

Dated 8 January 2015

EPI (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

AMENDMENT DEED

THIS INSTRUMENT by way of deed poll (the “**Amendment Deed**”) is executed on 8 January 2015 by **EPI (HOLDINGS) LIMITED**, a company incorporated in Bermuda with limited liability whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and whose principal place of business in Hong Kong is at Room 1108-09, 11th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong (the “**Issuer**”)

WHEREAS:-

- (A) On 11 April 2013, the Issuer executed an instrument (the “**Instrument**”) in relation to the creation and issue of the Notes.
- (B) As at the date of this Amendment Deed, there are outstanding Notes in the principal amount of HK\$60 million in aggregate.
- (C) With the written resolution of the Noteholder holding the entire outstanding principal amount of the Notes dated 8 January 2015, the Issuer proposes to execute this Amendment Deed to extend the maturity date of the Notes subject to the terms and on the conditions set out below.

NOW THIS INSTRUMENT WITNESSES and the Issuer hereby declares as follows:-

1. INTERPRETATION

- 1.1 In this Amendment Deed, terms and expressions defined in the Instrument have the same meanings when used in this Amendment Deed unless otherwise stated herein.
- 1.2 The expressions “**Issuer**” and “**Noteholder**” in this Amendment Deed shall, where the context permits, include their respective successors and permitted assigns and any persons deriving title under them provided, however, that the Issuer shall not be permitted to assign or transfer any of its obligations under or in respect of this Amendment Deed except in accordance with the Conditions.
- 1.3 Headings are inserted in this Amendment Deed for reference only and shall be ignored in construing this Amendment Deed.
- 1.4 Unless the context otherwise requires in this Amendment Deed, words in the singular include the plural, and vice versa; words importing one gender include the other gender and the neuter and vice versa; and a reference to a person includes a reference to a body corporate and to any unincorporated body of persons.
- 1.5 In this Amendment Deed, unless otherwise specified or unless the context otherwise requires references to the “**issue**” of Shares shall include the transfer and/or delivery of Shares by the Issuer or any of its subsidiaries, whether newly issued and allotted or previously existing, and Shares held by the Issuer or any of its subsidiaries shall not be

considered as or treated as "in issue".

2. EXTENSION OF MATURITY DATE OF THE NOTES

- 2.1 Subject to Clause 3.1, the Instrument be and is hereby amended by deleting the definition of "Maturity Date" in Condition 1.1 of the Instrument and replacing it with the following:

"Maturity Date" means 11 April 2016 or if that is not a Business Day, the first Business Day thereafter;

- 2.2 The Issuer confirms that all other terms and conditions of the Notes shall remain unchanged and shall be in full force and effect.

3. CONDITIONS TO THE EXTENSION OF MATURITY DATE OF THE NOTES

- 3.1 The amendment as stipulated in Clause 2.1 shall take effect upon satisfaction of the following conditions:-

- (a) the shareholders of the Issuer having approved the amendment set out in Clause 2.1 in a special general meeting of the Issuer; and
- (b) the Stock Exchange having approved the amendment set out in Clause 2.1 pursuant to Rule 28.05 of the Listing Rules.

- 3.2 If the conditions set out in Clause 3.1 are not fulfilled on or before 31 March 2015 (or such later date as the Issuer may determine in writing), this Amendment Deed shall forthwith terminate and cease to have any effect.

4. GOVERNING LAW AND JURISDICTION

This Amendment Deed is governed by and shall be construed in accordance with the laws of Hong Kong.

IN WITNESS WHEREOF the party has executed and delivered this Amendment Deed as a deed on the day and year first above written.

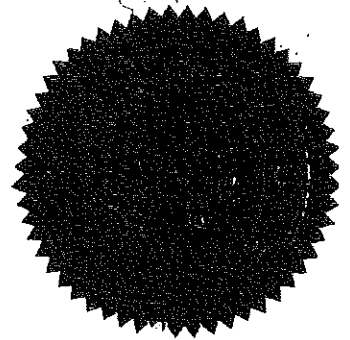
THE COMMON SEAL of

EPI (HOLDINGS) LIMITED

is affixed in accordance with
its bye-laws in the presence of:

)
)
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)
)
)
)
)

.....
Director





EPI (HOLDINGS) LIMITED
Stock Code: 689

Loft Sky Limited
6/F., Shun Feng International Centre
182 Queen's Road East,
Wanchai, Hong Kong
Attention: Mr. Tommy Ip

8 January 2015

Dear Tommy,

RE: CONVERTIBLE NOTES IN THE PRINCIPAL AMOUNT OF HK\$60,000,000 DUE 11 APRIL 2015 ISSUED BY EPI (HOLDINGS) LIMITED (the "Notes")

We refer to the Notes Terms defined in the instrument dated 11 April 2013 executed by EPI (Holdings) constituting the Notes shall have the same meaning when used herein unless the context requires otherwise.

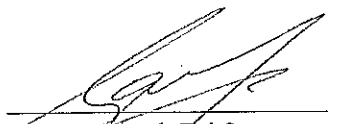
We write to seek your agreement to extend the maturity date of the Notes to 11 April 2016 (or if that is not a Business Day, the first Business Day thereafter) (the "Extension"). Save for the proposed Extension, all the other terms and conditions of the Notes will remain unchanged. A draft amendment deed to the Instrument to implement the Extension is attached for your consideration.

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of the notes after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of the notes. The Extension will be conditional upon the Stock Exchange granting its approval of the proposed Extension pursuant to the Listing Rules, and approval by the shareholders of the Company at a general meeting to be held by the Company.

If you agree to the Extension, please sign and return the attached written resolution.

Should you have any questions, please feel free to contact the undersigned at (852) 2616-3689.

Yours faithfully,



Mr. Tse Kwok Fai Sammy
Executive Director and CEO

Room 1108-09, 11/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong
Telephone: (852) 2616-3689 Fax: (852) 2481-2902

**RESOLUTIONS OF THE REGISTERED HOLDER OF CONVERTIBLE NOTES DUE
2015 ("NOTES") ISSUED BY EPI (HOLDINGS) LIMITED ("COMPANY")**

1. Terms defined in the instrument dated 11 April 2013 executed by EPI (Holdings) constituting the Notes (the "Instrument") shall have the same meaning when used herein unless the context requires otherwise.
2. **NOTED** that:
 - (a) the Company proposes to extend the Maturity Date of the Notes to 11 April 2016 (or if that is not a Business Day, the first Business Day thereafter), and to effect such amendment by way of an amendment deed ("Amendment Deed") in the form as produced and attached hereto;
 - (b) pursuant to condition 14.1 of the Instrument, any modification to the Instrument may be effected only by deed poll executed by the Company and only if it is first approved by an Ordinary Resolution of the Noteholders (i.e. a simple majority of the total outstanding principal amount of the Notes as represented by the Noteholders attending the meeting);
 - (c) paragraph 21 of the "Provision of Noteholders' Meeting" (Annex III to the Conditions of the Notes) provides that a resolution in writing signed by or on behalf of Noteholders holding the requisite majority in the total outstanding principal amount of the Notes shall be treated as an Ordinary Resolution duly passed at meeting of the Noteholders duly convened and held;;
 - (b) the Noteholder signing below is the registered holder of the entire outstanding principal amount of the Notes as of the date hereof.
3. **RESOLVED** that the Instrument be amended on the terms set out in the attached Amendment Deed.


Dated this 8th day of January 2015

For and on behalf of
Lofty Sky Limited

For and on behalf of

LOFTY SKY LIMITED

崇天有限公司


.....
Authorised Signature(s)

Dated 11 April 2013

EPI (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

INSTRUMENT

relating to

Convertible Notes of principal amount of HK\$100,000,000
in registered form and convertible into ordinary shares in the capital of
EPI (HOLDINGS) LIMITED

MICHAEL LI & CO.
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong

Ref: (CCL/AC/NT/136523)

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THIS INSTRUMENT is executed by way of Deed Poll on 11 April 2013 by **EPI (HOLDINGS) LIMITED** (the “**Company**”, together with its subsidiaries, the “**Group**”) a company incorporated in Bermuda having its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the address of its principal place of business is at Room 1401, 14/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

WHEREAS:

- (A) By a subscription agreement (the “**Subscription Agreement**”) dated 24 February 2013 entered into between the Company as issuer and Lofty Sky Limited as subscriber (the “**Subscriber**”), the Subscriber will subscribe for and the Company will create and issue the Notes (as defined herein) in the principal amount of HK\$100,000,000 to the Subscriber.
- (B) The Company is entering into this Instrument by way of deed poll in order to define the rights and interests of the Noteholders.

