

THIS OFFERING CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand this Offering Circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange and compliance with the Stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your licensed securities dealer, register institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

This Offering Circular or other document or material issued in connection with the offer of the Offer Shares is not a prospectus as defined in the Securities and Futures Act (Chapter 289) of Singapore ("SFA"). Accordingly, this Offering Circular and other document or material issued in connection with the offer of the Offer Shares has not been and will not be lodged with or registered as a prospectus in Singapore under the SFA. The offer of the Offer Shares is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA. This Offering Circular and any other document or material in connection with the offer of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, whether directly or indirectly, to any person in Singapore other than to a Qualifying Shareholder of the Company pursuant to Section 273(1)(cd) of the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Company represents and agrees that the issuance of this Offering Circular to the Company's shareholders whose registered address is in Malaysia does not amount to making any invitation or offer, directly or indirectly which requires recognition by the Securities Commission Malaysia ("SC") pursuant to section 112(5) of the Capital Markets and Services Act 2007 ("CMSA"). This Offering Circular is issued to the Company's whose registered address is in Malaysia solely for their information only. Further, this Offering Circular has not been and will not be registered with the SC under section 232(1) of the CMSA.

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

**OPEN OFFER ON THE BASIS OF
ONE (1) OFFER SHARE FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE
AT HK\$0.50 PER OFFER SHARE**

**Financial adviser to the Company
in respect of the Open Offer**



Guotai Junan Capital Limited

Underwriter of the Open Offer



**Guotai Junan Securities
(Hong Kong) Limited**

Underwriter of the Open Offer



**長雄證券有限公司
EVER-LONG SECURITIES CO. LTD.**

Capitalised terms used in this cover page have the same meanings as defined in this Offering Circular.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Tuesday, 9 June 2015. The procedures for application and payment are set out on pages 24 and 25 of this Offering Circular.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriters by notice in writing to the Company at any time prior to the Latest Time For Termination to terminate their obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination or rescission of the Underwriting Agreement" of the letter from the Board on page 7 of this Offering Circular. Accordingly, the Open Offer may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Friday, 15 May 2015, and the dealings in Shares will take place whilst the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or potential investor of the Company should exercise caution when dealing in the Shares during such period who is in any doubt about his or her position is advised to consult his or her professional adviser.

* For identification purpose only

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DEFINITIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 31 March 2015 in relation to, among other things, the Open Offer
“Application Form(s)”	the form(s) of application to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
“associate(s)”	the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“Bye-Laws”	the bye-laws of the Company
“Capital Reorganisation”	the reorganisation of the Company’s issued share capital effective on 14 May 2015 as approved by the Shareholders in the special general meeting of the Company held on 13 May 2015, details of which were disclosed in the announcement of the Company dated 31 March 2015, the circular of the Company dated 20 April 2015, and the announcement of the Company dated 13 May 2015
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“City Smart”	City Smart International Investment Limited, a company holding 746,685 Shares (representing approximately 0.15% of the total issued share capital of the Company) and wholly-owned by Mr. Wu
“City Wise”	City Wise Investment Limited, a company holding 47,823,297 Shares (representing approximately 9.86% of the total issued share capital of the Company) and wholly-owned by South America Petroleum Investment Holdings Limited, a company wholly-owned by Mr. Wu
“Companies Act”	Companies Act 1981 of Bermuda

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“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)”	the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	the 8% coupon convertible notes due 2016 in the aggregate principal amount of HK\$100,000,000 issued by the Company on 11 April 2013 to the noteholder(s), of which the principal amount of HK\$60,000,000 remained outstanding as at the Latest Practicable Date
“Directors”	the directors of the Company
“Ever-Long”	Ever-Long Securities Company Limited, a corporation licensed by the Securities and Futures Commission to carry out business in Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 6 (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Group”	the Company and its subsidiaries
“Guotai Junan”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed by the Securities and Futures Commission to carry out business in Type 1 regulated activity (dealing in securities) and Type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertaking”	an irrevocable undertaking dated 31 March 2015 granted by Mr. Wu, City Smart and City Wise in favour of the Company and Guotai Junan, as described in the section headed “Irrevocable Undertaking” of the letter from the Board in this Offering Circular

DEFINITIONS

“Latest Practicable Date”	21 May 2015, being the latest practicable date prior to the printing of this Offering Circular for ascertaining certain information contained in this Offering Circular
“Latest Time For Acceptance”	4:00 p.m. on Tuesday, 9 June 2015, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Offering Documents
“Latest Time For Termination”	4:00 p.m. on the third Business Day following (but excluding) the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Wu”	Mr. Wu Shaozhang, who is interested in 48,569,982 Shares (representing approximately 10.01% of the issued share capital of the Company) through his wholly-owned companies, namely City Wise and City Smart
“Non-qualifying Shareholder(s)”	the Overseas Shareholder(s) whose registered addresses in the Company’s register of members as at the Record Date are in places where the Directors consider it necessary or expedient not to offer the Offer Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Offer Share(s)”	Share(s) to be issued and allotted under the Open Offer, being 242,617,879 Shares
“Offering Documents”	this Offering Circular and the Application Form(s)
“Offering Documents Posting Date”	Tuesday, 26 May 2015, or such other day as may be agreed between the Company and the Underwriters, being the date of despatch of the Offering Documents
“Open Offer”	the issue of one (1) Offer Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Offering Documents

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Offering Circular, shall exclude Hong Kong, Taiwan and Macau
“Qualifying Shareholder(s)”	the Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Non-qualifying Shareholders
“Record Date”	Thursday, 21 May 2015, being the date by reference to which entitlements to the Open Offer were determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Ltd., at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option(s)”	the share options granted pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company approved and adopted by the Company at the special general meeting of the Company on 6 November 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Offer Share, being HK\$0.50
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Underwriting Agreement entered into between the Company and the Underwriters on 17 April 2015
“Takeovers Code”	the Codes on Takeovers and Mergers
“Underwriters”	Guotai Junan and Ever-Long, and each an “Underwriter”

DEFINITIONS

“Underwriting Agreement”	the underwriting agreement dated 31 March 2015 entered into between the Company and the Underwriters in relation to the Open Offer, as amended and supplemented by the Supplemental Agreement
“Underwritten Shares”	all Offer Shares, other than the 24,284,990 Offer Shares that will be applied for subscription by City Smart and City Wise pursuant to the Irrevocable Undertaking
“Untaken Shares”	<p>(i) all those Underwritten Shares for which duly completed Application Form (accompanied by cheques or banker’s cashier order for the full amount payable on the applications which are honoured on first, or at the option of the Company, subsequent presentation) have not been lodged for acceptance by Qualifying Shareholders, or received, as the case may be, on or before the Latest Time For Acceptance; and</p> <p>(ii) any Offer Shares representing aggregation of fractions of Offer Shares; and</p> <p>(iii) any Offer Shares which would otherwise have comprised the assured entitlements of the Non-qualifying Shareholders</p>
“Warrants”	non-listed transferable warrants issued by the Company entitling the holders thereof to subscribe for 62,500,000 Shares at the adjusted exercise price of HK\$2.00 per Share
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only and is subject to change. Any consequential change to the expected timetable will be published by way of announcement.

Event

2015

(Hong Kong time)

Despatch of Offering Documents (in the case of the Non-qualifying Shareholders, Offering Circular only).....	Tuesday, 26 May
Latest time for acceptance of and payment for the Offer Shares....	4:00 p.m., Tuesday, 9 June
Latest time for termination of the Underwriting Agreement	5:00 p.m., Friday, 12 June
Announcement of the results of the Open Offer	Tuesday, 16 June
Despatch of certificates for the Offer Shares	Wednesday, 17 June
Despatch of refund cheques if the Open Offer is terminated	Wednesday, 17 June
Expected first day of dealings in the fully-paid Offer Shares.....	Thursday, 18 June

Note: All times and dates refer to Hong Kong local times and dates.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR APPLICATION OF AND PAYMENT FOR OFFER SHARES

All times in this Offering Circular refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Tuesday, 9 June 2015, being the date of the Latest Time For Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time For Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time For Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time For Termination) may be affected.

TERMINATION FOR RESCISSION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time For Termination:

- (i) any material breach of any warranties or the undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (ii) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer after the signing of the Underwriting Agreement; or
- (iii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iv) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole which is material in the context of the Open Offer; or
- (v) any event or circumstances in the nature of force majeure including but without limitation any act of God, war, riot, public disorder, civil commotion, fire, flood, terrorism or strike occurred after the signing of the Underwriting Agreement in or affecting Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (vi) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which is or might be material to the Group taken as a whole; or
- (vii) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Share generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (viii) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group); or

TERMINATION FOR RESCISSION OF THE UNDERWRITING AGREEMENT

- (ix) any statement contained in this Offering Circular has become and been discovered to be untrue, incorrect, incomplete or misleading in any material aspect, or matters have arisen or have been discovered which would, if the Offering Circular was to be issued at the time, constitute a material omissions therefrom,

the effect of which events and circumstances referred to above, individually or in aggregate (in the reasonable opinion of the Underwriters after consultation with the Company):

- (a) is or would be reasonably likely to be materially adverse to, or prejudicially affects or would be reasonably likely to prejudicially affect, the Group as a whole or the success of the Open Offer; or
- (b) makes it inadvisable or inexpedient to proceed with the Open Offer,

the Underwriters will be entitled, by notice in writing to the Company served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by any of the Underwriters to the Company prior to the Latest Time For Termination. Upon termination or rescission of the Underwriting Agreement, the Open Offer will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional, among others, upon the fulfillment of the conditions set out in the section headed “Conditions of the Open Offer”. In particular, the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed “Termination or rescission of the Underwriting Agreement”. Accordingly, the Open Offer may or may not proceed. Any dealing in the Shares from the date of this Offering Circular up to the date on which all the conditions of the Open Offer are fulfilled are accordingly subject to the risk that the Open Offer may not become unconditional or may not proceed. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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 HM11
Bermuda

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

26 May 2015

*To the Qualifying Shareholders and, for information only,
the Non-qualifying Shareholder(s)*

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF
ONE (1) OFFER SHARE FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE
AT HK\$0.50 PER OFFER SHARE**

INTRODUCTION

Reference is made to the Announcement, in which the Company announced that the Board proposed to raise gross proceeds of approximately HK\$121 million to approximately HK\$175 million, before expenses, by way of allotting and issuing not less than 242,617,879 Offer Shares and not more than 349,857,353 Offer Shares at the Subscription Price of HK\$0.50 per Offer Share, on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date. The Open Offer is only available to the Qualifying Shareholders and will not be available to the Non-qualifying Shareholders.

Reference is also made to the announcement of the Company dated 17 April 2015, where it was announced that the Supplemental Agreement was entered into between the Company and the Underwriters.

The purpose of this Offering Circular is to provide you with further information, among other things, on the Open Offer, the financial and other information of the Group.

* For identification purpose only

LETTER FROM THE BOARD

THE OPEN OFFER

The details of the Open Offer are set out below:

Open Offer statistics

Basis of the Open Offer: One (1) Offer Share for every two (2) Shares held as at the close of business on the Record Date

Subscription Price: HK\$0.50 per Offer Share

Number of Shares in issue as at the Latest Practicable Date: 485,235,758 Shares

Number of Offer Shares: 242,617,879 Offer Shares

The aggregate nominal value of the Offer Shares will be HK\$2,426,178.79.

Underwriters: (i) Guotai Junan (as to the first 196,332,889 Underwritten Shares); and
(ii) Ever-Long (as to the balance of 22,000,000 Underwritten Shares)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Guotai Junan and Ever-Long and their respective ultimate beneficial owners are independent to the Company and its connected persons.

Number of Underwritten Shares: 218,332,889 Offer Shares, being all Offer Shares other than the 24,284,990 Offer Shares that will be applied for subscription by City Smart and City Wise pursuant to the Irrevocable Undertaking.

The Offer Shares to be issued and allotted pursuant to the Open Offer represent approximately and not more than 50% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company as enlarged by the issue of the Offer Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send the Offering Documents to the Qualifying Shareholders (other than the Qualifying Shareholders holding only one Share on Record Date, who will only be sent the Offering Circular), and the Offering Circular, for information only, to the Non-qualifying Shareholders on the Offering Circular Posting Date.

LETTER FROM THE BOARD

The last day of dealings in the Shares on a cum-entitlement basis was Thursday, 14 May 2015. The Shares have been dealt in on an ex-entitlement basis from Friday, 15 May 2015. The register of members of the Company was closed from Tuesday, 19 May 2015 to Thursday, 21 May 2015 to determine the eligibility of the Open Offer and the entitlements of the Qualifying Shareholders to the Open Offer. Accordingly, no transfer of Shares was registered during that period. The Record Date was Thursday, 21 May 2015.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-qualifying Shareholder.

Non-qualifying Shareholders and rights of Overseas Shareholders

The Offering Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction.

As at the Record Date, based on the register of members of the Company, there are the following Overseas Shareholders:

Number of Shareholders	Jurisdiction	Number of Share held
1	British Virgin Islands	100,000
1	Canada	2
3	PRC	800
3	Macau	12
3	Malaysia	8
1	New Zealand	10
2	Singapore	6

The Company has made enquiry with its legal advisers regarding the feasibility of extending the Open Offer to the Overseas Shareholders under the laws of the relevant place and the requirements of the relevant regulatory body or the stock exchange.

The Company has been advised by its legal advisers on the laws of British Virgin Islands, PRC, Macau and Singapore that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to the extend the Open Offer to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Offering Documents with, the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions since the Company would meet the relevant requirements for exemption under the relevant jurisdictions. Therefore, the Directors have decided to extend the Open Offer to such Overseas Shareholders with registered addresses in the British Virgin Islands, PRC, Macau and Singapore.

LETTER FROM THE BOARD

The Company has been advised by its legal advisers on the laws of Canada, Malaysia and New Zealand that either (as the case may be) (i) the Offering Circular had to be registered or filed with the relevant authorities in the relevant jurisdictions; or (ii) the Company would need to take additional steps to comply with the regulatory requirements. Having considered the circumstances, the Directors are of the view that it is inexpedient for the Open Offer to be offered to such Overseas Shareholders whose addresses are located in Canada, Malaysia and New Zealand taking into consideration that the time and costs involved in complying with the legal requirements and therefore have decided not to extend the Open Offer to the Overseas Shareholders with registered addresses in Canada, Malaysia and New Zealand. The Company will send the Offering Circular (but not the Application Form), for information only, to such Overseas Shareholders.

It is the responsibility of the Shareholders, including such Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Shares issued pursuant to the Open Offer.

The Company will send copies of this Offering Circular, but not the Application Form, to the Non-qualifying Shareholders for their information only.

