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(Incorporated in Bermuda with limited liability)

(Stock code: 689)

PROPOSED EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE NOTES

BACKGROUND

Reference is made to the Company's announcements dated 26 February 2013 and 11 April 2013 and circular dated 11 March 2013 which relate to the issue of the Convertible Notes. As at the date of this announcement, the Convertible Notes in the principal amount of HK\$60,000,000 remains outstanding.

AMENDMENT DEED

The Board is pleased to announce that on 8 January 2015, with the approval by written resolution of the Noteholder of all the outstanding principal amount of the Convertible Notes, the Company executed the Amendment Deed to extend (subject to the fulfilment of certain conditions) the Maturity Date of the Convertible Notes by one (1) year, from 11 April 2015 to 11 April 2016 (or if that is not a Business Day, the first Business Day thereafter). No other terms and conditions of the Convertible Notes have been amended.

A circular containing, among other matters, further details of the Extension will be despatched to the Shareholders as soon as practicable.

BACKGROUND

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* for identification purpose only

The existing principal terms of the Convertible Notes are summarised below for Shareholders' ease of reference:

Principal Amount:	HK\$100,000,000 (as at the date of this announcement, there are outstanding Convertible Notes in the principal amount of HK\$60,000,000)
Authorised denomination:	HK\$10,000,000 and integral multiples thereof.
Interest rate:	8% per annum (accrued daily on a 365 days basis), payable semi-annually in arrears on the last day of each successive six-month period. Default interest will accrue on the overdue sum at a rate of 3% per annum.
Conversion period:	The period commencing from the date of issue of the Convertible Notes up to and including the date which is 7 days prior to the Maturity Date.
Existing Maturity Date:	11 April 2015, being the date falling two (2) years from the date of issue of the Convertible Notes.
Redemption:	Unless previously redeemed, repurchased and cancelled or converted, any outstanding Convertible Notes on the Maturity Date will be redeemed at an amount equal to the aggregate of (i) 110% of the outstanding principal amount; (ii) all accrued interest; and (iii) all other amounts accrued or outstanding under the Convertible Notes up to the date of redemption (the "Redemption Amount").
Early redemption by the Company:	Subject to the prior approval by a resolution of the noteholders passed in a meeting of the noteholders or otherwise in writing by the requisite majority of noteholders, the Company will be entitled at any time while the Convertible Notes are outstanding and have not been converted to redeem from the noteholder(s) pro-rata based on the principal amount of the Convertible Notes then outstanding at a relevant redemption rate by serving 14-day prior notice of redemption to the noteholder(s). The Convertible Notes or any part thereof redeemed will be forthwith cancelled. The "relevant redemption rate" means such rate as may be agreed between the Company and the noteholder(s), provided that such rate does not in any event exceed the Redemption Amount or, if no agreement could be reached, the Redemption Amount.

Early redemption by the noteholder:

The noteholder(s) may give notice to the Company that the Convertible Notes are immediately due and repayable if occurrence of any events of default as set out in the terms and conditions of the Convertible Notes. Upon any such notice being given to the Company, the Convertible Notes will immediately become due and repayable at their principal amount together with the interest.

Conversion:

Provided that at the time a notice of conversion is issued (i) any conversion of the Convertible Notes does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the noteholder(s) which exercised the conversion rights attaching to the Convertible Notes, whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes (if applicable, including any Shares acquired by the parties acting in concert with the noteholder(s) represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued Shares or otherwise pursuant to other provisions of the Takeovers Code; and (ii) the public float of the Shares will not be less than 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held in “public hands” as per Rule 8.08 and as defined in Rule 8.24 of the Listing Rules) of the issued Shares at the time in compliance with the Listing Rules, a noteholder will, subject to compliance with the procedures set out in the terms and conditions endorsed in the Convertible Notes, have the right at any time during the conversion period to convert the whole or part (in authorised denominations) of the outstanding principal amount of the Convertible Notes registered in its name into Shares at the Initial Conversion Price (subject to adjustments).

Initial Conversion Price:

The Initial Conversion Price is HK\$0.19 per Conversion Share, subject to adjustments.

The Initial Conversion Price of HK\$0.19 represents:

- (i) a premium of approximately 31.03% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on the date of the Amendment Deed; and
- (ii) a premium of approximately 26.67% to the average closing price of HK\$0.150 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Amendment Deed.

Adjustments to the Initial
Conversion Price:

The Initial Conversion Price will from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Convertible Notes upon occurrence of the following events except where any such event is specifically exempted under the terms and conditions of the Convertible Notes:

- (i) an alteration of the nominal amount of the Shares by reason any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund), other than an issue of Shares paid-up out of profits or reserves and issued in lieu of the whole or part of a specifically declared cash dividend;
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such;
- (iv) an offer or grant being made by the Company to the Shareholders by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80% of the then market price of the Share;
- (v) an issue wholly for cash of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares;
- (vi) an issue of Shares wholly for cash at a price per Share less than 80% of the then market price of the Shares; and
- (vii) an issue of Shares for the acquisition of asset at the total consideration per Share which is less than 80% of the then market price of the Shares.