NOW THIS INSTRUMENT WITNESSES and the Company hereby declares as follows:

1. DEFINITIONS

- 1.1 In this Instrument (including the Recitals), the following expressions shall, unless the context otherwise requires, have the following meanings:

“authorised denomination”	HK\$10,000,000 or integral multiples thereof;
“Business Day”	any day (excluding 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 or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Certificate”	a certificate in or substantially in the form set out in <u>the Schedule</u> issued in the name of the Noteholders in respect of its registered holdings of the Notes
“Code”	The Hong Kong Code on Takeovers and Mergers
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Conditions”	terms and conditions endorsed on the Notes in definitive form as they may from time to time be modified in accordance with their provisions and/or of this Instrument, and reference in this Instrument to a

	particular numbered Condition shall be construed accordingly
“Conversion Date”	has the meaning assigned in <u>Condition 5(D)</u>
“Conversion Notice”	has the meaning assigned in <u>Condition 5(D)</u> ;
“Conversion Period”	subject to conditions as set out in <u>Clause 6.1</u> and <u>Condition 5(A)</u> , the period commencing from the date of issue of the Notes up to and including the date which is 7 days prior to the Maturity Date
“Conversion Price”	the conversion price per Share determined in accordance with <u>Clause 6.3</u> , subject to adjustments in accordance with <u>Clause 7</u>
“Conversion Rights”	the rights of the Noteholders to convert the principal amount outstanding under the Notes registered in its names into Shares subject to the terms and conditions of this Instrument and the Conditions
“Conversion Share(s)”	Share(s) to be allotted and issued upon an exercise of the Conversion Rights
“HK\$” and “Hong Kong dollars”	means the lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Material Adverse Effect”	an event or circumstance, occurrence or any combination thereof arising or occurring, the effect of which is reasonably likely to have a material adverse effect on the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group as a whole, or the ability of the Company to perform its obligations under the Subscription Agreement and/or the Notes
“Material Subsidiaries”	Have Result Investments Limited (incorporated in the British Virgin Islands), Southstart Limited, (incorporated in the British Virgin Islands), EP Energy S.A. (incorporated in Argentina), EPI Metals Limited

(incorporated in Hong Kong) and subsidiaries of the Company the total assets, profits or revenue of which represent more than 20% under the relevant percentage ratios as defined under rule 14.04(9) of the Listing Rules for the latest financial year

“Maturity Date”	the date falling two (2) years from the date of issue of the Notes
“Noteholder(s)”	a holder or holder(s) in whose name the Notes is/are registered in the Register, and “holder” in relation to the Notes shall have the corresponding meaning
“Notes”	convertible notes in registered form in the principal amount of HK\$100,000,000 constituted by this Instrument and for the time being outstanding or, as the context may require, any amount of them
“Ordinary Resolution”	shall have the meaning ascribed to it in Annexure III to the Conditions
“outstanding”	<p>the principal amount of the Notes issued other than:</p> <ul style="list-style-type: none">(a) those which have been redeemed or in respect of which Conversion Rights have been exercised or which have been cancelled in accordance with the Conditions;(b) those in respect of which the redemption moneys (including all interest accrued on the Notes to the date for such redemption and any interest payable under <u>Clause 4</u> and <u>Condition 4</u> after such date) have been duly paid to the Noteholder or on its behalf;(c) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to <u>Condition 10</u>;(d) (for the purpose only of determining the amount of the Notes that is outstanding and without prejudice to their status for any other purpose) the Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to <u>Condition 10</u>;(e) those which have been cancelled as provided in <u>Condition 7</u>

“Placing”	the placing of 125,000,000 Shares pursuant to a placing agreement dated 21 January 2013 entered into between the Company and Lippo Securities Limited (as placing agent)
“Redemption Amount”	the aggregate of (i) 110 per cent. of the outstanding principal amount, (ii) all accrued interest, and (iii) all other amounts accrued or outstanding under the Notes up to the date of redemption
“Register”	the register of the Noteholders required to be maintained pursuant to Clause 11
“Restricted Holder”	a Noteholder (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the Shares arising on conversion are to be issued) who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such Noteholder in the manner provided in the Conversion Notice and the Conditions or the performance by the Company of the obligations expressed to be assumed by it under this Instrument or the Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction
“Share Option Scheme”	the share option scheme adopted by the Company on 6 November 2006, as refreshed on 11 July 2011
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of par value HK\$0.10 each in the capital of the Company as at the date of this Instrument, or shares of any class or classes resulting from any sub-division, consolidation or re-classification of such shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or distribution of the Company
“Special Resolution”	shall have the meaning ascribed to it in Annexure III to the Conditions
“Specified Office”	the principal office of the Company in Hong Kong specified at the back of the Certificate or any other office notified to the Noteholder(s) pursuant to <u>Condition 11</u>

“subsidiary”	has the meaning as ascribed thereto under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“this Instrument”	this instrument, the schedule (as from time to time may be altered in accordance with this Instrument) and any other document executed in accordance with this instrument (as from time to time may be so altered) and expressed to be supplemental to this Instrument
“Warrants”	the 625,000,000 non-listed transferable warrants issued or to be issued (as the case may be) by the Company in connection with the Placing, details of which are announced by the Company on 21 January 2013 on the website of the Stock Exchange

1.2 In this Instrument, and unless the context otherwise requires:

- (a) references to Recitals, Clauses, Sub-clauses and Schedule are to the recitals, clauses and sub-clauses of and the schedule to this Instrument;
- (b) reference to a Sub-clause is, unless otherwise stated, to the sub-clause of the Clause in which the reference appears;
- (c) reference to a paragraph is to the paragraph of the Schedule in which the reference appears;
- (d) the Schedule forms part of this Instrument;
- (e) reference to any ordinance, legislation, regulation or other statutory provision in this Instrument includes reference to such ordinance or legislation or regulation or provision as modified, consolidated or re-enacted from time to time (except to the extent where any such modification, consolidation or re-enactment increases the liability of any party to this Instrument);
- (f) words denoting the singular include the plural and vice versa, words denoting one gender include both genders and the neuter and words denoting persons include corporations and, in each case, vice versa; and
- (g) headings, the index page and underlining are for ease of reference only and do not form part of this Instrument.

1.3 If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Instrument nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

2. CREATION OF THE NOTES

The Company hereby creates pursuant to the authority granted by the Company to the its directors (“**Directors**”) at a special general meeting of the Company held on 27 March 2013 and a resolution passed at a meeting of the Directors held on 24 February 2013 the Notes in authorised denomination each, convertible into new Shares at the initial Conversion Price of HK\$0.19 per Conversion Share, subject to adjustments set out herein.

3. AMOUNT OF THE NOTES

The principal amount of the Notes shall be HK\$100,000,000.

4. INTEREST

- 4.1 The Notes shall bear interest from the date of its issue at the rate of eight per cent. (8%) per annum on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable semi-annually in arrears with the first interest payment for the Notes to be made on the date falling six (6) months from the date of issue of such Notes and thereafter on the last day of each successive six-month period (each an “**Interest Payment Date**”). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.
- 4.2 The Notes will, in respect of the Conversion Rights attached thereto which are not yet exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Notes in accordance with this Instrument and the Conditions; (b) on early redemption pursuant to Clause 10.3; and (b) the Maturity Date.
- 4.3 If the Company fails to pay any sum in respect of the Notes when the same becomes due and payable under the Conditions, default interest in addition to the interest payable under Clause 4.1 shall accrue on the overdue sum at the rate of three per cent. (3%) per annum from the due date and ending on the date on which full payment in respect of such sum is made to the Noteholder(s) in accordance with the Conditions (or in the case of a default on payment of any interest, an amount in the aggregate rate of eleven per cent. (11%) per annum (inclusive of the interest payable under Clause 4.1) would be payable on the principal amount of the Notes to which that unpaid interest relates from the due date of payment for that interest and ending on the date on which interest then due and payable has fully been paid) provided that the Noteholder(s) shall not be entitled to any such default interest in respect of a delay in payment as a result of it giving inaccurate or late remittance instructions.
- 4.4 Interest payable in respect of any Notes on any Interest Payment Date shall be calculated from (and including) (i) in the case of the first Interest Payment Date, the date of issue of the Notes; or (ii) in any other case, the immediately preceding Interest Payment Date to (and excluding) the date on which interest is payable, plus any interest accrued but unpaid on any earlier Interest Payment Date.

5. NOTES CERTIFICATES

- 5.1 On issue of the Notes, each Noteholder will be entitled to a definitive Certificate with Conditions in or substantially in the form set out in the Schedule.
- 5.2 The definitive Certificates will be signed manually or in facsimile by two Directors or by a director of the Company.
- 5.3 Issue and delivery of the Notes shall be completed on the issue and delivery of the Certificate to each Noteholder (or its representative) by, or by the order of, the Company and completion of the Register by or on behalf of the Company. The Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue of the Notes and the execution or delivery of this Instrument.
- 5.4 The Company hereby covenants to and with each Noteholder that it will comply with and perform and observe all the provisions of this Instrument and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Company and the Noteholders.

