

LETTER FROM THE BOARD

EPI **EPI (Holdings) Limited**
長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 0689)

Non-executive Chairman

Mr. Ho King Fung, Eric

Executive Directors:

Mr. Tse Kwok Fai, Sammy (Chief Executive Officer)

Mr. Chan Chi Hung, Anthony

Mr. Zou Feng

Non-executive Director

Mr. Phen Chun Shing Vincent

Independent non-executive Directors:

Mr. Qian Zhi Hui

Mr. Teoh Chun Ming

Mr. Zhu Tiansheng

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in

Hong Kong:

Room 1108-09, 11/F

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

5 October 2016

To the Independent Shareholders and Optionholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
GET NICE SECURITIES LIMITED AND OCTAL CAPITAL LIMITED
ON BEHALF OF BILLION EXPO INTERNATIONAL LIMITED
TO ACQUIRE ALL THE OUTSTANDING SHARES
IN THE ISSUED SHARE CAPITAL OF EPI (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY BILLION EXPO INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)
AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
EPI (HOLDINGS) LIMITED**

1. INTRODUCTION

The Board received a letter from the legal adviser to the Offeror on 25 August 2016 enclosing the First Letter informing the Board that the Offeror had acquired an aggregate of 1,212,160,119 Shares, representing approximately 27.76% of the existing issued share capital

* for identification purposes only

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of the Company, and it had a firm intention to make voluntary conditional cash offers through GN Securities to acquire all the outstanding Shares and all outstanding Options in compliance with the Takeovers Code. The Board received another letter from the legal adviser to the Offeror on 29 August 2016 enclosing the Second Letter informing the Board that GN Securities and Octal Capital will jointly make the Offers for and on its behalf. On 31 August 2016, the Board received a further letter from the legal adviser to the Offeror enclosing the Third Letter providing supplemental information about the Offers and the Offeror.

On 31 August 2016, the Offeror published the Offer Announcement setting out details of the Offers and the information and intentions of the Offeror.

On 21 September 2016, the Offeror despatched the Offer Document setting out further details of the Offers, accompanied with the Forms of Acceptance.

The purpose of this Response Document is to provide you with, among other things, information relating to the Group, details of the Offers, the recommendation from the Independent Board Committee and the recommendation and advice from Gram Capital in respect of the Offers.

You are advised to read this Response Document, the letter from the Independent Board Committee and the letter from Gram Capital in conjunction with the Offer Document carefully before taking any action in respect of the Offers.

2. THE OFFERS

The terms of the Offers set out below are based on the Offer Document. You are recommended to refer to the Offer Document and the Forms of Acceptance for further details.

The Share Offer

GN Securities and Octal Capital are jointly, for and on behalf of the Offeror, making a voluntary conditional cash offer to acquire all of the outstanding Shares in the entire issued share capital of the Company (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on the following terms:

For each Offer Share HK\$0.168 in cash

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be (a) fully paid; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interest of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends and other distributions (if any) which may be announced, declared, paid or made thereon by the Company on or after the Closing Date).

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The Option Offer

GN Securities and Octal Capital are jointly, for and on behalf of the Offeror, making an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Options. As the exercise price payable for the underlying Shares on exercise of the Options is above the Share Offer Price, GN Securities and Octal Capital are jointly, for and on behalf of the Offeror, making a nominal cash offer, namely HK\$0.01 for each Option, for the cancellation of such Options.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Optionholders will be entitled to exercise the Options for which the Option Offer is not accepted within one month from the Unconditional Date, after which the Options will lapse.

Conditions to the Share Offer

The Share Offer is conditional on the satisfaction or waiver of the following conditions:

- (i) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with those Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights in the Company on a fully-diluted basis (after taking into account the new Shares that will be issued upon the exercise in full of the subscription rights attached to all outstanding Options (those Options held by Optionholders who do not accept the Option Offer)) as at the Closing Date;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares pending issuance of any announcement(s) in relation to any inside information of the Company (if any) as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of the Offeror or any party acting in concert with it;
- (iii) (a) all Consents as are necessary for the consummation of the transactions contemplated in the Offers having been obtained in form and substance satisfactory to the Offeror and remaining in full force and effect without material variation from any Relevant Authority(ies) and all conditions (if

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any) to such Consents having been fulfilled, (b) each member of the Group possessing or having obtained all Consents from the Relevant Authority(ies) that are necessary to carry on its business and (c) all mandatory Consents from third parties having been obtained for the acquisition of the Offer Shares and/or Options under the Offers;

- (iv) no event having occurred which would make the Offers or the acquisition of any of the Offer Shares and/or cancellation of the Options under the Offers void, unenforceable or illegal or prohibit the implementation of the Offers;
- (v) no Relevant Authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Offer Shares and/or Options under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offers (other than such items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers);
- (vi) since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Group as a whole, whether or not arising in the ordinary course of business;
- (vii) no dividend or other distribution (whether in cash or in kind) during the Offer Period having been declared, made or paid by the Company to the Shareholders; and
- (viii) there having been no frustrating action taken by the Company or any member of the Group since the date of the Offer Announcement, unless with the consent of the Offeror.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions either generally or in respect of any particular matter save that Conditions (i) and (ii) cannot be waived. If any of the Conditions is not satisfied or (where applicable) waived on or before 31 December 2016, the Share Offer will lapse. It was stated in the Offer Document that as at the Offer Document LPD, based on the information then available to the Offeror, the Offeror understood that no Consent was required for the consummation of the Offers and the matters stipulated in Condition (iii).

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Condition to the Option Offer

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

Further details of the Offers

Further details of the Offers, including, among other things, the expected timetable, the terms and procedures of acceptance and settlement of the Offers, are set out in the Offer Document and the Forms of Acceptance.

3. INFORMATION ON THE GROUP

Principal activities

The Group's core business had been petroleum exploration and production in the Puesto Pozo Cercado area and the Chañares Herrados area in the Cuyana Basin, Mendoza Province of Argentina (the "Areas"). The hydrocarbon exploitation concession rights (the "Concessions") in the Areas are held by a concession owner (the "Concessionaire").

In order to lessen the impact of market adversity encountered by the Group in its petroleum exploration and production business in Argentina, the Company had been monitoring the market conditions and looking for potential investment opportunities in energy or other sectors that may create value to the Shareholders. To this end, the Group completed the Rights Issue in January 2016 to raise capital with a view to, among other things, pursuing potential acquisitions of solar power plant projects. In June 2016, the Group also entered into the money lending business in order to broaden its source of income. Details of the development of the Group's businesses are set out below.

Exploration and sales of petroleum business

During the past few years, the Group had focused on investments including performing workover jobs and constructing infrastructure to improve production on the existing oil wells. As at the Latest Practicable Date, the Group had finished drilling 10 oil wells in the Chañares Herrados area in the Cuyana Basin, Mendoza Province of Argentina. All the 10 oil wells are in production, of which 5 oil wells were drilled by Have Result Investments Limited where the Group is entitled to 51% interest on the oil production, and 5 oil wells were drilled by EP Energy S.A. where the Group is entitled to 72% interest on the oil production. However, due to the drop in oil price and production volume, the Group's revenue from the petroleum exploration and production segment had experienced a decline. Further, substantial amount of non-cash impairment losses in the exploration and evaluation assets, and property, plant and equipment for the petroleum exploration and production business were made. Revenue generated from the sales of petroleum for the two years ended 31 December 2014 and 2015, and the six months ended 30 June 2016 amounted to approximately HK\$85.7 million, approximately HK\$66.6 million and approximately HK\$25.3 million respectively.

