

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **EPI (Holdings) Limited** (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTES
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at the Prestige & Leadership Meeting Room, Regus Business Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 February 2015 at 10:00 a.m. is set out from pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting of the Company or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the special general meeting of the Company should you so wish.

* for identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Amendment Deed”	the amendment deed dated 8 January 2015 executed by the Company in relation to the Amendment Deed and the Extension
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for business, excluding a Saturday or Sunday
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meanings ascribed thereto under the Listing Rules
“Conversion Share(s)”	the new Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	the 8% coupon convertible note(s) in the aggregate principal amount of HK\$100,000,000 issued by the Company on 11 April 2013 to the noteholder(s), in which the principal amount of HK\$60,000,000 remained outstanding as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“Extension”	the proposed extension of the Maturity Date of the Convertible Notes for a period of one (1) year from 11 April 2015 to 11 April 2016 pursuant to the Amendment Deed
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Conversion Price”	the initial conversion price of the Convertible Notes, being HK\$0.19 per Conversion Share (subject to adjustments)
“Latest Practicable Date”	27 January 2015, being the latest practicable date prior to printing of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date on which the Convertible Notes become due
“Noteholder”	the existing holder of the Convertible Note(s), being Lofty Sky Limited, a company incorporated under the laws of the British Virgin Islands
“SGM”	the special general meeting of the Company to be convened and held for approving, amongst other things, the Extension
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“%”	per cent

In the event of any inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

LETTER FROM THE BOARD

EPI **EPI (Holdings) Limited**
長盈集團(控股)有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

Non-executive Chairman:
Mr. Ho King Fung, Eric

Executive Directors:
Mr. Tse Kwok Fai, Sammy
(Chief Executive Officer)
Mr. Chan Chi Hung, Anthony

Independent Non-Executive Directors:
Mr. Qian Zhi Hui
Mr. Teoh Chun Ming
Mr. Zhu Tiansheng

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business in
Hong Kong:*
Room 1108–09, 11/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

30 January 2015

To the Shareholders

Dear Sir or Madam

**PROPOSED EXTENSION OF MATURITY DATE OF CONVERTIBLE NOTES
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement dated 8 January 2015 published by the Company in relation to the Amendment Deed and the Extension.

The purpose of this circular is to provide you with information regarding the Extension and to give you the notice of SGM, at which resolution will be put forward to the Shareholders to consider and, if thought fit, approve the Extension.

PROPOSED EXTENSION OF MATURITY DATE OF THE CONVERTIBLE NOTES

Convertible Notes in the aggregate principal amount of HK\$100,000,000 was issued on 11 April 2013. Part of the Convertible Notes in the principal amount of HK\$40,000,000 were subsequently redeemed with part of the net proceeds from the placing by the Company completed in April 2014 (which was the subject of the Company's announcements dated 11 March 2014, 17 March 2014 and 22 April 2014), as the Directors considered that such redemption would help reduce the gearing of and borrowing costs to the Company for the

* for identification purpose only

LETTER FROM THE BOARD

financial year of 2014. As at the Latest Practicable Date, the Convertible Notes in the principal amount of HK\$60,000,000 remained outstanding. The existing principal terms of the Convertible Notes are summarised below for Shareholders' ease of reference:

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

LETTER FROM THE BOARD

Early redemption by the noteholder:

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

Conversion:

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

Initial Conversion Price:

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

The Initial Conversion Price of HK\$0.19 represents:

- (i) a premium of approximately 31.03% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on the date of the Amendment Deed;

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

Adjustments to the Initial
Conversion Price:

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

- (i) an alteration of the nominal amount of the Shares by reason 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 reserves and issued in lieu of the whole or part of a specifically declared cash dividend;
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such;
- (iv) an offer or grant being made by the Company to the Shareholders by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80% of the then market price of the Share;
- (v) an issue wholly for cash of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 80% of the then market price of the Shares;

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(vi) an issue of Shares wholly for cash at a price per Share less than 80% of the then market price of the Shares; and

(vii) an issue of Shares for the acquisition of asset at the total consideration per Share which is less than 80% of the then market price of the Shares.