- Voting:** A noteholder is not entitled to attend or vote at any general meeting of the Company by reason only of it being a noteholder.
- Transferability:** A noteholder may, subject to the following provision, freely transfer or assign the Convertible Notes. The Convertible Notes may not be assigned or transferred, in whole or in part, to any connected person of the Company without prior written consent of the Company.
- Conversion Shares:** As at the date of this announcement, Convertible Notes in the principal amount of HK\$60,000,000 is convertible into 315,789,473 Conversion Shares at the Initial Conversion Price of HK\$0.19 per Conversion Share, representing:
- (a) approximately 6.51% of the existing issued share capital of the Company; and
 - (b) approximately 6.11% of the issued share capital of the Company as enlarged by the issue of 315,789,473 Conversion Shares.
- The Conversion Shares will in all respects rank *pari passu* with the Shares in issue on the date of allotment and issue of such Conversion Shares and accordingly entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date.
- Listing:** The Convertible Notes are not listed on the Stock Exchange. No application will be made for the listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange.

THE AMENDMENT DEED

The Board is pleased to announce that on 8 January 2015, with the approval by written resolution of the Noteholder of all the outstanding principal amount of the Convertible Notes, the Company executed the Amendment Deed to extend (subject to the fulfilment of certain conditions) the Maturity Date of the Convertible Notes by one (1) year, from 11 April 2015 to 11 April 2016 (or if that is not a Business Day, the first Business Day thereafter). No other terms and conditions of the Convertible Notes have been amended.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the registered Noteholder (as shown in the Company's register of holders of the Convertible Note) and the beneficial Noteholder(s) are third parties independent of and not connected with the Company and its connected persons.

The Extension is conditional upon:

1. passing of resolution by the Shareholders to approve the Extension at the SGM; and
2. approval from the Stock Exchange of the Extension in accordance with Rule 28.05 of the Listing Rules.

If the conditions precedent set out in the Amendment Deed are not fulfilled on or before 31 March 2015 or such later date as may be determined by the Company, the Amendment Deed will terminate and cease to have any effect.

An application will be made to the Stock Exchange for approval of the Extension in accordance with Rule 28.05 of the Listing Rules.

REASONS FOR THE EXTENSION OF MATURITY DATE

The Convertible Notes will mature on 11 April 2015 unless extended. The Extension effectively allows the Group to refinance the debts under the Convertible Notes under the same term for one (1) year. In addition, the Extension will provide flexibility to the Group's deployment of its financial resources to fund its operation and development as well as to plan its working capital requirements. In the absence of the Extension, the Company will need to deploy its cash reserves for the redemption of the Convertible Notes on maturity. Accordingly, the Directors consider that the Extension is in the interests of the Company and its Shareholders as a whole.

GENERAL

The Company is an investment holding company. Its subsidiaries are principally engaged in the petroleum exploration and production.

The SGM will be convened to consider and, if thought fit, to approve the Extension. A circular containing, among other matters, further details of the Extension and a notice for the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Amendment Deed”	the amendment deed dated 8 January 2015 executed by the Company in relation to the Extension
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for business, excluding a Saturday or Sunday
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meanings ascribed thereto under the Listing Rules

“Conversion Share(s)”	the new Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	the 8% coupon convertible note(s) in the aggregate principal amount of HK\$100,000,000 issued by the Company on 11 April 2013 to the noteholder(s), in which the principal amount of HK\$60,000,000 remains outstanding as at the date of this announcement
“Directors”	directors of the Company
“Extension”	the proposed extension of the Maturity Date of the Convertible Notes for a period of one (1) year from 11 April 2015 to 11 April 2016 pursuant to the Amendment Deed
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Conversion Price”	the initial conversion price of the Convertible Notes, being HK\$0.19 per Conversion Share (subject to adjustments)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date on which the Convertible Notes become due
“Noteholder”	the existing holder of the Convertible Note(s), being Lofty Sky Limited, a company incorporated under the laws of the British Virgin Islands
“SGM”	the special general meeting of the Company to be convened and held for approving, amongst other things, the Extension
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers

“%”

per cent

By Order of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & CEO

Hong Kong, 8 January 2015

As at the date of this announcement, the Board comprises the non-executive chairman, namely Mr. Ho King Fung, Eric, two executive directors, namely Mr. Tse Kwok Fai, Sammy (chief executive officer) and Mr. Chan Chi Hung, Anthony, and three independent non-executive directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng.