB26.7 million (equivalent to approximately HK\$30.3 million) for the year ended 31 December 2007 prepared using the Hong Kong Financial Reporting Standards.

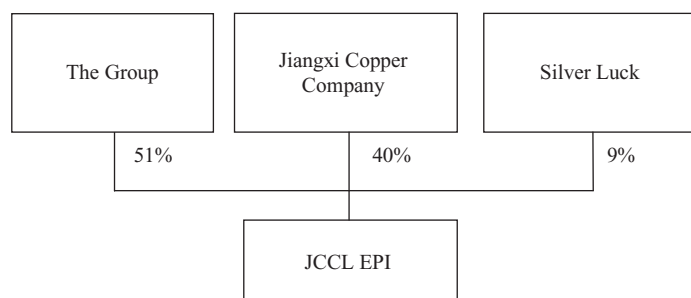
According to the 2007 Annual Report, JCCL EPI targeted to produce copper anodes of 50,000 tonnes per year and the Directors also advised us that JCCL EPI will further expand its annual production capacity in the future. Pursuant to the supply framework agreement dated 17 May 2007 entered into between JCCL EPI and Jiangxi Copper Company Limited, all the copper materials such as copper blister, copper anode, scrap copper and copper concentrate (including any gold and silver impurities contained therein) produced by JCCL EPI will be sold directly to Jiangxi Copper Company Limited.

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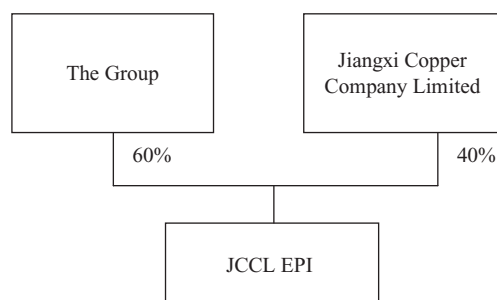
Shareholding structure of JCCL EPI

The simplified shareholding structure of JCCL EPI as at the Latest Practicable Date and immediately following the Completion are as follows:

(a) Simplified shareholding structure of JCCL EPI as at the Latest Practicable Date:



(b) Simplified shareholding structure of JCCL EPI immediately following the Completion:



(3) Reasons for the Acquisition

As extracted from the Board Letter, the Company is optimistic towards the prospect of JCCL EPI and considers that the increase in interest in JCCL EPI will contribute towards further earning capacities of the Group. As also mentioned under the paragraph headed “Information on JCCL EPI” of this letter, it is the strategy of the Group to build on the solid foundations laid within the scrap copper and non-ferrous metal supply chain business and thereby providing stable revenue income to the Group. In light of that the production of copper anode is one of the key business activities of the Group, we consider that the Acquisition aligns with the business development strategy of the Group and hence is conducted in the ordinary and usual course of business of the Company.

As referred to in the 2007 Annual Report, the Directors are of the view that despite that the global copper market would remain challenging in the coming years and the price of the copper would be volatile in the future, the demand for copper would be persistently strong. As further referred to in the 2007 Annual Report, copper consumption in the PRC was approximately 4,621,000 tonnes in 2007, representing a

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year-on-year increase of approximately 19.2%. Moreover, the consumption of copper in the PRC also surpassed its market supply of approximately 3,457,000 tonnes in 2007. Having this being the case, the Directors expect that the outlook of the copper market will continue to be positive in the near future.

Having considered (i) the growing significance of the production of copper anode segment as a revenue contributor and profit driver of the Group; (ii) the Acquisition being in alignment with the business development strategy of the Group; and (iii) the existing shortage of copper in the PRC according to the 2007 Annual Report, we concur with the Directors that the Acquisition is in the interests of the Company and the Shareholders as a whole.

(4) Principal terms of the Agreement

Basis of the Consideration

The Board Letter stated that the Consideration of HK\$25.0 million was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the historical price to earnings ratio of approximately 3.6 times based on 9% share of the annualised net profit after tax of JCCL EPI for the period from 6 June 2007 (being the date of commencement of formal operation of JCCL EPI) to 31 December 2007 of approximately RMB25.5 million (equivalent to approximately HK\$29.0 million); and (ii) the face value of the Sale Loan of approximately HK\$8.6 million as at 31 December 2007.

Payment of the Consideration

As confirmed by the Directors, the Company shall satisfy the entire Consideration by the internal resources of the Group.

Comparison with other market comparables

To assess the fairness and reasonableness of the Consideration, we have performed the commonly adopted trading multiple analyses, which include the price to book ratio ("P/B") analysis and price to earnings ratio ("P/E") analysis, for comparison purpose.

In performing our trading multiple analyses, we have researched companies which are listed on the Stock Exchange and are in similar lines of business as JCCL EPI (i.e. having businesses relating to copper smelting and production of copper anode) and excluded companies which recorded losses and net liabilities during their latest financial year as per their respective published financial information. Furthermore, we have also attempted to select companies with market capitalization being comparable to JCCL EPI. However, we found that the number of companies engaging in the businesses relating to copper smelting and production of copper anode is limited and therefore we did not exclude any such

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comparable companies in our analyses below. To the best of our knowledge and as far as we are aware of, we found three companies which met our selection criteria as just mentioned (the “**Comparable Companies**”).