Voting: A noteholder is not entitled to attend or vote at any general meeting of the Company by reason only of it being a noteholder.

Transferability: A noteholder may, subject to the following provision, freely transfer or assign the Convertible Notes. The Convertible Notes may not be assigned or transferred, in whole or in part, to any connected person of the Company without prior written consent of the Company.

Conversion Shares: As at the Latest Practicable Date, Convertible Notes in the principal amount of HK\$60,000,000 is convertible into 315,789,473 Conversion Shares at the Initial Conversion Price of HK\$0.19 per Conversion Share, representing:

(a) approximately 6.51% of the existing issued share capital of the Company; and

(b) approximately 6.11% of the issued share capital of the Company as enlarged by the issue of 315,789,473 Conversion Shares.

The Conversion Shares will in all respects rank pari passu with the Shares in issue on the date of allotment and issue of such Conversion Shares and accordingly entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date.

Listing: The Convertible Notes are not listed on the Stock Exchange. No application will be made for the listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange.

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The Amendment Deed

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

The registered holder of the Convertible Notes is Lofty Sky Limited. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, Lofty Sky Limited and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Extension is conditional upon:

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

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

LETTER FROM THE BOARD

Effect on Shareholding Structure of the Company

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date, (ii) immediately after the full conversion of the outstanding Convertible Notes at the Initial Conversion Price of HK\$0.19 per Conversion Share, and (iii) immediately after the full conversion of the outstanding Convertible Notes at the Initial Conversion Price of HK\$0.19 per Conversion Share and exercise in full of all Options outstanding as at Latest Practicable Date (assuming there being no other change on share capital and shareholding structure of the Company from the Latest Practicable Date to full conversion of the Convertible Notes and exercise in full of all share options outstanding):

	As at the Latest Practicable Date		Immediately after the full conversion of the outstanding Convertible Notes at the Initial Conversion Price of HK\$0.19 per Conversion Share		Immediately after the full conversion of the outstanding Convertible Notes at the Initial Conversion Price of HK\$0.19 per Conversion Share and exercise in full of all share options outstanding	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Ho King Fung, Eric (Note 1)	—	—	—	—	217,000,000	3.41
Mr. Tse Kwok Fai, Sammy (Note 1)	2,200,000	0.05	2,200,000	0.04	90,200,000	1.42
Mr. Chan Chi Hung, Anthony (Note 1)	—	—	—	—	78,000,000	1.22
Holder(s) of the Convertible Notes (Note 2)	—	—	315,789,473	6.11	315,789,473	4.96
City Smart International Investment Limited (Note 3)	7,466,856	0.15	7,466,856	0.15	7,466,856	0.12
City Wise Investment Limited (Note 3)	<u>478,232,975</u>	<u>9.86</u>	<u>478,232,975</u>	<u>9.25</u>	<u>478,232,975</u>	<u>7.5</u>
	487,899,831	10.06	803,689,304	15.55	1,186,689,304	18.63
Public						
Optionholders (other than Mr. Ho King Fung, Eric, Mr. Tse Kwok Fai, Sammy and Mr. Chan Chi Hung, Anthony)	—	—	—	—	821,000,000	12.88
Other Public Shareholders	<u>4,364,457,757</u>	<u>89.94</u>	<u>4,364,457,757</u>	<u>84.45</u>	<u>4,364,457,757</u>	<u>68.49</u>
Total	<u><u>4,852,357,588</u></u>	<u><u>100.00</u></u>	<u><u>5,168,147,061</u></u>	<u><u>100.00</u></u>	<u><u>6,372,147,061</u></u>	<u><u>100.00</u></u>

Notes:

- Mr. Ho King Fung, Eric is the non-executive chairman of the Company, and Mr. Tse Kwok Fai, Sammy and Mr. Chan Chi Hung, Anthony are the executive Directors of the Company. As at the Latest Practicable Date, 217,000,000, 88,000,000 and 78,000,000 Share options were granted to Mr. Ho King Fung, Eric, Mr. Tse Kwok Fai, Sammy and Mr. Chan Chi Hung, Anthony, respectively, under the Company's share option scheme, which are exercisable.