Subscription Price

The Subscription Price of HK\$0.50 per Offer Share is payable in full upon application of the relevant assured allotment of the Offer Shares.

The Subscription Price represents:

- (a) a discount of approximately 45.1% to the adjusted closing price of HK\$0.91 per Share, based on the closing price of HK\$0.091 per share of the Company as quoted on the Stock Exchange on the date of the Underwriting Agreement and adjusted for the effect of the Capital Reorganisation;
- (b) a discount of approximately 44.6% to the adjusted average closing price of approximately HK\$0.902 per Share, based on the average closing price of HK\$0.0902 per share of the Company as quoted on the Stock Exchange for the five consecutive trading days up to and including the day immediately preceding the date of the Underwriting Agreement and adjusted for the effect of the Capital Reorganisation; and
- (c) a discount of approximately 35.3% to the theoretical ex-entitlement price of approximately HK\$0.773 per Share based on the closing price of HK\$0.091 per share of the Company as quoted on the Stock Exchange on the date of the Underwriting Agreement and adjusted for the effect of the Capital Reorganisation.

LETTER FROM THE BOARD

The Subscription Price and the subscription ratio were arrived at after arm's length negotiations between the Company and the Underwriters, taking into account the capital needs and financial position of the Group, the market price of the Shares and the prevailing market conditions. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of assured allotment

The basis of the assured allotment shall be one (1) Offer Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with the remittance for the Offer Shares being applied for.

Fractions of the Offer Shares

Entitlement to Offer Shares will be rounded down to the nearest whole number. Assured allotments of fractions of the Offer Shares will not be offered but may be aggregated and taken up by the Underwriters. The Company will not provisionally allot any fractions of the Offer Shares. Accordingly, no Application Form will be sent to Qualifying Shareholders holding only one Share on the Record date.

No Application for excess Offer Shares

The Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. Any Offer Shares not taken up by the Qualifying Shareholders, any Offer Shares created by aggregation of fractional Offer Shares and any Offer Shares to which the Non-qualifying Shareholders would otherwise have been entitled (if any) will be taken up by the Underwriters pursuant to the terms of the Underwriting Agreement.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with all the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Share certificates for the Offer Shares

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Wednesday, 17 June 2015 to those entitled thereto by ordinary post at their own risks. Share certificates will be issued for the fully-paid Offer Shares. If the Open Offer is terminated, refund cheques are expected to be posted on or before Wednesday, 17 June 2015 by ordinary post to the applicants at their own risk.

LETTER FROM THE BOARD

Application for listing of the Offer Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Offer Shares on the Stock Exchange. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS. The first day of dealings in the Offer Shares is expected to commence on Thursday, 18 June 2015.

Dealings in the Offer Shares which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

UNDERWRITING ARRANGEMENT AND UNDERTAKINGS

The Underwriting Agreement

Date: 31 March 2015

Underwriters: (i) the Company;
(ii) Guotai Junan; and
(iii) Ever-Long

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Number of Offer Shares underwritten: 218,332,889, being the total number of Offer Shares subscription minus the number of Offer Shares to be applied for by City Smart and City Wise pursuant to the Irrevocable Undertaking.

LETTER FROM THE BOARD

- Underwriting commitment:
- (i) firstly, as to 196,332,889 Underwritten Shares by Guotai Junan; and
 - (ii) then, as to 22,000,000 Underwritten Shares by Ever-Long
- Commission:
- 1% of the aggregate Subscription Price in respect of the respective maximum number of Offer Shares agreed to be underwritten by the Underwriters. The commission rates were determined after arm's length negotiations between the Company and the Underwriters with reference to, among other things, the scale of the Open Offer and the market rate, and the Board considers that the underwriting commission rate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.
- Conditions:
- Please refer to the section headed "Conditions of the Open Offer" in this Offering Circular.
- Latest Time For Termination:
- 5:00 p.m. on the third Business Day after (and excluding) the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriters and the Company in writing, being the latest time to terminate the Underwriting Agreement.
- Termination:
- Please refer to the section headed "Termination or rescission of the Underwriting Agreement" in this Offering Circular.

The said commission rates were determined after arm's length negotiations between the Company and the Underwriters with reference to, among other things, the scale of the Open Offer and the market rate, and the Board considers that the terms of the Underwriting Agreement including the underwriting commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The obligations imposed on the Underwriters in respect of the Underwritten Shares will be several only, and not joint, nor joint and several.

Pursuant to the Underwriting Agreement:

- (i) each of the Underwriters will not subscribe, for its own account, for such number of Untaken Shares which will result in it and parties acting in concert with it owning 30% (or such other percentage which will trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon the completion of the Open Offer;

LETTER FROM THE BOARD

- (ii) each of the Underwriters will use its best endeavours to ensure that each of the subunderwriters and subscribers procured by it or the sub-Underwriters (i) will be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates; (ii) will not, together with any of its associates, hold 10% or more of the Shares of the Company upon completion of the Open Offer; (iii) will not, together with party(ies) acting in concert (as such term is defined in the Takeovers Code) with each of them, hold 30% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon completion of the Open Offer; and
- (iii) each of the Underwriters will use its best endeavours to ensure each of the sub-underwriters to procure independent placees to take up such number of Untaken Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company.

Irrevocable Undertaking

As at the Latest Practicable Date, Mr. Wu was interested in a total of 48,569,982 Shares (representing approximately 10.01% of the issued share capital of the Company as at the Latest Practicable Date), of which 47,823,297 Shares were held by City Wise and 746,685 Shares were held by City Smart. Each of Mr. Wu, City Smart and City Wise has executed the Irrevocable Undertaking in favour of the Company and Guotai Junan pursuant to which they have conditionally undertaken, inter alia, that the Shares held by them on the date of the Irrevocable Undertaking would remain beneficially owned by them on the Record Date and they will lodge application and pay for all their assured entitlements of Offer Shares under the Open Offer (being an aggregate of 24,284,990 Offer Shares).

Save for the Irrevocable Undertaking, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up their respective Offer Shares under the Open Offer.

Conditions of the Open Offer

The Open Offer is subject to the following conditions:

- (1) the Capital Reorganisation having become effective;
- (2) the posting of the Offering Documents to the Qualifying Shareholders on or before the Offering Circular Posting Date;
- (3) the Listing Division of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (4) compliance by the Company with its obligations under the Underwriting Agreement;

LETTER FROM THE BOARD

- (5) the Shares remaining listed on the Stock Exchange at all times prior to 12 June 2015, being the third Business Day following (but excluding) the Latest Time For Acceptance (or such other time or date as the Underwriters and the Company may agree in writing) (the “Settlement Date”) and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than three trading days (other than pending clearance by the Stock Exchange and publications of announcements, circulars or the Offering Documents); and (ii) no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) (other than pending publications of announcements in respect of the Open Offer);
- (6) the execution and delivery of the Irrevocable Undertaking in favour of the Company and Guotai Junan on the date of the Underwriting Agreement; and
- (7) the Shareholders (other than those who are required to abstain from voting pursuant to the Listing Rules) having approved at a general meeting the refreshment of the existing scheme mandate in respect of granting of Share Options to the extent that the total number of shares in the capital of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option schemes of the Company will not exceed 5.10% of the shares in issue as at the date of the general meeting (subject to adjustments on share consolidation or sub-division),

that in the event of the said conditions not being fulfilled or (in respect of condition (4) only) waived by the Underwriters at their sole discretion on or before the respective prescribed dates (or, if no time or date is set out, 30 June 2015 or such other date as may be agreed between the Company and the Underwriters in writing), all obligations and liabilities of the parties under the Underwriting Agreement will forthwith cease and determine and no party shall have any claim against the other (save for any antecedent breaches and claims hereof).