The following table sets out the implied P/B and P/E of the Comparable Companies based on (i) their respective closing prices as at 11 August 2008, being the date of the Agreement; and (ii) the publicly available financial information for their latest financial year:

Company name (Stock code)	Principal business	Year end date	P/B	P/E
Jiangxi Copper Company Limited (358)	Copper mining, milling, smelting and refining to produce copper cathode and other related products, including pyrite concentrates, sulfuric acid and electrolytic gold and silver	2007/12/31	1.56	6.95
Xinjiang Xinxin Mining Industry Company Limited (3833)	Mining, ore processing, smelting and refining of nickel, copper and other non-ferrous metals	2007/12/31	0.82	5.02
Hunan Nonferrous Metals Corporation Limited (2626)	Production of nonferrous metals, excluding aluminium in the PRC. Major products are tungsten, zinc, antimony and lead, and compounds, alloys and other products derived from these metals	2007/12/31	0.53	13.63
Maximum			1.56	13.63
Minimum			0.53	5.02
Median			0.82	6.95
The Acquisition			1.37	3.60
			<i>(Note)</i>	

Note: Being the Consideration minus the Sale Loan and divided by 9% of the net asset value of JCCL EPI of RMB116.7 million (equivalent to approximately HK\$132.6 million) as at 31 December 2007.

Source: the Stock Exchange web-site (www.hkex.com.hk)

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As shown by the above table, the Comparable Companies were trading at implied P/B ranging from approximately 0.53 times to approximately 1.56 times. The P/B as implied by the Acquisition of approximately 1.37 times hence falls within the said market range. Taking into account the result of the foregoing P/B analysis, we are of the opinion that the P/B as implied by the Acquisition is acceptable.

Regarding the P/E analysis, the Comparable Companies were trading at implied P/E in the range of approximately 5.02 times to approximately 13.63 times. The P/E as implied by the Acquisition of approximately 3.60 times hence falls below the said market range.

As the Consideration is equivalent to the sum of (i) the historical price to earnings ratio of approximately 3.6 times based on 9% share of the annualised net profit after tax of JCCL EPI for the period from 6 June 2007 (being the date of commencement of formal operation of JCCL EPI) to 31 December 2007 of approximately RMB25.5 million (equivalent to approximately HK\$29.0 million); and (ii) the face value of the Sale Loan of approximately HK\$8.6 million as at 31 December 2007, and that the P/E as implied by the Acquisition falls below the market range of the Comparable Companies, we concur with Directors that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

It should be noted that the businesses, operations and prospects of JCCL EPI are not the same as the Comparable Companies as set out in the above table and we have not conducted any in-depth investigation into the businesses and operations of the Comparable Companies. Accordingly, the Comparable Companies are only used for illustrative purpose.

In addition, we have also reviewed other major terms of the Agreement and are not aware of any terms which are unusual. Based on the above, we are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(5) Financial effects of the Acquisition

Effect on net asset value

According to the 2007 Annual Report, the audited consolidated net asset value of the Group was approximately HK\$781.85 million as at 31 December 2007. Upon Completion, the net asset value of the Group would be reduced by the difference between the Consideration and the goodwill arising from the Acquisition.

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Effect on earnings

Upon Completion, the Group's share of equity interest in JCCL EPI will be increased from 51% to 60% and the Group will consolidate 60% of the financial results of JCCL EPI into the Company's financial statements. Based on the expected positive future prospects of JCCL EPI, the Directors are optimistic that the Acquisition would enhance the future earning ability of the Group.

Effects on gearing and working capital

As at 31 December 2007, the Group's gearing level (being calculated as total liabilities over net asset value of the Group) was approximately 0.43 times. Upon Completion, based on the relevant calculations we requested and as provided by the Company, the Group's gearing level would be increased mainly due to the reduction in net asset value of the Group by the amount of the goodwill arising from the Acquisition charged against the reserves.

Lastly, as the Consideration shall be satisfied entirely by the internal resources of the Group, the Company expected that the working capital of the Group will be reduced by the Consideration.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon Completion.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Agreement and the transactions contemplated therein and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Acquisition and the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

DISCLOSURE OF INTERESTS

Interests of Directors

- (i) As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company or any of their respective associates in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules were as follows:

Long positions in Shares and underlying Shares

Director	Number of Shares			Total interests	Approximate percentage of the issued share capital of the Company
	Beneficial owner	Controlled corporation (note 1)	Equity derivatives (note 2)		
Wong Chi Wing, Joseph	9,000,000	1,708,146,000	24,380,000	1,741,526,000	42.19%
Cheng Hairong	–	–	24,380,000	24,380,000	0.68%
Chu Kwok Chi, Robert	2,000,000	–	2,000,000	4,000,000	0.10%
Leung Hong Chuen	–	–	2,380,000	2,380,000	0.06%
Xu Mingshe	–	–	2,000,000	2,000,000	0.06%
Poon Kwok Shin, Edmond	1,200,000	–	2,380,000	3,580,000	0.09%