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2. The registered holder of the Convertible Notes is Lofty Sky Limited. As at the Latest Practicable Date, the Convertible Notes in the principal amount of HK\$60,000,000 remained outstanding.
3. As at the Latest Practicable Date, so far as is known to the Directors, City Smart International Investment Limited is a company beneficially wholly-owned by Mr. Wu Shaozhang and City Wise Investment Limited is wholly-owned by South America Petroleum Investment Holdings Limited. Both City Wise Investment Limited and South America Petroleum Investment Holdings Limited are beneficially wholly-owned by Mr. Wu Shaozhang.

Reasons for the Extension of Maturity Date

The outstanding Convertible Notes in the principal amount of HK\$60,000,000 will mature on 11 April 2015 unless extended. The Extension effectively allows the Group to refinance the debts under the Convertible Notes under the same term for one (1) year. In addition, the Extension will provide flexibility to the Group's deployment of its financial resources to fund its operation and development as well as to plan its working capital requirements. As at the Latest Practicable Date, the Company does not maintain sufficient cash resources to redeem the outstanding Convertible Notes. As such, in the absence of the Extension, the Company will need to seek alternative financing for the redemption of the outstanding Convertible Notes and maintaining a suitable level of working capital for the operation of the Group, including possible equity financing or loans (which are expected to be at a higher rate than the coupon rate of the Convertible Notes). The Company has approached certain financial institutions and believes that in the absence of the Extension, it should be able to secure sufficient financing to redeem the Convertible Notes on the Maturity Date. Accordingly, the Directors consider that the Extension is in the interests of the Company and its Shareholders as a whole.

General

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

SPECIAL GENERAL MEETING

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular, at which ordinary resolution will be proposed to approve the Extension.

Since the Noteholder has a material interest in the Extension, the Noteholder and its associates will abstain from voting on the resolution to approve the Extension and the transaction contemplated thereunder at the SGM. Save as disclosed above, as at the Latest Practicable Date, no Shareholder is required to abstain from voting at the resolution to be proposed at the SGM.

A form of proxy for use by the Shareholders at the SGM is enclosed. Whether you are able to attend the SGM or not, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case

LETTER FROM THE BOARD

may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

VOTE BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll save for purely procedural or administrative matters.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Extension is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of the resolution set out in the notice of SGM.

Yours faithfully
For and on behalf of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & CEO

NOTICE OF SPECIAL GENERAL MEETING



(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of EPI (Holdings) Limited (the “**Company**”) will be held at the Prestige & Leadership Meeting Room, Regus Business Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 February 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the extension (the “**Extension**”) of the maturity date of the 8% coupon convertible notes in the principal amount of HK\$100,000,000 issued on 11 April 2013 by the Company from 11 April 2015 to 11 April 2016 (or if that is not a day on which banks in Hong Kong are open for business, excluding a Saturday or Sunday (“**Business Day**”), the first Business Day thereafter) contemplated under the amendment deed dated 8 January 2015 executed by the Company (a copy of which is produced to the meeting marked “A” and initialled by the Chairman of the meeting for the purpose of identification) be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to take all actions and execute all documents which he deems necessary, desirable, expedient or appropriate in order to implement or give effect to the Extension and transactions contemplated thereunder (including to authorise any amendment, supplementation and/or waiver of any terms thereunder).”

Yours faithfully
On behalf of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & CEO

Hong Kong, 30 January 2015

* for identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in

Hong Kong:
Room 1108–1109, 11/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Notes:

- (1) A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
- (2) In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect hereof.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person should they so wish.

As at the date of this notice, the Board comprises:

Non-executive Chairman:

Mr. Ho King Fung, Eric

Executive Directors:

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

Mr. Chan Chi Hung, Anthony

Independent non-executive Directors:

Mr. Qian Zhi Hui

Mr. Teoh Chun Ming

Mr. Zhu Tiansheng