6. CONVERSION

- 6.1 Provided that at the time a Conversion Notice is issued (i) any conversion of the Notes does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Noteholder(s) which exercised the Conversion Rights, 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 Notes (if applicable, including any Shares acquired by the parties acting in concert with the holder(s) of the Notes) represents more than 30% (or such other percentage as stated in Rule 26 of the Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Code; and (ii) the public float of the Shares shall 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 of the Company at the time in compliance with the Listing Rules, a Noteholder shall, subject to compliance with the procedures set out in the Conditions, 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 Notes registered in its name into Shares at the Conversion Price.
- 6.2 The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Noteholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Noteholder, then the Conversion Rights represented by the Notes shall be aggregated.

- 6.3 The Conversion Price for the Notes shall be equal to HK\$0.19 per Conversion Share, subject to adjustments as hereafter described in Clause 7.
- 6.4 Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Noteholder(s).
- 6.5 No Conversion Rights represented by the Notes may be exercised by any person who is a Restricted Holder, and the exercise of any Conversion Rights by a Noteholder shall constitute a confirmation, representation and warranty by a Noteholder to the Company that such Noteholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by such Noteholder to enable it to exercise legally and validly the relevant Conversion Rights, to hold (or, if applicable, to have such person(s) as it may nominate in the Conversion Notice hold) the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares.

7. ADJUSTMENTS

- (a) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (vii) inclusive of this Sub-clause (a) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:
- (i) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.
- (ii) If and whenever the Company shall issue any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), other than an issue of Shares paid-up out of profits or serves and issued in lieu of the whole or part of a specifically declared cash dividend, the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

- (iii) If and whenever the Company shall make any Capital Distribution (as defined in Sub-clause (b)) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

- A = the market price (as defined in Sub-clause (b)) on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the Capital Distribution or, as the case may be, of the grant; and
- B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank (as defined in Sub-clause (b)) or the auditors of the Company for the time being, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

Provided that:

- (aa) if in the opinion of the relevant approved merchant bank or the auditors of the Company for the time being, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and
- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or the grant.

- (iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price which is less than 80 per cent. of the market price at the date of the announcement (as defined in Sub-clause (b)) of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the

Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant). Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Noteholder (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Notes registered in its name in full on the day immediately preceding the record date for such offer or grant.

- (v) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 80 per cent. of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.
- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (v) are modified so that the

total Effective Consideration per Share initially receivable for such securities shall be less than 80 per cent. of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.

(vii) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined below) which is less than 80 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total Effective Consideration per Share and the denominator shall be such market price. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such Shares. For the purpose of this sub-paragraph (vii) **“total Effective Consideration”** shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the **“total Effective Consideration per Share”** shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

(b) For the purposes of this Clause 7:

“announcement” shall include the release of an announcement to the press or the delivery or transmission by telephone, facsimile or otherwise of an announcement to the Hong Kong Stock Exchange and **“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

“approved merchant bank” means a merchant bank of repute in Hong Kong selected by the Company for the purpose of providing a specific opinion or calculation or determination hereunder;

“Capital Distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Clause 7(a)(ii))) Provided that any such dividend shall not automatically be so deemed if:

- (i) it comprises a purchase or redemption of Shares by or on behalf of the Company (of a purchase of Shares by or on behalf of a subsidiary of the Company) pursuant to a general and unconditional mandate granted to the directors of the Company to exercise all the powers of the Company to repurchase Shares at a general meeting of the Company in accordance with the Listing Rules;
- (ii) it is paid out of the aggregate of the net profits (less losses) attributable to the holders of Shares for all financial periods after that ended 31 December 2012 as shown in the audited consolidated profit and loss

account of the Company and its subsidiaries for each such financial period; or

- (iii) in making any such calculation, such adjustments (if any) shall be made as an approved merchant bank (as defined in this Clause 7(b)) may consider appropriate to reflect (I) any consolidation or subdivision of the Shares, (II) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (III) the modification of any rights to dividends of Shares;

“**issue**” shall include allot;

“**market price**” means the average of the closing prices of one Share on the Hong Kong Stock Exchange for each of the last five Hong Kong Stock Exchange dealing days on which dealings in the Shares on the Hong Kong Stock Exchange took place ending on the last such dealing day preceding the day on or as of which the market price is to be ascertained;

“**reserves**” includes unappropriated profits;

“**rights**” includes rights in whatsoever form issued;

“**Shares**” includes, for the purposes of Shares comprised in any issue, distribution or grant pursuant to sub-paragraph (iii), (iv), (v), (vi) or (vii) of Sub-clause (a), any such ordinary shares of the Company as, when fully paid, will be Shares.

- (c) The provisions of sub-paragraphs (ii), (iii), (iv), (v), (vi) and (vii) of Sub-clause (a) shall not apply to:

- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Notes) to acquire Shares provided that an adjustment has been made under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);
- (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
- (iii) an issue by the Company or any subsidiary of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
- (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may

be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares;

- (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “market value” of one Share shall mean the average of the closing prices for such Hong Kong Stock Exchange dealing days on which dealings in the Shares took place (being not less than five such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; or
 - (vi) an issue of Shares under share options granted from time to time pursuant to the Share Option Scheme;
 - (vii) an issue of Shares pursuant to the Placing or the Warrants or the convertible notes in principal amount of HK\$62.1 million issued by the Company pursuant to a placing agreement dated 19 August 2011 entered into between the Company as issuer and Emperor Securities Limited as placing agent; or
 - (viii) an issue of Shares or agreement to issue Shares in respect of which an adjustment has been made pursuant to clause 5.8 of the Subscription Agreement.
- (d) Any adjustment to the Conversion Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified (at the option of the Company) either by the auditors of the Company for the time being or by an approved merchant bank.
- (e) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Clause 7 would be less than the nominal value of a Share and any adjustment that would otherwise be required then to be made shall not be carried forward.
- (f) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an approved merchant bank or the auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall certify that

any such adjustment is appropriate the Conversion Price shall be adjusted accordingly and the provisions of Sub-clauses (d), (e) and (h) shall apply).

- (g) Notwithstanding the provisions of Sub-clause (a), in any circumstances where the directors of the Company or the Noteholder shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the provisions, the Company or the Noteholder may appoint an approved merchant bank or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or auditors of the Company for the time being to be in its opinion appropriate.
- (h) Whenever the Conversion Price is adjusted as herein provided, the Company shall give notice to the Noteholder that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any amount of the Notes remains outstanding make available for inspection at the Specified Office a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant approved merchant bank and a certificate signed by a director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Noteholder.
- (i) Notwithstanding anything contains herein, if application of any of the provisions of this Clause 7 would but for this paragraph (i) result in the Conversion Price being reduced so that on conversion Shares shall fall to be issued at a discount to their nominal value, then the Conversion Price shall be adjusted to an amount equal to the nominal value of one Share.

8. COVENANTS

8.1 The Company hereby undertakes to and covenants with the Noteholder(s) that so long as any Conversion Right remains exercisable, it will:

- (a) keep available for issue, free from pre-emptive rights, out of its authorised but unissued share capital sufficient Shares to satisfy the Conversion Rights attaching to the Notes;

- (b) maintain a listing on the Hong Kong Stock Exchange for all the issued Shares for the time being and, immediately after their issue subject, nevertheless, to the provisions of Condition 5(D)(iv), for all Shares issued on exercise of the Conversion Rights and give notice to the Noteholder of any de-listing of the Shares by the Hong Kong Stock Exchange;
- (c) unless so required by applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, not close its register of Shareholders or take any other action which would prevent the transfer of its Shares generally and ensure that the Notes may be converted legally at all times during the period of such closure or while such other action is effective, nor take any action which would prevent the conversion of the Notes or the issue of Shares in respect of them;
- (d) to pay the expenses of the issue of, and all expenses of obtaining listing on the Hong Kong Stock Exchange for, Shares arising on conversion of the Notes;
- (e) to maintain its registration as an overseas company registered under the Companies Ordinance;
- (f) give notice to the Noteholders in accordance with Condition 11 as soon as practicable after it effects any change of its financial year;
- (g) apply for listing approval (if required) to the allotment and issue of the Conversion Shares at such adjusted price from the Hong Kong Stock Exchange within three (3) Business Days after an adjustment in the Conversion Price;
- (h) comply with and procure the compliance of all conditions imposed by the Hong Kong Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval of the issue of the Notes or for the listing of and permission to deal in the Shares issued or to be issued on the exercise of the Conversion Rights and to ensure the continued compliance thereof; and
- (i) not enter into and deed, agreement, assignment, instrument or documents whatsoever which may result in any breach of the terms of the Notes.

8.2 The Company further undertakes to and covenants with the Noteholder(s) that so long as any Conversion Right remains exercisable, it will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues; present or future to secure the repayment or payment of principal, or interest of or on any Relevant Indebtedness (as defined below), or any guarantee of or indemnity given in respect of the repayment or payment of principal or interest of or on any Relevant Indebtedness unless, at the same time or prior thereto, the Company's obligations under the Notes are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be.

For the purposes of this Clause 8.2:

“Relevant Indebtedness” means any present or future indebtedness in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock, certificates or other securities which are capable of being quoted, listed, dealt in or traded on any stock exchange, or over-the-counter or other securities market.