As at the Latest Practicable Date, conditions (1), (6) and (7) above have been fulfilled.

Termination or rescission of the Underwriting Agreement

If, prior to the Latest Time For Termination:

- (i) any material breach of any warranties or the undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (ii) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer after the signing of the Underwriting Agreement; or

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- (iii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iv) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole which is material in the context of the Open Offer; or
- (v) any event or circumstances in the nature of force majeure including but without limitation any act of God, war, riot, public disorder, civil commotion, fire, flood, terrorism or strike occurred after the signing of the Underwriting Agreement in or affecting Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group which would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (vi) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which is or might be material to the Group taken as a whole; or
- (vii) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Share generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (viii) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group); or
- (ix) any statement contained in this Offering Circular has become and been discovered to be untrue, incorrect, incomplete or misleading in any material aspect, or matters have arisen or have been discovered which would, if the Offering Circular was to be issued at the time, constitute a material omissions therefrom,

the effect of which events and circumstances referred to above, individually or in aggregate (in the reasonable opinion of the Underwriters after consultation with the Company):

- (i) is or would be reasonably likely to be materially adverse to, or prejudicially affects or would be reasonably likely to prejudicially affect, the Group as a whole or the success of the Open Offer; or
- (ii) makes it inadvisable or inexpedient to proceed with the Open Offer,

the Underwriters will be entitled, by notice in writing to the Company served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

LETTER FROM THE BOARD

Any such notice shall be served by any of the Underwriters to the Company prior to the Latest Time For Termination. Upon termination or rescission of the Underwriting Agreement, the Open Offer will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional, among others, upon the fulfillment of the conditions set out in the section headed “Conditions of the Open Offer”. In particular, the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed “Termination or rescission of the Underwriting Agreement”. Accordingly, the Open Offer may or may not proceed. Any dealing in the Shares from the date of this Offering Circular up to the date on which all the conditions of the Open Offer are fulfilled are accordingly subject to the risk that the Open Offer may not become unconditional or may not proceed. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past 12 months before the Latest Practicable Date:

Date of announcement	Date of completion	Fund raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds as stated in the Company's announcement dated 30 September 2014
11 March 2014	22 April 2014	Placing of new shares under specific mandate	Approximately HK\$149.4 million	<p>(a) Approximately HK\$125.5 million for the payment of deposit(s) to the three independent third parties with respect to the proposed acquisition of interest in oil and gas properties in the United States of America on the occurrence of event(s) to be specified in the definitive agreements pursuant to a letter of intent executed with the said three independent third parties on 10 January 2014, details of which have been disclosed in the Company's announcement dated 11 February 2014;</p> <p>(b) Approximately HK\$16.4 million for professional fees to be incurred in the possible acquisition referred to in (a) above; and</p> <p>(c) The remaining balance of approximately HK\$7.5 million as general working capital of the Company</p>	<p>Approximately HK\$94.6 million was used towards the repayment of the Company's debts</p> <p>Approximately HK\$17.4 million for the professional fees incurred in the proposed acquisition</p> <p>Approximately HK\$37.4 million as general working capital of the Company</p>

LETTER FROM THE BOARD

USE OF PROCEEDS, AND REASONS FOR, AND BENEFITS OF, THE OPEN OFFER

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

The gross proceeds of the Open Offer will be approximately HK\$121 million before expenses. The estimated net proceeds of the Open Offer will be approximately HK\$119 million. The Company intends to apply such net proceeds for (i) approximately HK\$97 million for the repayment of the Company's debts; and (ii) any remaining net proceeds for the general working capital of the Group and/or future investment activities when such investment opportunities arise. The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.49.

The Board considers that the Open Offer will enable the Group to strengthen the capital base of the Company and to enhance its financial position, and enable the Group to expand its investment portfolio when investment opportunities arise. The Open Offer will provide the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. The Directors also consider that the terms of the Underwriting Agreement (including the Subscription Price and the subscription ratio) are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose, under various scenarios immediately after completion of the Open Offer (assuming there being (i) no exercise of the conversion rights attaching to the Convertible Notes and/or subscription rights attaching to the Share Options and the Warrants; and (ii) no other change to share capital and/or shareholding structure of the Company up to the completion of the Open Offer):

	As at the Latest Practicable Date		Immediately after completion of the Open Offer, assuming all the Offer Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Open Offer, assuming no Shareholders (other than City Smart and City Wise) apply for their assured entitlements	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
<i>Substantial Shareholders</i>						
City Wise (Note 1)	47,823,297	9.86%	71,734,945	9.86%	71,734,945	9.86%
City Smart (Note 2)	746,685	0.15%	1,120,027	0.15%	1,120,027	0.15%
Subtotal	48,569,982	10.01%	72,854,972	10.01%	72,854,972	10.01%
<i>Director</i>						
Mr. Tse Kwok Fai, Sammy	220,000	0.05%	330,000	0.05%	220,000	0.03%
<i>Public</i>						
Guotai Junan (Note 3)	—	—	—	—	196,332,889	26.97%
Ever-Long (Note 3)	—	—	—	—	22,000,000	3.02%
Other Public Shareholders	436,445,776	89.94%	654,668,665	89.94%	436,445,776	59.97%
Total	485,235,758	100.00%	727,853,637	100.00%	727,853,637	100.00%

Notes:

1. City Wise is wholly-owned by South America Petroleum Investment Holdings Limited, which is in turn wholly-owned by Mr. Wu.
2. City Smart is wholly-owned by Mr. Wu.
3. As at the Latest Practicable Date, (i) Guotai Junan had not entered into any sub-underwriting arrangement, and (ii) Ever-Long has entered into sub-underwriting arrangement in respect of its entire underwriting obligation with its fellow subsidiary, Ever-Long Asset Management Limited, which is principally engaged in proprietary trading.

ADJUSTMENTS RELATING TO SHARE OPTIONS, WARRANTS AND CONVERTIBLE NOTES

As at the Latest Practicable Date, the Company had (i) outstanding Share Options which entitle the holders thereof to subscribe for 120,400,000 Shares; (ii) outstanding Warrants which entitle the holders thereof to subscribe for 62,500,000 Shares; and (iii) outstanding Convertible Notes of aggregate principal amount of HK\$60,000,000 convertible into 31,578,947 Shares.

LETTER FROM THE BOARD

The Open Offer will lead to adjustments to the exercise, subscription and conversion prices and the related number of underlying Shares of the Share Options, Warrants and Convertible Notes, respectively, as set out in this section below.

Adjustment to the outstanding Share Options

With reference to the provisions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding the interpretation of Rule 17.03(13) of the Listing Rules, upon completion of the Open Offer, the exercise price of the outstanding Share Options and the number of Shares that can be subscribed for upon the exercise of the outstanding Share Options will be adjusted in the following manner:

Date of grant	Before the Open Offer		Upon completion of the Open Offer	
	Exercise price (HK\$)	Number of Shares that can be subscribed for upon exercise of the outstanding Share Options	Adjusted exercise price (HK\$)	Adjusted number of Shares that can be subscribed for upon exercise of the outstanding Share Options
11 April 2013	2.55	12,800,000	2.1722	15,025,920
3 July 2013	2.55	8,800,000	2.1722	10,330,320
16 September 2013	2.06	29,500,000	1.7548	34,630,049
25 November 2013	2.19	15,300,000	1.8656	17,960,670
4 June 2014	1.89	7,000,000	1.6100	8,217,300
17 July 2014	2.00	47,000,000	1.7037	55,173,300

LETTER FROM THE BOARD

Adjustments to the outstanding Warrants

As a result of the Open Offer, the subscription price of the outstanding Warrants will be adjusted in the following manner pursuant to the terms of the instrument relating to the Warrants.