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As disclosed in the announcement of the Company dated 25 August 2016, the Group was notified by the Concessionaire on 24 August 2016 that the department of hydrocarbons of the government of Mendoza has been reviewing the fulfilment of the terms and conditions of the 10-year extension of the Concessions till 2027 previously awarded to the Concessionaire, particularly the status of the investment commitment of the Concessionaire. In the event that the extension is withdrawn, the Concessions in the Puesto Pozo Cercado area and the Chañares Herrados area will expire on 26 June 2017 and 24 September 2017 respectively. As advised by the Concessionaire, it is currently undertaking discussions with the government of Mendoza in securing the extension of the Concessions. Given that this event occurred only recently, the Board is uncertain of the outcome of the discussions between the Concessionaire and the government of Mendoza on maintaining the extension of the Concessions, and therefore is not in a position to assess the impact on the Group at this stage. The impact could only be assessed after the outcome of such discussions become certain and the Board has been given sufficient information on the status of the extension. The Group will closely monitor the development of the event, and will take appropriate action to modify (if it is warranted) the future development plan of its existing Argentina operation and to maintain, in conjunction with the Concessionaire, the extension of the Concessions to 2027. Further announcement(s) will be made by the Company when there is any material development.

Proposed investment in solar power plant

As disclosed in the circular of the Company dated 2 December 2015 in connection with the Rights Issue, the Company intended to apply certain portion of the proceeds from the Rights Issue in the amount of approximately HK\$317 million (the “**Amount**”) towards the proposed acquisition of a target company which will hold interest in certain solar power plants in the PRC from a subsidiary of one of the top twenty photovoltaic power plant investment companies in the PRC (the “**Proposed Acquisition**”). The Group subsequently decided not to proceed with the Proposed Acquisition. Notwithstanding that the Proposed Acquisition did not materialise, the Group continues to source other suitable solar power projects in the PRC, and will consider opportunities in other energy related sectors. As at the Latest Practicable Date, the Directors confirmed that (i) no investment in solar power plant or other energy related projects had been made by the Group; and (ii) the Amount had not been utilised or re-allocated for other uses or the drilling of new oil wells and/or investment in workover on the existing oil wells.

Money lending business

In order to better utilise the portion of proceeds from the Rights Issue in the amount of approximately HK\$110.6 million which was originally earmarked for early repayment by June 2016 of debts due in November 2016 and November 2017, the Board resolved on 7 June 2016 to repay the debts only when they become due and apply such amount towards the operation of the money lending business in the meantime. As at the Latest Practicable Date, the Group held a portfolio of short-term

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loans in the amount of HK\$58 million. The Group may consider recruiting additional professionals with relevant experience to assist the Directors in managing the money lending business when the loan portfolio size increases.

As at the Latest Practicable Date, save as described above, the Company did not have any intention, agreement or negotiation to (i) dispose of the existing business and/or material assets of the Group; and (ii) acquire any new business.

Financial information

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2014 and 2015 (as extracted from the Company's annual report for the year ended 31 December 2015) and the unaudited consolidated financial information of the Group for the six months ended 30 June 2016 (as extracted from the Company's interim report for the six months ended 30 June 2016):

	For the year ended 31 December 2014 (audited) HK\$'000	For the year ended 31 December 2015 (audited) HK\$'000	For the six months ended 30 June 2016 (unaudited) HK\$'000
Revenue	85,689	66,571	25,748
Loss before and after tax	<u>(381,143)</u>	<u>(276,548)</u>	<u>(28,516)</u>
			As at 30 June 2016 (unaudited) HK\$'000
Total assets			544,827
Total liabilities			196,422
Net assets			<u>348,405</u>

Please refer to Appendix I to this Response Document for further details on the financial information of the Group.

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4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there were 4,367,121,822 Shares in issue. The following table sets out the shareholding structure of the Company as at the Latest Practicable Date, which is prepared based on the disclosure of interest notices filed by relevant Shareholders (as the case may be) under Part XV of the SFO up to the Latest Practicable Date:

<i>Name of Shareholders</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding (%)</i>
The Offeror and parties acting in concert with it (Note 1)	1,287,155,119	29.47%
Always Profit Development Limited (Note 2)	702,000,000	16.07%
Prestige Rich Holdings Limited (Note 2)	107,658,000	2.47%
City Wise Investment Limited (Note 3)	391,174,730	8.96%
City Smart International Investment Limited (Note 3)	45,955,120	1.05%
Mr. Tse Kwok Fai Sammy (Note 4)	330,000	0.01%
<i>Sub-total</i>	2,534,272,969	58.03%
Public Shareholders	1,832,848,853	41.97%
Total	4,367,121,822	100.00

Notes:

1. These Shares are held by the Offeror. The Offeror is wholly owned by Premier United, which in turn is wholly owned by Mr. Suen.
2. Both Always Profit Development Limited and Prestige Rich Holdings Limited are wholly owned by Mr. Zhang Jinbing.
3. Both City Wise Investment Limited and City Smart International Investment Limited are wholly owned by Mr. Wu Shaozhang.
4. Mr. Tse Kwok Fai Sammy is an executive Director and the chief executive officer of the Company.