- 8.3 The Company further undertakes to and covenants with the Noteholder(s) that so long as any Conversion Right remains exercisable, it will not, and will procure its Material Subsidiaries not to, consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation unless approved by an Ordinary Resolution of the Noteholders passed in a meeting of the Noteholders (held in accordance with the procedures set out in Annexure III to the Conditions) or otherwise in writing by the requisite majority of Noteholders, provided that this Clause 8.3 shall not apply where (i) the corporation formed by such merger or the person that acquires such properties and assets expressly assumes all obligations of the Company under the Notes, or (ii) such consolidation, merger, amalgamation or transfer (as the case may be) is undertaken for the purposes of reorganisation of the Group.

9. **EVENTS OF DEFAULT**

Any Noteholder may give notice to the Company that the Notes are immediately due and repayable if any of the following events (each an **“Event of Default”**) occurs:

- (a) there is any failure by the Company to pay any principal, premium, interest or any other amount due in respect of the Notes (except where failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of its due date);
- (b) there is any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Notes;
- (c) there is a material breach of any representation, warranty, undertaking or obligation of the Company under the Subscription Agreement (in respect of Subscriber, including, the undertakings and obligations of the Company in respect of the corporate governance measures) and/or the Notes, provided that no Event of Default under the Conditions will occur if the breach is capable of being remedied and is remedied within fourteen (14) days of a Noteholder giving notice to the Company or the Company becoming aware of the breach;
- (d) there is any breach of any applicable law, regulation or Listing Rules by the Company or any of its Material Subsidiaries which will result in a Material Adverse Effect;
- (e) there is any change made to the memorandum and articles of association of the Company and/or the Subscription Agreement which adversely affects a Noteholder’s rights and interest under the Instrument and the Conditions;
- (f) the Company engages in or conducts any business which materially differs from the core business of the Group, namely the sourcing and trading of non-ferrous metals, trading of petroleum related products, and petroleum exploration and

production, and any upstream and downstream business activities in respect thereof undertaken in relation thereto;

- (g) (i) any other present or future indebtedness (whether actual or contingent) of the Company for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), (ii) any such indebtedness is not paid when due or (if a grace period is applicable) within any applicable grace period, or (iii) the Company or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above equals or exceeds HK\$20,000,000 or its equivalent in any currency or currencies;
- (h) the Shares (as a class) cease to be listed or admitted to trading on the Stock Exchange or any alternative stock exchange acceptable to the Noteholders or suspension of the trading of Shares on Hong Kong Stock Exchange or such alternative stock exchange (other than for a temporary suspension of trading for not more than (i) thirty (30) consecutive trading days in the case where such suspension is pending announcement by the Group in respect of a transaction that constitutes a major transaction, very substantial disposal, very substantial acquisition or any transactions that is deemed by the Stock Exchange to be a reverse takeover (each as defined under the Listing Rules) but which does not involve any person or group of persons becoming a controlling shareholder (as defined under the Listing Rules) of the Company, or (ii) fifteen (15) consecutive trading days in all other cases, unless approved by an Ordinary Resolution of the Noteholders passed in a meeting of the Noteholders (held in accordance with the procedures set out in Annexure III to the Conditions) or otherwise in writing by the requisite majority of Noteholders;
- (i) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company or any of its Material Subsidiaries which will result in a Material Adverse Effect;
- (j) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement will result in a Material Adverse Effect;
- (k) the Company or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or

declared in respect of or affecting all or a material part of the debts of the Company or any of its Material Subsidiaries;

- (l) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its Material Subsidiaries, other than (i) on terms approved by all the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Company or another of its Material Subsidiaries;
- (m) an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Company or any of its Material Subsidiaries (as the case may be) and is not discharged in thirty (30) days;
- (n) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Group taken as a whole;
- (o) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done;
- (p) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Notes; or
- (q) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

Upon any such notice being given to the Company, the Notes will immediately become due and repayable at the Redemption Amount.

10. REDEMPTION AND CANCELLATION

- 10.1 Any amount of the Notes which is converted will forthwith be cancelled. Certificate in respect of the Notes cancelled will be forwarded to or to the order of the Company and such Notes may not be reissued or resold.
- 10.2 Any amount of the Notes which remains outstanding on the Maturity Date shall be redeemed at the Redemption Amount.
- 10.3 Subject to the prior approval by Special Resolution of the Noteholders passed in a meeting of the Noteholders (held in accordance with the procedures set out in Annexure III to the Conditions) or otherwise in writing by the requisite majority of Noteholders,

the Company shall be entitled at any time while the Notes are outstanding and have not been converted to redeem the Notes from the Noteholder(s) pro-rata based on the principal amount of the Notes then outstanding at a relevant redemption rate by serving 14-day prior notice of redemption to the relevant Noteholder(s). The Notes or any part thereof redeemed shall be forthwith cancelled. For the purpose of this Clause 10.3, the “relevant redemption rate” shall mean such rate as may be agreed between the Company and the relevant Noteholder(s), provided that such rate shall not in any event exceed the Redemption Amount or, if no agreement could be reached, the Redemption Amount.

11. TRANSFER AND REGISTER

- 11.1 Subject to Clause 11.2, the Noteholder(s) may freely assign or transfer the Notes to the transferee (who is not a Restricted Holder) subject to not less than 15-Business Day prior notification to the Company. The Notes may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the Listing Rules) without prior written consent of the Company. The Notes may be assigned or transferred in whole or in part (in authorised denominations) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Note, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).
- 11.2 Notwithstanding Clause 11.1, a Noteholder shall be permitted at any time to transfer the Notes to a transferee who is a wholly owned subsidiary of such Noteholder or a holding company of such Noteholder who owns the entire issued share capital of such Noteholder provided that the Notes will be re-transferred to such Noteholder immediately upon the transferee ceasing to be a wholly owned subsidiary of such Noteholder or a holding company of such Noteholder who owns the entire issued share capital of such Noteholder.
- 11.3 A transfer of the Notes shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, of a form of transfer set out in Annexure I to the Conditions.
- 11.4 The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office accompanied by (i) a duly executed transfer form (which is available at the Specified Office); (ii) in case of the execution of the transfer form on behalf of a corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably require if the transfer form is executed by some other person on behalf of the Noteholder. The Company shall, within ten (10) Business Days of receipt of such documents from the Noteholder and, if necessary, the consent of the Hong Kong Stock Exchange, cancel the existing Certificate and issue a new Certificate, in favour of the transferee or assignee as applicable.
- 11.5 The Company shall maintain and keep a full and complete register at such location outside Hong Kong as it shall from time to time determine of the Notes and the Noteholder(s) from time to time, such register shall contain details of conversion and/or cancellation and the destruction of the Notes and the issue of any replacement Notes issued in substitution for any mutilated, defaced, lost, stolen or destroyed Notes and of

sufficient identification details of the Noteholder(s) from time to time. The Company shall further procure that such register shall be made available to the Noteholder(s) for inspection at all reasonable times.

12. CONSOLIDATION, AMALGAMATION, MERGER AND FURTHER ISSUES

- 12.1 In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Noteholder(s) of such event in accordance with Condition 11 and (subject to any restriction prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an Instrument supplemental to this Instrument to ensure that the holder(s) of the Notes will have the right (during the period in which such Notes shall be convertible) to convert the Notes then outstanding into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of the Notes immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Clause 12 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.
- 12.2 The Company shall, subject to the Listing Rules, from time to time be at liberty to issue further convertible Notes and other securities, including convertible Notes ranking *pari passu* with the Note.

13. CURRENCY INDEMNITY

- 13.1 Hong Kong dollars (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Company under or in connection with this Instrument and the Note.
- 13.2 Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise), by the Noteholder in respect of any sum expressed to be due to it from the Company will only discharge the Company to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- 13.3 If that Contractual Currency amount received or recovered under Clause 13.2 is less than the Contractual Currency amount expressed to be due to the recipient under this Instrument or the Note, the Company will indemnify it against any loss sustained by it as a result. In any event, the Company will indemnify the recipient against the cost of making any such purchase. The indemnity in this Clause 13.3 constitutes separate and independent obligations from the other obligations in this Instrument, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Noteholder(s).

14. MODIFICATIONS/WAIVERS/SEVERABILITY

- 14.1 Any modification to this Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company which shall not adversely affect the rights of the Noteholder(s) under this Instrument) only if it shall first have been approved by an Ordinary Resolution of the Noteholders passed in a meeting of the Noteholders (held in accordance with the procedures set out in Annexure III) to the Conditions.
- 14.2 A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- 14.3 Notice of every modification to this Instrument shall be given to the Noteholder(s) as soon as reasonably practicable.
- 14.4 No failure or delay by the parties in exercising any right, power or remedy under this Instrument shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by one party of any breach by the other party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof and any forbearance or delay by the party in exercising any of its rights hereunder shall not be construed as a waiver thereof. If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Instrument shall not be affected or impaired thereby.