Date of issue	Before the Open Offer		Upon completion of the Open Offer	
	Subscription price (HK\$)	Number of Shares that can be subscribed for upon exercise of the outstanding Share Warrants	Adjusted subscription price (HK\$)	Adjusted number of Shares that can be subscribed for upon exercise of the outstanding Share Warrants
1 March 2013	2.00	62,500,000	1.70	73,529,411

Adjustments to the Convertible Notes

As a result of the Open Offer, the conversion price of the outstanding Convertible Notes will be adjusted in the following manner pursuant to the terms of the instrument relating to the Convertible Notes.

Date of issue	Before the Open Offer		Upon completion of the Open Offer	
	Conversion price (HK\$)	Number of Shares that can be subscribed for upon exercise of the outstanding Convertible Notes	Adjusted conversion price (HK\$)	Adjusted number of Shares that can be subscribed for upon exercise of the outstanding Convertible Notes
11 April 2013	1.90	31,578,947	1.62	37,037,037

LETTER FROM THE BOARD

PROCEDURE FOR APPLICATION AND PAYMENT

For each Qualifying Shareholder (other than those holding only one Share on the Record Date), an Application Form is enclosed with this Offering Circular which entitles you to subscribe for the number of the Offer Shares as shown therein subject to payment in full by the Latest Time For Acceptance.

If you as a Qualifying Shareholder wishes to exercise your right to subscribe for all number of the Offer Shares in your entitlement of Offer Shares or any number of the Offer Shares less than your entitlement of Offer Shares to which you are entitled, you must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Ltd., at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 9 June 2015 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Offering Circular). All remittance(s) must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to **"EPI (Holdings) Limited — Open Offer Account"** and crossed **"Account Payee Only"**.

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar by 4:00 p.m. on Tuesday, 9 June 2015 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Offering Circular), the entitlements of the respective Qualifying Shareholders under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of the Application Form together with a cheque or banker's cashier order in payment of the Offer Shares being applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. Any Application Form in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlement of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the Qualifying Shareholders and is not transferable. No receipt will be issued in respect of any application monies received. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of acceptances of the Offer Shares without interest will be returned to the Qualifying Shareholders, by means of cheques crossed **"Account Payee Only"** to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Wednesday, 17 June 2015.

LETTER FROM THE BOARD

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-qualifying Shareholders should note that their shareholdings in the Company will be diluted.

ADDITIONAL INFORMATION

Your attention is drawn to the information contained in the appendices to this Offering Circular.

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

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014 are disclosed in the following documents which have been published on the respective website of the Stock Exchange (www.hkexnews.hk) and the Company (www.epiholdings.com):

- (a) audited consolidated financial statements of the Company for the year ended 31 December 2012 published on 30 April 2013 (pages 36 to 102)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0430/LTN20130430017.pdf>)
- (b) audited consolidated financial statements of the Company for the year ended 31 December 2013 published on 27 April 2014 (pages 38 to 102)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0427/LTN20140427047.pdf>);
and
- (c) audited consolidated financial statements of the Company for the year ended 31 December 2014 published on 22 April 2015 (pages 40 to 114)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0422/LTN20150422009.pdf>).

2. INDEBTEDNESS STATEMENT

Borrowings

As at 31 March 2015, being the latest practicable date prior to the printing of this Offering Circular for the purpose of this indebtedness statement, the Group had outstanding borrowings as follows:

	<i>HK\$'000</i>	<i>Notes</i>
Secured bank loan	218,400	(a)
Convertible Notes	<u>60,398</u>	(b)
	<u><u>278,798</u></u>	

Notes:

- (a) The bank loan is secured by the share capital of certain subsidiaries of the Group, and the share capital and instruments of certain companies in which Mr. Wu has financial interests. The relevant loan agreement also requires Mr. Wu to continue to be a substantial shareholder of the Company.

On 26 March 2015, Mr. Wu entered into a deed of undertaking with the Company and undertakes (i) at all times to maintain his position as a substantial shareholder of the Company, and (ii) to promptly acquire an adequate number of shares of the Company to maintain his position as a substantial shareholder of the Company in any event that he is reasonably expected to cease to be a substantial shareholder of the Company as a result of issue of new shares by the Company.

- (b) The Convertible Notes contain two components, a liability component of approximately HK\$59,352,000 and a conversion option of approximately HK\$1,046,000. The conversion option gives the holders the right at any time to convert the Convertible Notes into ordinary shares of the Company. However, since the conversion option would be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments, the conversion option is accounted for as a derivative liability and it is measured at fair value.

Financial guarantees

As at 31 March 2015, the Company gave indemnities to two non-controlling shareholders of companies controlled by Mr. Wu, indemnifying them against any loss they may sustain in case of any action or claim against those companies pursuant to the guarantee provided in respect of the bank loan drawn by the Company as above and that the total amount payable will not exceed an aggregate amount of up to US\$13,000,000 (approximately HK\$101,140,000).

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 March 2015, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, and term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after due and careful enquiries and taking into account the cash flow generated from the operating activities, the financial resources available to the Group including internally generated funds, Mr. Wu's undertaking to maintain his position as a substantial shareholder of the Company as required under the relevant loan agreement and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for at least the next twelve months from the date of this Offering Circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practical Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statement of the Company were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the petroleum exploration and production.

Review of financial results

As stated in the annual report of the Company for the year ended 31 December 2014, as at 31 December 2014, the net asset value of the Group was approximately HK\$30.7 million and the net asset value per share was approximately HK\$0.006. For the year ended 31 December 2014, the Group's revenue was approximately HK\$85.7 million, a decrease of approximately HK\$4.2 million as compared with HK\$89.9 million recorded in last year. The Group recorded a loss for the year of HK\$381.1 million, against a loss for the year of approximately HK\$679.2 million in year 2013. During year 2014, an impairment loss of approximately HK\$91.0 million was recognised in respect of the exploration and evaluation assets relating to the Chañares oil project.

Review of Group Operations

Exploration and sales of petroleum

As stated in the annual report of the Company for the year ended 31 December 2014, the Group's core business is the petroleum exploration and production in the Concessions in the Cuyana Basin, Mendoza Province of Argentina. There was no acquisitions and disposals of subsidiaries and associated companies during year 2014.

During year 2014, the Group had performed a workover job to one of its producing oil wells. The Group had continued investing to improve its own well fluid collection tank and pipeline. As at 31 December 2014, the Group had finished drilling 10 oil wells in the Chañares Herrados Concession Area, Mendoza oilfield project. All the 10 wells were in production, of which 5 oil wells were drilled by Have Result Investments Limited (“**Have Result**”) where the Group is entitled to 51% interest on production, and 5 oil wells were drilled by EP Energy S.A. (“**EP Energy**”) where the Group is entitled to 72% interest on production.

During year 2014, the Group had 10 producing wells generating oil sales revenue. All its oil production was sold to YPF Sociedad Anónima, through Chañares, the Concessions owner.