Notes:

1. These Shares are held by Climax Associates Limited which is 51% owned by Rich Concept Worldwide Limited, a company wholly owned by Mr. Wong Chi Wing, Joseph, a Director, 29% owned by Mr. Cheng Hairong, a Director and 20% by Mr. Chu Kwok Chi Robert, a Director.
2. These represent the interests in share options granted to the Directors as beneficial owner under a share option scheme of the Company adopted on 6 November 2006.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV and the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

- (ii) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which were, since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.
- (iii) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.
- (iv) As at the Latest Practicable Date, other than Mr. Wong Chi Wing, Joseph being a Director, a director of Climax Associates Limited which is interested in 1,708,146,000 Shares and a director of Rich Concept Worldwide Limited, which is interested in 51% of the issued share capital of Climax Associates Limited and Mr. Cheng Hairong being a Director and a director of Climax Associates Limited, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Interests of substantial Shareholders

As at the Latest Practicable Date, according to the register of interests maintained by the Company pursuant to Division 2 and 3 of Part XV and section 336 of the SFO and so far as is known to the Directors, the persons, other than the Directors and the chief executive of the Company, who had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

The Company

Name of Shareholders	Position	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Climax Associates Limited (<i>Note 1</i>)	Long	Beneficial owner	1,708,146,000	40.99%
Rich Concept Worldwide Limited (<i>Note 2</i>)	Long	Interest of a controlled corporation	1,708,146,000	40.99%

Notes:

1. Climax Associates Limited is 51% owned by Rich Concept Worldwide Limited.
2. Rich Concept Worldwide Limited is wholly owned by Mr. Wong Chi Wing, Joseph, a Director and Chairman of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons or corporations (other than a Director or the chief executive of the Company and the respective companies controlled by them whose interests have been disclosed above) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or in any options in respect of such capital.

COMPETING INTEREST

As at the Latest Practicable Date, as far as the Directors are aware, none of the Directors or their respective associates had any direct or indirect interest in a business which competed or was likely to compete with the business of the Group.

MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 70 of the Bye-laws of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

A demand by a person as proxy for a Shareholder or in case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Shareholder.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

QUALIFICATIONS OF EXPERT, CONSENTS AND EXPERT'S INTERESTS

Guangdong Securities, the Independent Financial Adviser, is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO.

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with copies of its letter and the references to its name included herein the form and context in which they respectively appear.

As at the Latest Practicable Date, Guangdong Securities was not interested in any Share or share in any member of the Group, nor does it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group. As at the Latest Practicable Date, Guangdong Securities did not have any direct or indirect interests in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to or by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to or by the Company or any of its subsidiaries.

GENERAL

- (i) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (ii) The secretary and qualified accountant of the Company is Mr. Hong Kin Choy, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (iii) The English text of this circular shall prevail over the Chinese text thereof.

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the head office and principal place of business of the Company in Hong Kong at Room 6303, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong from the date of this circular until the date of the SGM:

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in the section of this circular headed "Letter from the Independent Board Committee";
- (c) the letter from Guangdong Securities, the text of which is set out in the section of this circular headed "Letter from Guangdong Securities"; and
- (d) the written consent referred in the section headed "Qualifications of Expert, Consents and Expert's Interests" in this appendix.

NOTICE OF THE SGM



(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

NOTICE IS HEREBY GIVEN that a special general meeting of EPI (Holdings) Limited (the “Company”) will be held at 10:00 a.m. on Wednesday, 17 September 2008 at Room 3203, 32/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT,**

- (a) the sale and purchase agreement dated 11 August 2008 (the “**Agreement**”), a copy of which, signed by the Chairman of the meeting for the purpose of identification, has been produced to the meeting marked “A”, made between Create Wealth Investments Limited as vendor (“**Vendor**”), Mr Fan Jixun as the Vendor’s guarantor and EPI Metals Limited as purchaser (“**Purchaser**”) pursuant to which the Purchaser agreed to acquire the entire issued share capital of and shareholder’s loans due by Big Base Enterprises Limited to the Vendor at a consideration of HK\$25,000,000 be and is hereby approved, confirmed and ratified with such amendments, alterations or additions, if any, as the board of directors of the Company may think fit and that the transactions contemplated under the Agreement be and are hereby approved; and
- (b) the board of directors of the Company be and are hereby authorised to do all such acts and things as it consider necessary or expedient or desirable in connection with or to give effect to the Agreement and to implement the transactions contemplated thereunder.”

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

Hong Kong, 1 September 2008

* For identification purpose only

NOTICE OF THE SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:

Room 6303, 63/F,
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
- (2) In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrars in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person should they so wish.