15. MEETING OF NOTEHOLDERS

The provisions of Annexure III to the Conditions relating to meetings of Noteholders shall have full effect as if the same had been incorporated herein. To the extent that the provisions of Annexure III and any further regulations prescribed by the Company under paragraph 20 of Annexure III do not specifically regulate any aspect of meetings of Noteholders, including, without limitation, any matter to do with convening notice, appointment of proxies, attendance, adjournment, conduct, voting and recording proceedings in relation to meetings of Noteholders, the equivalent provisions of the Company's bye-laws for the time being relating to meetings of holders of Shares shall apply, *mutatis mutandis*, to meetings of Noteholders and shall have full effect as if the same had been incorporated herein.

16. GOVERNING LAW

- 16.1 This Instrument shall be governed by and construed in accordance with Hong Kong law.
- 16.2 The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Instrument or the Notes and accordingly any legal action or proceedings arising out of or in connection with this Instrument or the Notes ("**Proceedings**") may be brought in such courts. The Company and the Noteholder irrevocably submits to the jurisdiction of such courts and waives any

objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

IN WITNESS whereof this Instrument has been executed as a deed poll on the day and year first above written.

SCHEDULE TO THE CONVERTIBLE NOTES

Form of Certificate

Certificate no.:

Amount (HK\$)

EPI (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

Convertible Notes in the principal amount of HK\$100,000,000 due 11 April 2015

(Being one of the convertible notes of aggregate principal amount of HK\$100,000,000 issued pursuant to the memorandum of association and bye-laws of EPI Holdings Limited (the "**Company**") and resolutions of the Board of Directors of the Company passed on 24 February 2013 and resolutions of the majority shareholders of the Company passed on 27 March 2013.)

The Notes in respect of which this Certificate is issued, the identifying number of which is noted below, are in registered form in the principal amount of HK\$100,000,000 (the "**Notes**") issued by the Company and constituted by the Instrument referred to attached hereof. The Notes are subject to, and have the benefit of, the Instrument, which, subject to the terms of the Instrument, is enforceable by the Noteholders against the Company insofar as each Noteholder's Note is concerned. Such Instrument (together with any instruments supplemental thereto) and copies of the bye-laws of the Company will be available for inspection by the Noteholders at the principal office of the Company for the time being in Hong Kong.

The Noteholders will be deemed to have notice of all the provisions contained in the said Instrument (and any instruments supplemental thereto) and may obtain copies thereof upon written request to the Company.

The Company hereby certifies that the person whose name and address is specified below is, at the date hereof, entered in the register of Noteholders as the holder of the Notes in the principal amount indicated below:

Folio	Noteholder and address	Principal amount of the Notes	Identifying no.	Date of issue

GIVEN UNDER THE COMMON SEAL OF THE COMPANY ON THE DATE OF ISSUE AS STATED ABOVE

The Notes in respect of which this Certificate is issued is convertible into fully paid ordinary shares of the Company with a par value of HK\$0.10 each for the time being subject to and in accordance with the Conditions and the Instrument.

This Certificate is evidence of entitlement only. Title to the Notes passes only on due registration on the register of the Noteholders of the Company and only the duly registered holder is entitled to payments on the Notes in respect of which this Certificate is issued.

The Notes in respect of which this Certificate is issued are subject to restrictions on transfer and may be transferred only if the terms and conditions specified in Clause 11 of the Instrument and Condition 3 of the Conditions have been complied with.

This Certificate shall not be valid for any purpose until signed by two directors or by one director and the Secretary of the Company.

This Certificate is governed by, and shall be construed in accordance with the laws of The Hong Kong Special Administrative Region of The People's Republic of China.

EPI (HOLDINGS) LIMITED
by:

Director

Director/Secretary

NO TRANSFER OF THE WHOLE OR ANY PORTION OF THE ABOVE NOTES CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS NOTES CERTIFICATE.

TERMS AND CONDITIONS OF THE NOTES

The issue of a series of convertible notes in the aggregate principal amount of HK\$100,000,000 due 11 April 2015 (the “**Notes**”) of EPI (HOLDINGS) LIMITED (“**Company**”) was authorised by resolutions of the Board of Directors of the Company passed on 24 February 2013 and resolutions of the majority shareholders of the Company passed on 27 March 2013. The Notes are constituted by a deed poll (“**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated 11 April 2013 executed by the Company. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by the Noteholder at the principal office for the time being of the Company in Hong Kong being at the date hereof at Room 1401, 14/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong. The Noteholder is entitled to the benefit of the Instrument and is bound by, and is deemed to have notice of, all the provisions of the Instrument.

Unless otherwise stated or where the context otherwise requires, terms defined in the Instrument have the same meanings when used in these Conditions.

1. STATUS AND VOTING RIGHTS

(A) Status

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Notes on the Hong Kong Stock Exchange or any other stock exchange.

(B) Voting Rights

The Noteholder(s) shall not be entitled to attend or vote at any meetings of the Company by reason only it/them being the Noteholder(s).

2. FORM AND TITLE

(A) Form

The Notes are issued in registered form. A Certificate will be issued to each Noteholder in respect of its registered holding of the Notes. The Notes and the Certificate will be numbered with an identifying number which will be recorded on the relevant Certificate and in the Register kept by or on behalf of the Company.

(B) Title

The holder(s) of the Notes whose name is entered in the Register will (except as otherwise required by law) be treated as its/their absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it or any entry on the Register) and no person will be liable for so treating the holder.

3. TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES

(A) Transfer

The Noteholder(s) may freely assign or transfer the Notes to the transferee (who is not a Restricted Holder) subject to not less than 15-Business Day prior notification to the Company. The Notes may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the Listing Rules) without prior written consent of the Company.

The Notes may be assigned or transferred in whole or in part (in authorised denominations) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Notes, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).

Notwithstanding the condition provided in this Condition 3(A), a Noteholder shall be permitted at any time to transfer the Notes to a transferee who is a wholly-owned subsidiary of such Noteholder or a holding company of such Noteholder who owns the entire issued share capital of such Noteholder provided that the Notes will be re-transferred to such Noteholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of such Noteholder or a holding company of such Noteholder who owns the entire issued share capital of the Noteholder.

(B) Transfer form

A transfer of the Notes shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, a form of transfer set out as Annexure I at the end of the Conditions which is available to be obtained at the Specified Office.

(C) Registration

The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office accompanied by (i) a duly executed transfer form (which is available at the Specified Office); (ii) in case of the execution of the transfer form on behalf of a corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably

require if the transfer form is executed by some other person on behalf of the Noteholder(s). The Company shall, within ten (10) Business Days of receipt of such documents from the Noteholder(s), cancel the existing Certificate and issue a new Certificate in favour of the transferee or assignee as applicable.

(D) Delivery of new Certificates

The Certificate to be issued upon a transfer of Notes will, within ten (10) Business Days of receipt by the Company of the form of transfer accompanied by the documents referred to in Condition 3(C), be made available for personal collection by the holder(s) entitled to the Notes during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office and upon production of such identification papers as may be reasonably requested by the Company.

Where some but not all the amount of the Notes in respect of which a Certificate is issued are to be transferred or converted, a new Certificate in respect of the Notes not so transferred or converted will, within ten (10) Business Days of delivery of the original Certificate to the Company, be made available for collection by such holder during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office upon production of such identification papers as may be reasonably requested by the Company.

(E) Formalities free of charge

Registration of transfer of the Notes will be effected upon (a) payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Hong Kong Stock Exchange) for each Certificate cancelled or each new Certificate issued, whichever number of the Certificates cancelled/issued is higher; and (b) payment (or the giving of such indemnity as the Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

(F) Closure of Register

The Noteholder(s) may not require the transfer of the Notes to be registered during the period of seven days ending on the due date for any payment of any interest on the Notes.

4. INTEREST

- (A)** Subject to Condition 4(B) below, the Notes shall bear interest from the date of its issue at the rate of eight per cent. (8%) per annum on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable semi-annually in arrears with the first interest payment for the Notes to be made on the date falling six (6) from the date of issue of the Notes and thereafter on the last day of each successive six-month period up to the Maturity Date (each an “**Interest Payment Date**”). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next

calendar month in which event it shall be brought forward to the immediately preceding Business Day.

- (B) The Notes will, in respect of the Conversion Rights attached thereto which are not yet exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Notes in accordance with this Instrument and the Conditions; (b) the date of redemption of the Notes pursuant to Condition 7(A); and (c) the Maturity Date.
- (C) If the Company fails to pay any sum in respect of the Notes when the same becomes due and payable under these Conditions, default interest in addition to the interest payable under Condition 4(A) shall accrue on the overdue sum at the rate of three per cent. (3%) per annum from the due date and ending on the date on which full payment is made to the Noteholder(s) in accordance with these Conditions (or in the case of a default on payment of any interest, an amount in the aggregate rate of eleven per cent. (11%) per annum (inclusive of the interest payable under Condition 4(A)) would be payable on the principal amount of the Notes to which that unpaid interest relates from the due date of payment for that interest and ending on the date on which interest then due and payable has fully been paid) provided that the Noteholder(s) shall not be entitled to any such interest in respect of a delay in payment as a result of it giving inaccurate or late remittance instructions.
- (D) Interest payable in respect of any Notes on any Interest Payment Date shall be calculated from (and including) (i) in the case of the first Interest Payment Date, the date of issue of the Notes; or (ii) in any other case, the immediately preceding Interest Payment Date to (and excluding) the date on which interest is payable, plus any interest accrued but unpaid on any earlier Interest Payment Date.

