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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 15 January 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 1,047,000,000 new Shares to not less than six independent Placees at the Placing Price of HK\$0.017 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of Placing Shares represent approximately 19.98% of the Company's existing issued share capital and approximately 16.65% of the Company's issued share capital as enlarged by the allotment and issue of the maximum number of Placing Shares.

The Placing Price of HK\$0.017 per Placing Share represents (i) a discount of approximately 5.56% to the closing price of HK\$0.018 per Share as quoted on the Stock Exchange on 15 January 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 14.14% to the average closing price of HK\$0.0198 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 14 January 2025, being the last trading day immediately prior to the date of the Placing Agreement.

* For identification purpose only

The maximum amount of gross proceeds and net proceeds (after deducting the placing commission, professional fees and all related expenses) from the Placing will be approximately HK\$17,799,000 and HK\$17,272,000 respectively. The Company intends to use the net proceeds from the Placing (i) for drilling new wells and performing production enhancement works in respect of the oil field of the Group located in Canada; and (ii) as general working capital and for funding any investment opportunities which may arise from time to time and which the Board considers to be in the interest of the Company to make such investment(s).

The Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As completion of the Placing is subject to the satisfaction of the conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 15 January 2025, the Placing Agreement was entered into between the Company and the Placing Agent. Summarised below are the principal terms of the Placing Agreement.

THE PLACING AGREEMENT

Date

15 January 2025 (after trading hours)

Parties

The Company and the Placing Agent

Placing Agent

GLAM Capital Limited, the Placing Agent, has conditionally agreed to place up to 1,047,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2% on the gross proceeds actually raised in the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of, and not acting in concert (as defined in the Takeovers Codes) with, the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not less than six independent Placees, being professional, institutional or other investors, who and whose ultimate beneficial owners are third parties independent of, and not acting in concert (as defined in the Takeovers Codes) with, the Company and its connected persons. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares of 1,047,000,000 new Shares represent approximately 19.98% of the Company's existing issued share capital and approximately 16.65% of the Company's issued share capital as enlarged by the allotment and issue of the maximum number of Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$10,470,000.

Placing Price

The Placing Price of HK\$0.017 per Placing Share represents (i) a discount of approximately 5.56% to the closing price of HK\$0.018 per Share as quoted on the Stock Exchange on 15 January 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 14.14% to the average closing price of HK\$0.0198 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 14 January 2025, being the last trading day immediately prior to the date of the Placing Agreement. The net placing price under the Placing, assuming the maximum number of Placing Shares are placed, is approximately HK\$0.016 per Placing Share.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agent, was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 25 June 2024 pursuant to which the Directors are allowed to allot and issue up to 20% of the total number of issued shares of the Company as at the date of the annual general meeting. Under the General Mandate, the Company is authorised to issue up to 1,048,068,808 new Shares. The General Mandate has not been previously utilised prior to the issue of the Placing Shares. Accordingly, assuming completion of the Placing of the maximum number of Placing Shares takes place, a total of 1,047,000,000 new Shares would be issued and approximately 99.90% of the General Mandate would be utilised.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the passing by the Board of the necessary resolutions to approve the Placing, the Placing Agreement and the transactions contemplated thereunder;
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled;
- (iii) if required, the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party to which the Group has entered into any agreement or arrangement; and
- (iv) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date.

If any of the conditions is not fulfilled on or prior to 28 February 2025 or such later date as the Company shall determine in its sole and absolute discretion, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties shall have any claim against the other in relation thereto save for any antecedent breach of any obligations under the Placing Agreement and without prejudice to the accrued rights and liabilities of the parties.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

If at any time between the date of the Placing Agreement and at 5:00 p.m. on the Completion Date, there occurs:

- (A) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (B) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (C) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the above, the obligations of the Placing Agent shall cease and the Company shall not be liable to pay any commission and fees under the Placing Agreement, and other provisions of the Placing Agreement (other than certain provisions stipulated under the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the parties) shall forthwith cease and determine and no party shall have any claim against the other party for compensation, costs, damages or otherwise.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date.

As completion of the Placing is subject to the satisfaction of the conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the principal activities of the Group are petroleum exploration and production, solar energy, money lending and investment in securities.

The maximum amount of gross proceeds and net proceeds (after deducting the placing commission, professional fees and all related expenses) from the Placing will be approximately HK\$17,799,000 and HK\$17,272,000 respectively. The Company intends to use the net proceeds from the Placing (i) for drilling new wells and performing production enhancement works in respect of the oil field of the Group located in Canada; and (ii) as general working capital and for funding any investment opportunities which may arise from time to time and which the Board considers to be in the interest of the Company to make such investment(s). Accordingly, the Company may reallocate the use of the net proceeds in response to changing business conditions and appropriate disclosure(s) regarding the change(s), if any, will be made in due course.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activity by way of issue of equity securities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing of the maximum number of Placing Shares (assuming there is no change in the share capital of the Company between the date of this announcement and completion of the Placing), are set out below for illustration purpose:

Shareholders	(i) As at the date of this announcement		(ii) Immediately after completion of the Placing of the maximum number of Placing Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Placees	–	–	1,047,000,000	16.65
Other Shareholders	<u>5,240,344,044</u>	<u>100.00</u>	<u>5,240,344,044</u>	<u>83.35</u>
Total	<u>5,240,344,044</u>	<u>100.00</u>	<u>6,287,344,044</u>	<u>100.00</u>

DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Board”	Board of Directors of the Company
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days 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.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	means a date falling within seven (7) Business Days, after the date on which all the conditions of the Placing have been satisfied or otherwise waived in accordance with the Placing Agreement or such other date as the Company and the Placing Agent may mutually agree in writing
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules

“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 25 June 2024 to allot, issue and deal with up to 20% of the then total number of issued shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing”	placing of up to 1,047,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	GLAM Capital Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	a conditional placing agreement dated 15 January 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.017 per Placing Share
“Placing Share(s)”	up to 1,047,000,000 new Shares to be placed under the Placing
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	The Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
EPI (Holdings) Limited
Bai Zhifeng
Executive Director

Hong Kong, 15 January 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Chan Shui Yuen, Mr. Bai Zhifeng and Mr. Wang Jinglu; and three Independent Non-executive Directors, namely Mr. Pun Chi Ping, Mr. Khoo Wun Fat, William and Ms. Jiao Jie.