

EPI Announces 2009 Annual Results
Oil and Gas-related Businesses Contributed Immediate Cash Flow

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Transforming to one of the Leading Oil Production Group in the Region

(Hong Kong, 11 March 2010) – **EPI (Holdings) Limited** (“EPI” or the “Group”, SEHK: 689) announced its annual results for the year ended 31 December 2009.

During the year under review, the Group’s turnover was HK\$1,089.54 million (2008: HK\$1,665.02 million). The Group recorded a profit for the year of HK\$20.31 million, contrary to a loss for the year of HK\$7.83 million in 2008. The increase in profit attributable to the owners of the Company was mainly due to the HK\$61.13 million gain on disposal of Vision Tech International Holdings Limited (SEHK: 922, “Vision Tech”), and the gain on fair value changes on listed securities of HK\$98.63 million during the year. The Board of Directors does not recommend the payment of a dividend.

Mr. Joseph Wong, Chairman and CEO of EPI, said, “The year of 2009 marked a landmark for the Group. In 2009, the Group has restructured its existing business to focus on oil and gas operations. Following the acquisition of 100% of Have Result Investments Limited, a company which holds 51% of operating rights to the Mendoza oilfield project in Argentina, the Group now has 51% share of the oil output from this project. The existing value in the project substantially minimizes our investment risks and capital investment requirements and will allow us to focus on further enhancement of the oil resource and operations”

Restructuring Approach

To focus resources to the success of oil business, the Group has conducted a restructuring program and began to dispose of non core assets together with consolidation in its non ferrous metal business. In 2009, the Group has divested 570,000,000 shares in Vision Tech and disposed the smelting and production of copper anode business.

Business Review

Sales of Oil and Gas

The Sales of Oil and Gas business recorded revenue of HK\$3.41 million during the review year. During the year of 2009, Have Result started the drilling of five oil wells that has fulfilled the requirement of investment plan. Two are deep wells and the remaining three are shallow wells. The latest progress of the oil wells drilling is shown in the table below.

Well	Production	Status	Depth (m)
1. CH-1052	● 370~440 barrels / day	● In production since 19 Nov, 2009	3,697
2. CH-1053	● 900~1,000 barrels / day	● In production since mid-Nov, 2009	3,580
3. CH-1055	● Exceeding 1,000 barrels / day	● In production on 9 Mar, 2010	3,600
4. CH-25 bis	● Expect to start production by Mid Mar, 2010	● Exploratory	4,685
5. CH-7 bis	● Expect to start production in April, 2010	● Exploratory	3,000

The turnover represents sales of oil at selling price US\$42 per barrel or US\$273.6 per cubic meter. The gross profit after deducting oil and gas properties depreciation was HK\$1.87 million with gross profit margin 55%. The sales volume from test production in 2009 was 2,138 m³.

On 19 August 2009, the Group acquired oil exploitation rights in Argentina through the acquisition of the entire issued share capital of Have Result Investments Limited (“Have Result”) at total consideration amounted to HK\$3,835.27 million. The principal assets of Have Result are the Puesto Pozo Cercado Concession and Chañares Herrados Concession of hydrocarbon exploitation in the Cuyana Basin, Mendoza Province, Argentina, covering a total surface area of approximately 169.4 and 40 square kilometers respectively. As at 31 December 2009, the net asset value of the Group increased to HK\$3,976.89 million from HK\$814.37 million following the completion of the acquisition of Have Result. The net asset value per share was HK\$0.517 (2008: HK\$0.197) at year end date.

Other businesses

The **non-ferrous metals sourcing and trading operation** recorded turnover of HK\$978.28 million with segmental loss at HK\$78.37 million. The **production of copper anode business** recorded turnover of HK\$223.29 million with loss before taxation recorded at HK\$98.97 million. The business was severely hit by the financial crisis since the second half of 2008. On 19 November 2009, the Group entered into sale agreements to dispose the Group’s 60% equity interest in Qingyuan JCCL EPI Copper Limited, which carried out the Group’s copper anode production business, at a consideration of HK\$37.80 million. The disposal was completed on 30 December 2009. The disposal realized a gain of HK\$96.52 million and reduced the loss for the year shared by the owners of the Company to HK\$2.45 million.

The **consumer electronics business** recorded sales revenue of HK\$143.61 million with segmental loss HK\$3.13 million. Despite the decrease in business volume, the team had successfully improved gross profit margin from 2.92% to 5.05% during the year.

Outlook

Looking ahead, the Group will devote full energies to laying foundation works that can widen the scope of its long term development plan for the Mendoza oil project, and build its oil operations into a sustainable business worldwide in the coming year.

Sales of Oil and Gas

The Group will execute its production plan and continue to drill more wells, and the first priority for the Group is to obtain approval for the master development plan for 2010. In addition, the Group has been in progress to apply for a 10 year extensions for the concession of the project to ensure it can fully realize its investment return, and expects to hear the result during second half of year 2010.

The Group's current master development plan to approve 140 oil wells only covers 40 square kilometers. Hence, the Group will continue to explore other potential areas with the 210 square kilometers so as to increase its oil resources and reserves to maximize its investment returns. Through drilling wells, it is expected that more value geological data will be collected that able to support the Group's exploratory work and will lead to an increase in the Group's oil reserves.

To enhance the operations, the Group is strengthening management in Argentina and exploring the lowest cost oil exploration methods, so as to maximize profit margin. The Group is in the process of negotiating with one of the largest China Petroleum and Chemical Corporation on subcontracting oil drilling services in Puesto Pozo Cercado Area and the Chañares Herrados Area. The Group expects to finalize a master exploration contract with a major PRC oil company as an operational partner in second quarter of year 2010.

The Group will continue to look for other investment projects and grow through acquisitions that are in line with the Group's investment strategy. The Group is also dedicated to its goal in becoming a long term oil exploration group.

Other businesses

The non-ferrous metals sourcing and trading business would remain difficult in the foreseeable future. The Group will continue to source and trade non-ferrous metals only when the market allows a reasonable margin for the transactions. Since the business will be done on a selective basis, it is expected the turnover for this business segment would continue to drop in the year of 2010.

Mr. Wong concluded, "Moving onwards, the Group will continue to look for other merger and acquisition opportunities in the oil and gas industry. Our investment strategy will remain to align with the development policy of the Chinese Government which is encouraging the growth of the energy industry, including the oil sector. We target to become a major oil player together with leading companies in the oil industry to generate shareholder value and returns for many years to come."

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About EPI (Holdings) Limited (Stock code: 689HK)

EPI is a high growth company that focuses on resources sector with its business scope covering oil & gas production and investment, and base metal resources investment. The Group is accelerating its growth through strategic mergers and acquisitions. EPI's mission is to achieve sustainable and high returns for its shareholders and to become a major player in oil industry and mining resources investment in Asia Pacific region.

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