5. CONVERSION

(A) **Conditions**

Provided that (i) any conversion of the Notes does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Noteholder which exercised the Conversion Rights, 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 Notes (if applicable, including any Shares acquired by the parties acting in concert with the holder(s) of the Notes) represents more than 30% (or such other percentage as stated in Rule 26 of the Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Code and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company at any one time in compliance with the Listing Rules, the Noteholder(s) shall, subject to compliance with the procedures set out in the Conditions, 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 Notes registered in its name into Shares at the Conversion Price.

(B) Number of Conversion Shares

The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Noteholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Noteholder(s), then the Conversion Rights represented by the Notes shall be aggregated.

(C) Conversion Price

The Conversion Price for the Notes shall be equal to HK\$0.19 per Conversion Share, subject to adjustments as hereafter described.

The Instrument contains detailed provisions relating to the adjustment of the Conversion Price. The following is a summary of, and is subject to, the provisions of Clause 7 of the Instrument:

- (a) The Conversion Price shall (except as otherwise mentioned in the following paragraphs of this Condition 5(C)) be adjusted as provided in the Instrument in each of the following cases:
 - (i) an alteration of the nominal amount of the Shares by reason of 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 serves and issued in lieu of the whole or part of a specifically declared cash dividend;
 - (iii) a Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such;
 - (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80 per cent. of the market price (calculation as provided in the Instrument);
 - (v) an issue wholly for cash being made by the Company 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 (as defined in the Instrument) initially receivable for such securities is less than 80 per cent. of the market price (calculation as provided in the Instrument), 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 per cent. of the market price;

- (vi) an issue being made by the Company wholly for cash of Shares at a price per Share less than 80 per cent. of the market price (calculation as provided in the Instrument); and
 - (vii) an issue being made by the Company of Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in the Instrument) less than 80 per cent. of the market price (calculation as provided in the Instrument).
- (b) Except as mentioned in the following paragraphs of this Condition 5(C), no such adjustment as referred to in paragraph (a) of this Condition 5(C) shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including any conversion of the Notes) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
 - (iii) an issue by the Company or any subsidiary of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares;
 - (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Shares is not more than 120 per cent. of the

amount of dividend which holders of the Shares could elect to or would otherwise receive in cash; or

- (vi) an issue of Shares from time to time under share options granted pursuant to the Share Option Scheme, the Placing, the Warrants or the notes convertible into ordinary shares in the capital of the Company in principal amount of HK\$62.1 million issued by the Company in accordance with a placing agreement dated 19 August 2011 entered into between the Company as issuer and Emperor Securities Limited as placing agent; or
 - (vii) an issue of Shares or agreement to issue Shares in respect of which an adjustment has been made pursuant to clause 5.8 of the Subscription Agreement.
- (c) Notwithstanding the provisions referred to in paragraphs (a) and (b) of this Condition 5(C), in any circumstances where the directors of the Company or the Noteholder shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different rate or with a different time from that provided for under the said provisions, the Company or the Noteholder may appoint an approved merchant bank or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or auditors of the Company for the time being (as the case may be) to be in its opinion appropriate.
- (d) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an approved merchant bank or the auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly).
- (e) Any adjustment to the Conversion Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any

amount of half a cent or more shall be rounded up. No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than the nominal value of a Share and any adjustment which would otherwise then be required shall not be carried forward.

- (f) Every adjustment to the Conversion Price will be certified by the auditors of the Company for the time being or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Noteholder. Any such certificate(s) of the auditors of the Company for the time being or (as the case may be) of the relevant approved merchant bank will be available for inspection at the Specified Office.
- (g) If application of any of the provisions referred to in this Condition 5(C) would but for this paragraph (g) result in the Conversion Price being reduced so that on conversion Shares shall fall to be issued at a discount to their nominal value, then the Conversion Price shall be adjusted to an amount equal to the nominal value of one Share.

(D) Conversion Procedure

- (i) **Conversion Notice:** To exercise the Conversion Right attaching to the Notes, the holder(s) thereof must complete, execute and deposit either by personal delivery or by facsimile at its own expense during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office a notice of conversion (a “**Conversion Notice**”) in the form of Annexure II set out at the end of the Conditions (which is available at the Specified Office) together with the Certificate. The Conversion Notice once given shall not be revocable. In each case, compliance must be made by the Noteholder(s) of all applicable exchange control, fiscal and other laws and regulations relating to the exercise of the Conversion Rights and the allotment and issue to it and the holding by it of the Conversion Shares.

Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Noteholder.

- (ii) **Conversion Date:** in respect of an exercise of a Conversion Right, the conversion date (the “**Conversion Date**”) in respect of the Notes will be deemed to be the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of Conversion Notice therefor and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right provided that if such rights are exercised during a period when the register of holders of Shares is closed, the Conversion Date shall be the next following Business Day on which the register of holders of Shares is open.

- (iii) **Stamp Duty etc.:** The Company shall pay any capital, stamp and registration duties arising on the allotment and issue of the Conversion Shares.
- (iv) **Delivery of share certificates:** As soon as practicable, and in any event not later than ten (10) Business Days after the Conversion Date, the Company shall register the Noteholder(s) (or such other person(s) as it may direct in the Conversion Notice) as holder(s) of the relevant number of Shares in the Company's share register and will be made available for personal collection by the holder(s) of such Notes during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office or send by post at the risk of the Noteholder(s) to the address of the Noteholder(s) in the Register a certificate (or certificates) for the relevant Shares in the name of the Noteholder or such other person(s) as it may direct in the Conversion Notice.

If the number of Shares falling to be allotted and issued upon the exercise of any Conversion Rights shall exceed the number of unissued Shares in respect of which approval for listing has been granted by the Listing Committee of the Hong Kong Stock Exchange, the performance of the obligations of the Company under this Condition 5(D)(iv) regarding the issue, deposit and delivery of Shares shall, in respect only of such excess number of Shares, be postponed to the Business Day next following the day on which approval for listing of such Shares has been granted (provided that such postponement shall not exceed 21 days after the Conversion Date).

- (v) **Ranking of Shares:** The Shares issued upon conversion of the Notes will in all respects rank *pari passu* with the Shares in issue on the date of allotment and issue of such Shares and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant Conversion Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date. A holder of Shares issued on conversion of the Notes shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

(E) Company's Undertakings

The Company has given certain undertakings in the Instrument that so long as any amount of the Notes remains outstanding it will (a) maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) subject to the provisions of Condition 5(D)(iv), obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on the Hong Kong Stock Exchange and will forthwith give notice to the Noteholder(s) of the de-listing of the Shares by the Hong Kong Stock Exchange.

(F) Consolidation, Amalgamation or Merger

In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Noteholder(s) of such event in accordance with Condition 11 and (subject to any restriction prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an instrument supplemental to the Instrument to ensure that the Noteholder(s) will have the right (during the period in which such Notes shall be convertible) to convert such Notes into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Notes immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Condition 5(F) will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

6. PAYMENTS

(A) Method of payment

Any payment payable under the Notes which would otherwise be due on a non-Business Day shall instead be due and payable on the immediately succeeding Business Day. All payments due under these Conditions will be paid to the Noteholder(s) as shown on the Register at the close of business on the due date for payment. Payments will be made net of any applicable bank charges by transfer in Hong Kong dollars to the registered account of the Noteholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed at the risk of the Noteholder to the registered address of the Noteholder if it does not have a registered account.

(B) Registered Accounts and Addresses

For the purposes of this Condition, each Noteholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the Business Day before the due date for payment, and such Noteholder's registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholder(s) in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions will be given and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment.

(E) Partial Payment

If a Noteholder receives a payment that is insufficient to discharge all the amounts then due and payable by the Company under the Notes, such Noteholder shall apply that payment towards the obligations of the Company under the Notes in the following order:

- (i) firstly, in and towards payment of any sum other than any accrued interest and principal due but unpaid under the Notes;
- (ii) secondly, in and towards payment of any accrued interest due but unpaid under the Notes; and
- (iii) thirdly, in and towards payment of any principal due but unpaid under the Notes.

7. REDEMPTION AND CANCELLATION

(A) Redemption

Any amount of the Notes which remains outstanding on the Maturity Date shall be redeemed at the Redemption Amount.