As at the Latest Practicable Date, there were outstanding Options carrying rights to subscribe for 10,556,460 new Shares at the exercise price of HK\$1.3277 per Share during the period from 25 February 2014 to 24 November 2016. On 22 June 2016, a new share option scheme was approved and adopted by the Company. As at the Latest Practicable Date, no share option has been granted by the Company pursuant to such new share option scheme.

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Save as disclosed herein, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company.

5. INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The information set out below is reproduced from the Offer Document:

“The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Premier United, which in turn is wholly owned by Mr. Suen.”

“Following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group. The existing principal business of the Group includes petroleum exploration and production and money lending business. The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror’s intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.”

The Board is aware of the intentions of the Offeror in respect of the Group and its employees as stated above.

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6. PROPOSED CHANGE OF BOARD COMPOSITION

It was stated in the Offer Document that the Offeror intends to nominate Mr. Suen, Mr. Sue Ka Lok, Ms. Chan Yuk Yee, Mr. Yiu Chun Kong, Mr. Zhu Kai and Mr. Chan Shui Yuen as executive Directors and Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine as independent non-executive Directors to the Board (together, the “**Nominees**”) and such appointments will be subject to the approval of the Board and will not take effect earlier than the date as permitted under the Takeovers Code. Any appointments to the Board will be made in compliance with all the applicable regulatory requirements, including the Takeovers Code and the Listing Rules.

The information about the Nominees set out below is reproduced from the Offer Document:

“**Mr. Suen Cho Hung, Paul**”

Mr. Suen Cho Hung, Paul, (“**Mr. Suen**”), aged 55, holds a Master of Business Administration degree from the University of South Australia. Mr. Suen has extensive experience in strategic planning and corporate management of business enterprises in Hong Kong and the PRC. Mr. Suen is an executive director and the chairman of, and a controlling shareholder indirectly holding approximately 31.30% of the issued share capital in, Enviro Energy. Mr. Suen is also indirectly holding approximately 9.89% of the issued share capital in China Strategic. The shares of both Enviro Energy and China Strategic are listed on the Main Board of the Stock Exchange. Mr. Suen is also indirectly holding approximately 22.89% of the issued share capital of Courage Marine, the shares of which are listed on the Main Board of the Stock Exchange and the SGX-ST and the sole ultimate beneficial owner of a company which will, subject to fulfillment of certain conditions, become a controlling shareholder of Birmingham International.

Mr. Suen was a non-executive director of BEP International Holdings Limited (“**BEP International**”) (stock code: 2326) until 1 June 2015 and was an executive director and the chairman of BEP International until 27 January 2014. Mr. Suen was also an executive director and the chairman of Skyway Securities Group Limited (“**Skyway**”) (formerly known as Poly Capital Holdings Limited) (stock code: 1141) until 3 March 2015, and an executive director and the chairman of Huajun Holdings Limited (“**Huajun**”) (formerly known as New Island Development Holdings Limited) (stock code: 377) until 25 September 2014. Mr. Suen was also a non-executive director of Hailiang International Holdings Limited (formerly known as Sunlink International Holdings Limited) (“**Hailiang International**”) (stock code: 2336) until 3 June 2014 and an executive director and the chairman of Hailiang International until 11 September 2012. All of the above companies are listed on the Main Board of the Stock Exchange.