Revenue generated from the sales of petroleum segment for the year ended 2014 amounted to approximately HK\$85.7 million. As of 31 December 2014, the Company had invested approximately HK\$589.2 million in the drilling and completion of its oil wells, as well as related infrastructure, in the Mendoza project. This amount included: (1) approximately HK\$411.8 million in oil well drilling and completion which was classified as oil & gas properties and for which depreciation started from the commencement of production; (2) approximately HK\$177.4 million of oil well drilling exploration cost for exploration purpose to collect data in the Potrerillos Formation that was located at a depth

of over 4,200 meters, which was charged to profit or loss in year 2010. During the year 2014, the depreciation and depletion of the oil & gas properties was approximately HK\$17.6 million.

Future operation plan

Short-term development plan

As stated in the annual report of the Company for the year ended 31 December 2014, pursuant to the operation agreement signed among EP Energy, Have Result and Chañares Herrados Empresa de Trabajos Petroleros S.A. (“**Chañares**”), on 5 June 2012, Chañares agreed to release EP Energy from its commitments under the JV Agreement signed on 12 January 2011. The Group is focused on workover and infrastructure investments to improve production on the existing oil wells from year 2012 to 2014. The Group will continue to invest in workover on the existing 10 producing oil wells and in improving own well fluid collection system during year 2015.

Long-term development plan

The Directors considered the current economic situation of Argentina and decided to restart the overall business development plan on Chañares oil project in later years. The future business plan is developed by applying a more prudent estimation on those factors and assumptions for future cashflow estimation on the project. In developing the future business plan, the Directors have taken a more prudent approach and only considered the production estimation up to the expiry of Concessions after a 10-year extension to year 2027. The change in development plan and the production estimation is a more prudent way to value the project. The production quantity used to calculate future cash flow from operations has decreased.

Other business opportunities

After setting up the technical & operational team and having a stable development in Argentina operation, the Group continues making effort in searching for opportunities in oil & gas exploration and production business. The Group is focused on the oil & gas field with stable production base, with proven reserves, with certain development opportunities, in those industrial-advanced countries, such as the United States of America (“U.S.”).

On 10 January 2014, the Company entered into a confidential letter of intent (the “**Letter of Intent**”) with three independent third parties (the “**Possible Vendors**”) with respect to the proposed acquisition (the “**Proposed Acquisition**”) of the entire interest in those private oil and gas properties in the U.S. and certain related assets (the “**Target Assets**”) held by the Possible Vendors and others through specific corporate and partnership structures. Similar to the memorandum of understanding referred to in the Company’s announcement dated 28 November 2012, the Letter of Intent does not create legally binding obligations on the parties to proceed with the transaction.

On 8 January 2015, the Company has made an announcement relating to the Proposed Acquisition to the effect that whilst the Company has continued since its last updated announcement to work with the Possible Vendors in relation to the Proposed Acquisition, recent significant decreases in oil price and the lack of visibility on near to medium term prospects of a sustained rebound in such prices are presenting challenges in pursuing the Proposed Acquisition based on the basic purchase price range set out in the memorandum of understanding entered into between the parties in November 2012. The Company and the Possible Vendors will decide whether or not it is desirable to resume negotiations for a possible revised terms after oil prices stabilise.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Open Offer as if the Open Offer had been completed on 31 December 2014.

The statement has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the Group's financial position on the completion of the Open Offer.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2014, as set out in the Company's annual report for year ended 31 December 2014, and adjusted for the effect of the Open Offer as if the Open Offer had been taken place on 31 December 2014. It has been prepared in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, to provide the shareholders with information about the impact of the Open Offer and, because of its hypothetical nature, may not give a true picture of the consolidated financial position of the Group as at 31 December 2014 had the Offer been completed on 31 December 2014 or any future date.

Consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2014 HK\$'000 (Note 1)		Estimated net proceeds from the Open Offer HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Open Offer HK\$'000	Consolidated net tangible liabilities per Share attributable to the owners of the Company as at 31 December 2014 HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Open Offer HK\$ (Note 4)
Based on 242,617,879 Offer Shares to be issued at subscription price of HK\$0.50 per Offer Share					
(84,537)		119,067	34,530	(0.17)	0.05

Notes:

- (1) The amount is extracted from the audited consolidated statement of financial position of the Group as at 31 December 2014 as set out in the published annual report of the Company for the year ended 31 December 2014, which is based on the total equity of the Group as at 31 December 2014 of HK\$30,685,000 with an adjustment for the exploration and evaluation assets of HK\$115,222,000. The Group incurred a loss attributable to the owners of the Company of approximately HK\$381,143,000 and had a net operating cash outflow of approximately HK\$51,162,000 during the year ended 31 December 2014, and as at that date, the Group's current liabilities exceeded its current assets by approximately HK\$76,722,000. The auditor has included an emphasis of matter paragraph with respect to the going concern matter in the auditor's report for the year ended 31 December 2014. The auditor's opinion is not qualified in respect of this matter.
- (2) The estimated net proceeds from the Open Offer are based on 242,617,879 Offer Shares to be issued (in the proportion of one Offer Share for every two Shares held on the Record Date) at the subscription price of HK\$0.50 per Offer Share, after deduction of the estimated expenses of approximately HK\$2,242,000 directly attributable to the Open Offer.
- (3) The consolidated net tangible liabilities per Share attributable to the owners of the Company as at 31 December 2014 is calculated based on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2014 of HK\$84,537,000 and 485,235,758 Shares. The number of 485,235,758 Shares is calculated based on 4,852,357,588 in issue as at 31 December 2014 and adjusted for the share consolidation of every ten issued shares of HK\$0.10 each in the share capital of the Company as at 31 December 2014 be consolidated into one share of HK\$1.0 each pursuant to the Capital Reorganisation.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group of approximately HK\$34,530,000 and 727,853,637 Shares in issue following the completion of the Open Offer, which is 485,235,758 Shares in issue as detailed above, increased by 242,617,879 Offer Shares issued under the Open Offer assuming the Open Offer had been completed on 31 December 2014. The calculation has not taken into account of any Shares which may be issued upon the exercise of conversion rights attaching to the Convertible Notes and/or subscription rights attaching to the Share Options and the Warrants or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.
- (5) No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2014 for the purpose of preparation of the unaudited pro forma adjusted consolidated net tangible assets of the Group.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Offering Circular.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
INCLUDED IN AN OFFERING CIRCULAR****TO THE DIRECTORS OF EPI (HOLDINGS) LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of EPI (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2014, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's Offering Circular dated 26 May 2015, in connection with the proposed open offer on the basis of one offer share for every two shares of the Company held on the record date (the "Proposed Open Offer"). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Open Offer on the Group's financial position as at 31 December 2014 as if the Proposed Open Offer had taken place at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31 December 2014, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in an offering circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Open Offer at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers*Certified Public Accountants*

Hong Kong, 26 May 2015

1. RESPONSIBILITY STATEMENT

This Offering Circular, for which the Directors of the Company collectively and individually accept full responsibility, include 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 Offering 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 Offering Circular misleading.