(B) Early Redemption

Subject to the prior approval by Special Resolution of the Noteholders passed in a meeting of the Noteholders (held in accordance with the procedures set out in Annexure III to the Conditions) or otherwise in writing by the requisite majority of Noteholders, the Company shall be entitled at any time while the Notes are outstanding and have not been converted to redeem the Notes from the Noteholder(s) pro-rata based on the principal amount of the Notes then outstanding at a relevant redemption rate by serving 14-day prior notice of redemption to the relevant Noteholder. The Notes or any part thereof redeemed shall be forthwith cancelled. For the purpose of this Condition 7(B), the "relevant redemption rate" shall mean such rate as may be agreed between the Company and the relevant Noteholder, provided that such rate shall in any event not exceed the Redemption Amount or, if no agreement could be reached, the Redemption Amount.

(C) Cancellation

Any amount of the Notes which is redeemed or converted will forthwith be cancelled. Certificate in respect of the Notes cancelled will be forwarded to or to the order of the Company and such Notes may not be reissued or resold.

8. TAXATION

The Company shall be entitled to withhold from all payments of principal by the Company any amounts required to be withheld under the applicable law, rule and regulations for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (including without limitation, deduction or withholding) on account of taxation on the overall turnover, income, taxation income or capital gain of the Noteholder imposed or levied by or on behalf of Hong Kong or other jurisdiction or any authority thereof or therein having the power to tax. If the Company is so required to make such withholdings or deductions, payment of the net amount after such deduction or withholdings to the Noteholder will constitute full discharge of the Company's obligations to make such payments.

9. RESTRICTED HOLDERS

No Conversion Rights represented by the Notes may be exercised by any person who is a Restricted Holder, and the exercise of any Conversion Rights by the Noteholder(s) shall constitute a confirmation, representation and warranty by the Noteholder(s) to the Company that the Noteholder(s) is/are not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by the Noteholder(s) to enable it/ them to exercise legally and validly the relevant Conversion Rights, to hold (or, if applicable, to have such person(s) as it may nominate in the Conversion Notice hold) the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares.

10. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Company upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$2.50 as the Company may determine. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. NOTICES

- (A) The Noteholder(s) shall register with the Company an address either in Hong Kong or elsewhere to which notices may be sent and if the Noteholder shall fail to do so, notice may be given to the Noteholder(s) by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting up the same for three days at the Specified Office for the time being of the Company.
- (B) A notice shall be given by personal delivery, prepaid registered mail (registered airmail in the case of an overseas address to where airmail service is available).
- (C) Notices sent by personal delivery or prepaid registered mail or the posting of the same at the Specified Office as provided by paragraph (A) of this Condition

shall be deemed to have been served on the first day after such delivery or the deposit of the letter with postal authorities or in a postbox or, as the case may be, the first day after the first posting up of such notice.

- (D) All notices to the Noteholder(s) shall be validly given if mailed to them at its address in the Register.
- (E) Any communication to the Company shall be by letter delivered personally or by facsimile transmission to it at Room 1401, 14/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong or (if different) its principal place of business for the time being in Hong Kong, fax no. (852) 2481-2902. Attention: Company Secretary (or such other number as shall be notified in writing by the Company to the Noteholder(s)). Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

12. **GOVERNING LAW AND JURISDICTION**

The Notes and the Instrument are governed by, and shall be construed in accordance with the laws of Hong Kong. In relation to any legal action or proceedings arising out of or in connection with the Instrument and/or the Notes, the Company and the Noteholder(s) irrevocably submit to the non-exclusive jurisdiction of courts of Hong Kong.

13. **MEETING OF NOTEHOLDERS**

The provisions of Annexure III hereto relating to meetings of Noteholders shall have full effect as if the same had been incorporated herein. To the extent that the provisions of Annexure III and any further regulations prescribed by the Company under paragraph 20 of Annexure III do not specifically regulate any aspect of meetings of Noteholders, including, without limitation, any matter to do with convening notice, appointment of proxies, attendance, adjournment, conduct, voting and recording proceedings in relation to meetings of Noteholders, the equivalent provisions of the Company's bye-laws for the time being relating to meetings of holders of Shares shall apply, *mutatis mutandis*, to meetings of Noteholders and shall have full effect as if the same had been incorporated herein.

ANNEXURE I

FORM OF TRANSFER

(Being one of the convertible notes of aggregate principal amount of HK\$100,000,000 ("Notes") issued pursuant to the memorandum of association and bye-laws of EPI Holdings Limited (the "Company") and resolutions of the Board of Directors of the Company passed on 24 February 2013 and resolutions of the majority shareholders of the Company passed on 27 March 2013.)

Terms defined in the enclosed Notes (as may be amended) shall bear the same meaning in this Form of Transfer.

FOR VALUE RECEIVED the undersigned hereby transfers to the transferee (the "Transferee") whose particulars are set out below HK\$_____ principal amount of the Notes comprised in the enclosed certificate, and all rights in respect thereof and irrevocably requests the Company to register and to issue new Notes in accordance with the terms of the Instrument (as it may be amended from time to time).

Particulars of the Transferee are as follows:-

(PLEASE PRINT OR TYPE IN THE RELEVANT INFORMATION)

Name of Transferee:	
Registered Address:	
Correspondence Address:	
Facsimile:	
HK\$ registered account for the purposes of payments in respect of the Notes hereby transferred:	<ul style="list-style-type: none">• Name of Account• Account No.• Sort Code:• Name of Bank:• Address of Bank:

The Transferee hereby irrevocably represents, warrants and undertakes to the Company that:-

- (i) the Transferee is not a connected person of the Company;
- (ii) the transactions contemplated under this Form of Transfer is not prohibited by any law or regulation of any jurisdiction of which each of us or our beneficial owner or the beneficial owner(s) of the Conversion Shares is a resident or national, would not require filing or other action by the Company to comply with such laws or regulations and will not result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable in any

jurisdiction of which each of us or our beneficial owner is a resident or national;
and

- (iii) in the case where the Transferee is an individual, the Transferee consents to the use of any personal data thereof (as the same is defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the “**Ordinance**”)) collected by the Company to the extent such use is compliant with the Ordinance.

Date: _____

Transferor's Name:

Transferee's Name:

Transferor's authorised signature:

Transferee's authorised signature:

Witness to Transferor's signature:

Witness to Transferee's signature:

name

name

Notes:

- (i) The Notes are transferable at any time subject to Condition 3(A). Any transfer shall be made in compliance with the requirements of Condition 3 as stated in the overleaf of the Certificate.
- (ii) A representative of the Noteholder should state the capacity in which he/she/it signs, e.g. director.
- (iii) In the case of joint holders, all joint holders must sign this transfer form.
- (iv) The signature of the person effecting a transfer shall conform to any list of authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Company may require.
- (v) A transfer must be in an amount equal to the whole of the Notes being transferred or an authorised denomination.

ANNEXURE II

CONVERSION NOTICE

(Being one of the convertible notes of aggregate principal amount of HK\$100,000,000 ("Notes") issued pursuant to the memorandum of association and bye-laws of EPI Holdings Limited (the "Company") and resolutions of the Board of Directors of the Company passed on 24 February 2013 and resolutions of the majority shareholders of the Company passed on 27 March 2013, and to be executed and lodged with the Company to exercise the Conversion Rights represented by this Certificate)

To: **EPI (HOLDINGS) LIMITED**

Terms defined in the enclosed Notes (as may be amended) shall bear the same meaning in this Conversion Notice.

The undersigned, being the duly registered holder of the Notes represented by this Certificate:

- (A) hereby irrevocably elect(s) to exercise the Conversion Rights on (*Note (i)*) (being the Conversion Date) to the extent of HK\$..... / all of the principal amount represented by this Certificate (*Note (ii)*) and to convert such amount for the relevant number of Shares in the capital of the Company at the Conversion Price, and agree(s) to accept such Shares on the terms of the memorandum of association and bye-laws of the Company;
- (B) agree(s) that the Conversion Price applicable on the Conversion Date shall be determined by the Company in accordance with the Instrument and the Conditions;
- (C) request(s) and authorise(s) that:
- (i) certificate(s) for such Shares be issued in the name(s) of the person(s) stated below or, if no name and address are stated below, the person(s) whose name(s) stand(s) on the Register as the Noteholder represented by this Certificate (*Note (iii)*);

Name of Noteholder:	
Identifying no.:	
Amount to be converted:	
Conversion Date: (being the date of this notice)	
Applicable Conversion Price:	
Name in which Shares are to be issued:	
Address of shareholder:	
(For depositary of share certificate with CCASS):	

Name of Noteholder's designated CCASS Participant:	
CCASS Participant I.D. No.:	

- (ii) such certificate be sent by post at the risk of the Noteholder to the address stated above or, if no such address is stated, to the address of the Noteholder (*Note (iv)*); and
- (D) hereby irrevocably represent, warrant and undertake to you the following:-
- (i) we, together with our associates (as defined under the Listing Rules), will beneficially hold Shares immediately after the issue of the Conversion Shares pursuant to this Conversion Notice;
- (ii) we shall comply with the Code in respect of any acquisition of voting rights in the Company upon the issue to us of Conversion Shares pursuant to this Conversion Notice;
- (iii) our exercise of the Conversion Rights is not prohibited by any law or regulation of any jurisdiction of which each of us or our beneficial owner or the beneficial owner(s) of the Conversion Shares is a resident or national, and would not require filing or other action by the Company to comply with such laws or regulations; and
- (iv) the delivery of the relevant Notes or Conversion Shares will not result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable in any jurisdiction of which each of us or our beneficial owner or the beneficial owner(s) of the Conversion Shares is a resident or national.