As at the Offer Document LPD, Mr. Suen is not related to any Directors, senior managers or substantial/controllers Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

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Save as disclosed in the section headed “Dealings in securities in the company” on page 9 of the Offer Document, Mr. Suen does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Sue Ka Lok

Mr. Sue Ka Lok (“**Mr. Sue**”), aged 51, holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of the Hong Kong Institute of Certified Public Accountants, a certified practising accountant of the CPA Australia and a fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators and the Hong Kong Securities and Investment Institute. He has extensive experience in corporate management, finance, accounting and company secretarial practice. Mr. Sue is an executive director and the chairman of Courage Marine, an executive director of Tianli Holdings Group Limited (“**Tianli Holdings**”) (formerly known as EYANG Holdings (Group) Co., Limited) (stock code: 117) and an executive director and the company secretary of China Strategic. All of the above companies are listed on the Main Board of the Stock Exchange and Courage Marine is also listed on the SGX-ST.

Mr. Sue was an executive director and the chief executive officer of Enviro Energy until 7 October 2015; and the chief executive officer and an executive director of BEP International until 10 January 2014 and 13 July 2015 respectively. Mr. Sue was also the chairman and a non-executive director of Winshine Science Company Limited (“**Winshine**”) (formerly known as China Tycoon Beverage Holdings Limited) (stock code: 209) until 4 November 2014 and 27 November 2014 respectively; an executive director and the chairman of Hailiang International until 3 June 2014 and an executive director and the chief executive officer of Skyway until 31 October 2014. All of the above companies are listed on the Main Board of the Stock Exchange.

As at the Offer Document LPD, Mr. Sue is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Mr. Sue does not hold any Share interests within the meaning of Part XV of the SFO.

Ms. Chan Yuk Yee

Ms. Chan Yuk Yee (“**Ms. Chan**”), aged 48, holds a Master of Business Law degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experience in corporate administration and company secretarial practice. Ms. Chan is an executive director of Courage Marine and the company secretary of Hailiang International and Enviro Energy. She was an executive director of Huajun until 25 September 2014 and an executive director and the company secretary of Winshine until 10 November 2014 when she was redesignated as a non-executive director of Winshine and

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served until 8 April 2015. She was also the company secretary of Skyway until 2 July 2014. All of the above companies are listed on the Main Board of the Stock Exchange and Courage Marine is also listed on the SGX-ST.

As at the Offer Document LPD, Ms. Chan is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Ms. Chan does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Yiu Chun Kong

Mr. Yiu Chun Kong (“**Mr. Yiu**”), aged 31, holds a Bachelor of Business Administration in Accountancy degree from The Hong Kong Polytechnic University. He has experience in auditing, accounting and finance.

As at the Offer Document LPD, Mr. Yiu is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Mr. Yiu does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Zhu Kai

Mr. Zhu Kai (“**Mr. Zhu**”), aged 29, holds a Bachelor of Science in Actuarial Science degree from Heriot-Watt University in the United Kingdom. He has experience in business and market research and analysis.

As at the Offer Document LPD, Mr. Zhu is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Mr. Zhu does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Chan Shui Yuen

Mr. Chan Shui Yuen (“**Mr. Chan**”), aged 35, holds a Bachelor of Business Administration in Accountancy degree from City University of Hong Kong and a Master Degree of Financial Analysis from The University of New South Wales. Mr. Chan is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has experience in auditing, accounting and finance.

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As at the Offer Document LPD, Mr. Chan is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Mr. Chan does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. To Yan Ming, Edmond

Mr. To Yan Ming, Edmond (“**Mr. To**”), aged 44, holds a Bachelor of Commerce Accounting degree from Curtin University of Technology in Western Australia. Mr. To is a Certified Public Accountant (Practising) in Hong Kong, a certified practising accountant of the CPA Australia and an associate of the Hong Kong Institute of Certified Public Accountants. He had worked for Deloitte Touche Tohmatsu, an international accounting firm, and has extensive experience in auditing, accounting, initial public offerings and taxation matters. Mr. To is also a director of Edmond To CPA Limited, R.C.W. (HK) CPA Limited and Asian Alliance (HK) CPA Limited. Mr. To is an independent non-executive director of China Vanguard Group Limited (stock code: 8156), Courage Marine, Tianli Holdings, Wai Chun Group Holdings Limited (stock code: 1013) and Wai Chun Mining Industry Group Company Limited (stock code: 660). He was an independent non-executive director of China Household Holdings Limited (stock code: 692), Theme International Holdings Limited (stock code: 990) and BEP International until 10 December 2015, 31 May 2015 and 20 December 2013 respectively. All the above companies are listed on the Main Board/Growth Enterprise Market of the Stock Exchange and Courage Marine is also listed on the SGX-ST.