2. SHARE CAPITAL**(a) Share capital**

(i) Share capital as at the Latest Practicable Date:

	Nominal value per Share (HK\$)	Number of Shares	Nominal amount (HK\$)
Authorised:			
As at the Latest Practicable Date	0.01	<u>100,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:			
As at the Latest Practicable Date	0.01	<u>485,235,758</u>	<u>4,852,357.58</u>

- (ii) Share capital upon completion of the Open Offer (assuming there being (i) no exercise of the conversion rights attaching to the Convertible Notes and/or subscription rights attaching to the Share Options and the Warrants; and (ii) no other change to share capital of the Company up to the completion of the Open Offer):

	Nominal value per Share (HK\$)	Number of Shares	Nominal amount (HK\$)
Authorised:			
As at the Latest Practicable Date	0.01	<u>100,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:			
As at the Latest Practicable Date	0.01	485,235,758	4,852,357.58
Offer Shares to be issued pursuant to the Open Offer	0.01	<u>242,617,879</u>	<u>2,426,178.79</u>
Shares upon completion of the Open Offer	0.01	<u>727,853,637</u>	<u>7,278,536.37</u>

All the Shares rank *pari passu* with each other in all respect including the rights as to voting, dividends and return of capital.

The Offer Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with all the Shares in issue as at the date of allotment and issue of the Offer Shares, including the right to any dividends or distributions made or declared on or after the date of allotment and issue of the Offer Shares. No arrangement has been made under which future dividends are waived or agreed to be waived.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange.

(b) Share Options

As at the Latest Practicable Date, the Company had the following outstanding Share Options held by the Directors and other eligible participants of the Company.

Name or category of participant	Exercisable period	Exercise price per Share (HK\$)	Number of outstanding Share Options as at the Latest Practicable Date
<i>Non-executive Chairman</i>			
Mr. Ho King Fung, Eric	16.09.2013–29.07.2016	2.06	10,850,000
	16.09.2014–29.07.2016	2.06	5,425,000
	16.09.2015–29.07.2016	2.06	5,425,000
<i>Executive Directors</i>			
Mr. Tse Kwok Fai, Sammy	03.07.2013–10.04.2016	2.55	8,800,000
Mr. Chan Chi Hung, Anthony	16.09.2013–29.07.2016	2.06	3,900,000
	16.09.2014–29.07.2016	2.06	1,950,000
	16.09.2015–29.07.2016	2.06	1,950,000
<i>Employees</i>			
	25.11.2013–24.11.2016	2.19	5,700,000
	17.07.2014–16.07.2017	2.00	300,000
<i>Other Participants</i>			
	11.04.2013–10.04.2016	2.55	12,800,000
	25.11.2013–24.11.2016	2.19	3,200,000
	25.02.2014–24.11.2016	2.19	6,400,000
	04.06.2014–03.06.2017	1.89	7,000,000
	17.07.2014–16.07.2017	2.00	<u>46,700,000</u>
Total			<u><u>120,400,000</u></u>

(c) Warrants

As at the Latest Practicable Date, the Company had outstanding Warrants entitling the holders thereof to subscribe for an aggregate of 62,500,000 Shares at an exercise price of HK\$2.00 per Share (subject to adjustments).

(d) Convertible Notes

As at the Latest Practicable Date, the Company had outstanding Convertible Notes in the principal amount of HK\$60,000,000 convertible into 31,578,947 Shares at the prevailing conversion price of HK\$1.9 (subject to adjustments).

The Open Offer will lead to adjustments to the exercise, subscription and conversion prices and the related number of underlying Shares of the Share Options, Warrants and Convertible Notes, respectively, as set out in the section headed “Adjustments Relating To Share Options, Warrants And Convertible Notes” of the “Letter from the Board” in this Offering Circular.

Save as set out above, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Particulars of the Directors

Name

Address

Non-executive Chairman

Mr. HO King Fung, Eric

Room 1108–09, 11/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Executive Directors

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

Room 1108–09, 11/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Mr. CHAN Chi Hung, Anthony

Block 5, LG/A
8 MT Austin
The Peak
Hong Kong

Independent Non-executive Directors

Mr. QIAN Zhi Hui

Room ABC, 17/F
111 TiYu Xi Road
Tianhe
Guangzhou
PRC

Mr. TEOH Chun Ming

Flat D, 18/F, Block 6
Verbena Heights
8 Mau Tai Road
Tseung Kwan O, Hong Kong

Mr. ZHU Tiansheng

Room 2104, 4/F
Li Hong Hua Yuan
Chaoyang District
Beijing
PRC

Senior Management

Mr. TSANG Wing Hung

Room 1108–09, 11/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Mr. PAK Ka Kei

Flat B, 21/F, Tower 5
Prima Villa
No. 8 Chui Yan Street
Shatin, N.T.
Hong Kong

Mr. QUIROGA Daniel Federico

1102 Napoles Street
Bo. Portal de Benegas
Godoy Cruz (5501)
Mendoza
Argentina

Biographies of the Directors

Non-executive Chairman

Mr. HO King Fung, Eric, Non-executive Chairman, aged 38

Mr. Ho is the Company's Non-executive Chairman. Mr. Ho joined the Company as Non-executive Director on 4 April 2013 and was re-designated as the Non-executive Chairman on 30 July 2013.

Mr. Ho has extensive experience in investment banking origination, capital markets and legal practice. Prior to joining EPI, he was an analyst at JP Morgan in 2000 and then was a solicitor at Linklaters between 2003 and 2006. Between 2007 and 2010, Mr. Ho worked at Deutsche Bank AG, Hong Kong Branch and his last position held was vice president and the head of Hong Kong and Macau Origination.

Mr. Ho is a committee member of the Chinese People's Political Consultative Conference of Beijing, a role which he has been in since 2008. He is also the president of the Macau Money Exchangers' Association. Mr. Ho was awarded the Chinese Economics Elite Award in 2009. From April 2011 and April 2012, Mr. Ho was the non-executive director of United Energy Group Limited (HKSE Stock Code: 467). He has been appointed as the independent non-executive director of Nature Home Holding Company

Limited (HKSE Stock Code: 2083) since May 2011. And, Mr. Ho has also been appointed as a non-executive director of AGTech Holdings Limited (HKSE Stock Code: 8279) since 23 May 2013. In Macau, Mr. Ho is the chairman of P&W Money Changer Limited and Jing Yang Company Limited, and an executive director of Mascargo (Macau) Company Limited.

Mr. Ho graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree, majoring in Finance. Mr. Ho has also obtained his Bachelor of Laws degree from the University of New South Wales. He has been designated as a practicing solicitor in the Hong Kong Special Administrative Region.

Executive Directors

Mr. TSE Kwok Fai, Sammy, Executive Director and Chief Executive Officer, aged 51

Mr. Tse joined the Company in 2009 as a consultant for the business development in Argentina and has been appointed as the Executive Director and Chief Executive Officer of the Company since April 2013.

Mr. Tse's wealth of managerial and executive experience is derived from working at various major corporations including the Hongkong Telecom 2 Group, Hutchison Whampoa Group and South China Group. He had been involved in the day-to-day operations of telecommunications, technology, media, energy and resources businesses in Hong Kong, the PRC and other countries. Mr. Tse has developed an extensive business network in the resources and energy sector and specializes in mergers and acquisitions, listings and asset injections, as well as business development.

Mr. Tse graduated from the University of Hong Kong majoring in Geography and Geology. He also obtained his MBA from the Chinese University of Hong Kong.

Mr. CHAN Chi Hung, Anthony, Executive Director, aged 42

Mr. Chan is EPI's Executive Director and he was appointed as Executive Director on 16 July 2013.

Prior to joining the Company, Mr. Chan has held senior management positions at other Hong Kong listed companies. He was the executive director of China Financial Leasing Group Limited (HKSE Stock Code: 2312) from April 2007 to July 2013. Mr. Chan has also held the position of non-executive director at Build King Holdings Limited (HKSE Stock Code: 240) since December 2008.