We hereby acknowledge that you will in reliance of the foregoing representation, warranty and undertaking issue and allot Conversion Shares to us in accordance with the Conditions. We also hereby consent to the use of, where applicable, personal data (as the same is defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "**Ordinance**")) collected by the Company to the extent such use is compliant with the Ordinance

Dated

Signature(s) (1) (2)

(3) (4)

NOTES:

- (i) The Conversion Date shall be the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of the Conversion Notice.
- (ii) If the Notes represented by this Certificate are only exercised in part, the amount inserted in paragraph (A) of this Conversion Notice must be in authorised

denominations, unless the outstanding principal amount of the Notes is less than the authorised denomination in which case the Conversion Rights in respect of all of the principal amount represented by this Certificate shall be exercised. If no amount is inserted, the relevant Conversion Rights will be deemed to have been exercised in respect of the entire principal amount represented by this Certificate.

- (iii) Noteholder(s) who wish(es) to collect from the Specified Office his Share certificate may only do so by prior arrangement with the Company.
- (iv) An exercise of any Conversion Rights represented by this Certificate constitutes under the Conditions a representation to and warranty in favour of the Company by the Noteholder that it (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the relevant Shares are to be issued) is not a Restricted Holder, which for this purpose means the Noteholder (or, if applicable, any such nominee(s) of the Noteholder as aforesaid) who is a resident or national of any jurisdiction (other than Hong Kong) under the laws and regulations of which it may not lawfully exercise the Conversion Rights represented by this Certificate in the manner provided in the Conversion Notice and the Conditions or the Company cannot lawfully perform the obligations expressed to be assumed by it under the Instrument or the Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction. In exercising the Conversion Rights represented by this Certificate, compliance must be made by the Noteholder with all applicable exchange control, fiscal and other laws and regulations relating to such exercise and the allotment and issue to it and the holding by it of the Conversion Shares.

ANNEXURE III

PROVISION OF NOTEHOLDERS' MEETING

1. The Company at any time may, and upon a request in writing of the Noteholders holding not less than one-fourth of the total principal amount of all Notes for the time being outstanding and exercisable shall, convene a meeting of the Noteholders. Every such meeting shall be held at such place as the Directors may approve.
2. At least twenty one clear days' notice of any meeting of the Noteholders shall be given to the Noteholders. The notice shall specify the day, time and place of the meeting and the terms of the resolutions to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Noteholders shall not invalidate the proceedings at any meeting.
3. A person (who may, but need not be, a Noteholder) nominated in writing by the Company shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for the holding of such meeting the Noteholders present shall choose one of their number to be chairman.
4. At any such meeting two or more persons holding Notes and/or being proxies and being or representing in the aggregate the holders of not less than twenty-five per cent. of the outstanding principal amount of all the Notes for the time being outstanding and exercisable shall (except for the purpose of passing a Special Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.
5. If within half an hour after the time appointed for any meeting a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned for such period, not being less than fourteen days nor more than twenty eight days, and to such time and place, as may be appointed by the chairman. At such adjourned meeting two or more persons present in person holding Notes or being proxies (whatever the principal amount of the Notes so held or represented) shall (except for the purpose of passing a Special Resolution) form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting. The quorum at any such meeting for the passing of a Special Resolution shall be two or more persons holding Notes or being proxies and being or representing in the aggregate holders of not less than one third of the principal amount of all Notes for the time being outstanding and exercisable.
6. Where a Noteholder is a recognised clearing house (within the meaning of the Securities and Futures (Clearing House) Ordinance (Chapter 420 of the Laws of Hong Kong)), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number of Notes in respect of which each such person is so authorised. The person or persons so authorised shall be entitled to exercise the same powers on behalf of the recognised

clearing house so that recognised clearing house or its nominee(s) could exercise if it were an individual Noteholder.

7. The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
8. At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting, and such notice shall state the quorum required at such adjourned meeting. Subject as aforesaid, it shall not be necessary to give any notice of an adjourned meeting.
9. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which the chairman may be entitled as a Noteholder or as a proxy.
10. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more persons holding one or more Notes or being proxies and being or representing in the aggregate the holders of not less than twenty-five per cent. of the principal amount of all Notes then outstanding and exercisable, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. If at any meeting a poll is so demanded, it shall be taken in such manner and, subject as hereinafter provided, either at once or after any adjournment, as the chairman directs, and the result of such poll shall be deemed to be the resolution as at the date of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
12. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Company (through its representatives) and legal and financial advisers shall be entitled to attend and speak at any meeting of the Noteholders. Save as aforesaid, no person shall be entitled to attend, speak or vote at any meeting of the Noteholders or to join with others in requesting the convening of such a meeting unless he is a Noteholder or the duly authorised representative of a corporate Noteholder or a duly appointed proxy. Neither the Company nor any Subsidiary shall be entitled to vote, whether on a show of hands or on a poll, in respect of Notes held by it or on its behalf nor shall the holding of any such Notes count towards a quorum.
14. Subject as provided in paragraph 13 hereof:

- (a) at any meeting on a show of hands every Noteholder who is present in person or (in the case of a corporation) by a duly authorised representative and every person who is a proxy shall have one vote; and
- (b) at any meeting on a poll every Noteholder who is present in person or (in the case of a corporation) by a duly authorised representative and every person who is a proxy as aforesaid shall have one vote in respect of the Notes held by him.

Any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. A proxy need not be a Noteholder.
16. A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons by these presents) have the following powers exercisable by a Special Resolution, namely:
 - (a) power to sanction any compromise or arrangement proposed to be made between the Company and the Noteholders or any of them;
 - (b) power to sanction any proposal by the Company for modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Company whether such rights shall arise under these presents or otherwise;
 - (c) power to sanction any proposal by the Company for the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, stock, notes, debentures, debenture stock or other obligations or securities of the Company, or of any other body corporate formed or to be formed;
 - (d) power to authorise any person to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Special Resolution;
 - (e) power to discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under these presents or the Conditions;
 - (f) power to give any authority, direction or sanction which under the provisions of these presents or the Conditions is required to be given by Special Resolution; and
 - (g) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution.
17. Any resolution shall be binding upon all the Noteholders, whether present or not present at such meeting, and each of the Noteholders shall be bound to give effect thereto

accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justified the passing thereof.

18. (a) The expression "Special Resolution" when used in these presents means a resolution passed at a meeting of the Noteholders duly convened and held and carried by a majority consisting of not less than three fourths of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three fourths of the total outstanding principal amount of the Notes as represented by the Noteholders attending the meeting.
- (b) The expression "Ordinary Resolution" when used in these presents means a resolution passed at a meeting of the Noteholders duly convened and held and carried by a simple majority of the votes cast upon a show of hands or, if a poll is duly demanded, by a simple majority of the total outstanding principal amount of the Notes as represented by the Noteholders attending the meeting.
19. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company, and any such minutes, if the same are signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.
20. Subject to all other provisions contained in these presents, the Company may without the consent of the Noteholders prescribe such further regulations regarding the holding of meetings of Noteholders and attendance and voting thereat as the Company may at its sole discretion determine, including particularly (but without prejudice to the generality of the foregoing) such regulations as the Company thinks reasonable so as to satisfy itself that persons are in fact Noteholders who purport to requisition a meeting in accordance with paragraph 1 of this Annexure III.
21. A resolution in writing signed by or on behalf of the Noteholders holding the requisite majority in the total outstanding principal amount of the Notes shall be treated as an Ordinary Resolution or a Special Resolution (as the case may be) duly passed at meeting of the Noteholders duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by or on behalf of the last Noteholder to sign, and where the resolution states a date as being the date of his signature thereof by any Noteholder the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Noteholders.

EXECUTION

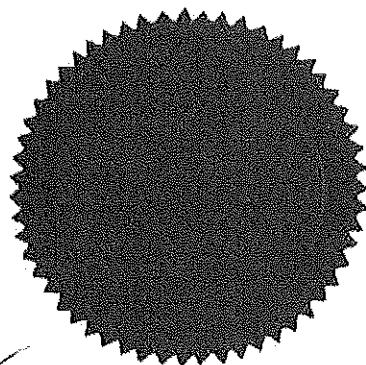
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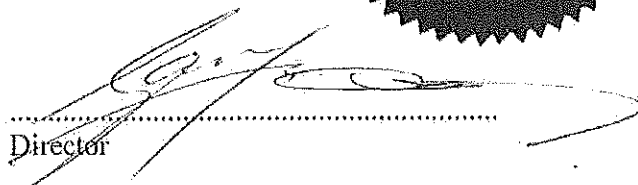
EPI (HOLDINGS) LIMITED

is affixed in accordance with
its bye-laws in the presence of:

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Director




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