As at the Offer Document LPD, Mr. To is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Mr. To does not hold any Share interests within the meaning of Part XV of the SFO.

Mr. Pun Chi Ping

Mr. Pun Chi Ping (“**Mr. Pun**”), aged 49, holds a Master of Science in Finance degree from the City University of Hong Kong and a Bachelor of Arts in Accountancy degree from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong). Mr. Pun is a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Pun is an independent non-executive director of Huajun and the financial controller of Poly Property Group Co., Limited (stock code: 119), a company listed on the Main Board of the Stock Exchange.

As at the Offer Document LPD, Mr. Pun is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

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As at the Offer Document LPD, Mr. Pun does not hold any Share interests within the meaning of Part XV of the SFO.

Ms. Leung Pik Har, Christine

Ms. Leung Pik Har, Christine (“**Ms. Leung**”), aged 47, holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong. She has extensive experience in banking and financial services industries and had worked at several international financial institutions including Citibank, N.A. Hong Kong, Bank of America, Industrial and Commercial Bank of China (Asia) Limited and Fubon Bank (Hong Kong) Limited. Ms. Leung is an independent non-executive director of Enviro Energy and was an independent non-executive director of Winshine until 10 November 2014, both companies are listed on the Main Board of the Stock Exchange.

As at the Offer Document LPD, Ms. Leung is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and, save as disclosed above, has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the Offer Document LPD, Ms. Leung does not hold any Share interests within the meaning of Part XV of the SFO.”

On 27 September 2016, the Board received a letter (the “**Nomination Letter**”) from the Offeror in relation to the nomination of the Nominees to the Board (the “**Nomination**”). The biographical details of the Nominees set out in the Nomination Letter are the same as those disclosed in the Offer Document. It was stated in the Nomination Letter that the Offeror sought the approval of the Board to appoint the Nominees as Directors with effect from 29 September 2016. In response to the Nomination Letter, the Board replied to the Offeror on 28 September 2016 that the Board will put forward the Nomination to the nomination committee and the remuneration committee of the Board (together, the “**Committees**”) for review and the Committees may require further information and documents regarding the Nominees. The Committees will, in accordance with their respective terms of reference, make recommendation to the Board accordingly. In light of the Company’s internal policies and procedures, the appointments of the Nominees as Directors, if they happen, will not likely take effect from 29 September 2016. Further announcement(s) will be made by the Company as and when appropriate.

7. MAINTAINING THE LISTING STATUS OF THE COMPANY

The information set out below is reproduced from the Offer Document:

“The Offeror intends the issued Shares to remain listed on the Stock Exchange after the close of the Offers.

Pursuant to the Listing Rules, if, upon the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that (i) a false market

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exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend trading in the Shares.

The Offeror will use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the Listing Rules. The sole director of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that sufficient public float exists in the Shares.”

8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the non-executive Directors, namely Mr. Ho King Fung, Eric and Mr. Phen Chun Shing Vincent; and all the independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng, has been established to make a recommendation to the Independent Shareholders and the Optionholders as to whether the Offers are, or are not, fair and reasonable and as to their acceptance of the Offers.

Gram Capital has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Offers.

9. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 21 to 22 of this Response Document which contains its recommendation to the Independent Shareholders and the Optionholders as to whether the Offers are, or are not, fair and reasonable and as to their acceptance of the Offers; and (ii) the letter from Gram Capital set out on pages 23 to 42 of this Response Document which contains its advice to the Independent Board Committee in connection with the Offers and the principal factors considered by it in arriving at its advice. Independent Shareholders and Optionholders should read these letters in conjunction with the Offer Document carefully before taking any action in respect of the Offers.

10. ADDITIONAL INFORMATION

Your attention is drawn to the appendices to this Response Document for financial and other information of the Group.

Yours faithfully,
for and on behalf of the Board
EPI (Holdings) Limited



Tse Kwok Fai, Sammy
CEO & Executive Director