In December 2014, Mr. Chan was appointed as independent non-executive director of South East Group Limited (HKSE Stock Code: 726). Prior to his managerial career, Mr. Chan was the investment manager of Springfield Financial Advisory Limited, in charge of private equity, fund-of-funds and fixed income investment portfolios for four years. Mr. Chan started his career as a banker in J.P. Morgan covering Asia ex-Japan region.

Mr. Chan is a graduate of the University of Minnesota — Twin Cities and Stanford Graduate School of Business, both in United States.

Independent Non-executive Directors

Mr. QIAN Zhi Hui, Independent Non-executive Director, aged 52

Mr. Qian joined the Company in September 2008. He joined China National Native Produce & Animal By-Products Import & Export Corporation, Guangdong Province, as chief legal advisor in 1988. He joined Guangzhou King Pound Law Firm as a lawyer in 1993 and is currently a partner of Guangdong Justwin Law Firm. From 2006 to 2008, he was an independent non-executive director of New Times Energy Corporation Limited (HKSE stock code: 166). He has a Master degree in Procedural Law from Southwest University of Political Science and Law, China.

Mr. ZHU Tiansheng, Independent Non-executive Director, aged 70

Mr. Zhu joined the Company in November 2009. He has over 41 years extensive experience in project management, operations, design and construction process of oil and natural gas transmission pipeline, exploration, production and transporting heavy oil, recycling of light hydrocarbon, design and construction of natural gas treatment plants in numerous oil field projects in China.

Mr. Zhu has been employed by China National Offshore Oil Corporation (“CNOOC”) since 1986. Since 2005, he is the Senior Consultant and the Chief Project Officer for China Offshore Oil & Gas Development & Utilization Company of CNOOC, participating in the construction of asphalt plant. From 2004 to 2005, he was the Deputy Director of Coordination Office of CNOOC and Mr. Fu Chengyu, was the director and currently the General Manager of CNOOC.

From 2001 to 2004, Mr. Zhu was the General Manager of China Ocean Oilfields Services (Hong Kong) Limited. During the period of 1997 to 2001, Mr. Zhu was the General Manager of the Construction Department of CNOOC. The Construction Department was responsible for the organization and investigation of concept design and plans of development, an immediate and final investigation of the basic design. The detailed designs, constructions and installations were managed by the Project Units, which were organized by the Construction Department. The Construction Department also organized and cooperated with foreign companies for the development and construction of oil and gas fields.

From 1992 to 1997, Mr. Zhu was the Deputy Manager of Development and Production Department of CNOOC and he was responsible for construction development. During the period of 1986 to 1992, he was offered the position of Chief of Project Management Office of Construction Department of CNOOC.

In 1986, Mr. Zhu was transferred to CNOOC from Liaohe Oil Field, China where he had worked there for over 11 years in the 70s and his last position was the Chief of Oil and Gas Management Office of Liaohe Oil Field.

Mr. Zhu graduated from the Beijing Petroleum Institute and was majoring in oil and gas storage and transportation engineering since 1969. During his work tenor, Mr. Zhu was trained in Japan for 3 months in recycling of light hydrocarbon and studied project management in EGT in United Kingdom during 1994.

Mr. TEOH Chun Ming, Independent Non-executive Director, aged 44

Mr. Teoh joined the Company in January 2014. He is currently a non-executive director of Nature Home Holding Company Limited (HKSE Stock Code: 2083) since July 2012 and the chief financial officer and company secretary of Joyer Auto HK Company Limited. Mr. Teoh joined Nature Home Holding Company Limited in 2008 and was appointed as the chief financial officer and the company secretary on 1 September 2008 and 26 March 2009 respectively. Mr. Teoh was also the authorised representative of Nature Home Holding Company Limited for the purpose of the Listing Rules and The Companies Ordinance. Mr. Teoh held the positions of chief financial officer, company secretary and authorised representative of Nature Home Holding Company Limited until his appointment as a non-executive director of Nature Home Holding Company Limited on 1 July 2012. Mr. Teoh was also the investor relations officer of Nature Home Holding Company Limited. Mr. Teoh has over 20 years of accounting and finance experience and had held senior positions in accounting and finance in various companies listed on The Stock Exchange of Hong Kong Limited.

Mr. Teoh obtained a Master degree in Professional Accounting from the Hong Kong Polytechnic University in 2005. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a member of The Institute of Chartered Accountants in England and Wales.

Senior Management

Company Secretary

Mr. TSANG Wing Hung, aged 52, joined the Company in May 2013 as Vice President of Finance and has been appointed as the company secretary of the Company since June 2014.

Mr. Tsang is a member of The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Tsang has been a professional accountant since 1986 and has extensive experience in auditing, accounting, management and taxation. Mr. Tsang holds a Bachelor Degree of Economics from University of Manchester, United Kingdom and a Master Degree of Information Management and Systems from Monash University, Australia.

Financial Controller

Mr. PAK Ka Kei, aged 44, joined the Company in November 2009 as a Financial Controller.

Mr. Pak has over 18 years experience in the fields of audit, internal control, accountancy, taxation and treasury. Prior to joining the Company, Mr. Pak had been working for TCL Multimedia Technology Holdings Limited for over 10 years on the finance departments in Hong Kong, Emerging Markets and Europe and he had held the positions of Deputy Internal Control Director and Deputy Financial Controller for Emerging Markets and Europe there.

Mr. Pak graduated from City University of Hong Kong with a Bachelor of Arts degree in Accounting and has been working for Ernst & Young for 5 years.

General Manager, Argentina

Mr. QUIROGA Daniel Federico, aged 50, joined the Company in December 2010 as the General Manager of Argentina business. Mr. Quiroga oversees the Company's oil project in Argentina as the General Manager of Argentina Operation. He has over 28 years extensive experience in operations, exploration and production management of oil field projects in Argentina, and Mexico.

Mr. Quiroga had been employed by Tecpetrol S.A. since year 1991. The last position held by Mr. Quiroga in year 2000 was the Head of Secondary Recovery Division. During the work in Tecpetrol S.A., Mr. Quiroga was appointed as Operation Engineer, Production Manager, Field Operation Manager and had gained experiences in operations, production management for various oil fields in Argentina.

Mr. Quiroga was the Operation Superintendent and Field Manager who was in charge of field operations in oil fields located in Neuquina Basin and S.J. Gulf Basin, Argentina for Pioneer NRA S.A. during 2002 to 2006. After that, Mr. Quiroga also worked for Apache Corp Argentina and Petrolera El Trebol.

Before joining the Company, Mr. Quiroga had been working for Weatherford Regional Mexico as the Operation Coordinator. He was in charge of field operations for oil field in Mexico.

Mr. Quiroga graduated from the National University of Cuyo in Mendoza Province, Argentina and was majoring in Petroleum Engineer in year 1991. Mr. Quiroga was the Postgrade in Business & Finance at National University of Cuyo in Mendoza Province, Argentina.

4. INTERESTS OF DIRECTORS

(a) Interests in shares, underlying shares and debentures of the Company and its associated companies

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Directors	Nature of interest	Number of Shares held (Note)	Number of share options held (Note)	Total interests	Approximate % of issued share capital as at the Latest Practicable Date
Mr. Ho King Fung, Eric	Personal	—	21,700,000	21,700,000	4.47
Mr. Tse Kwok Fai, Sammy	Personal	220,000	8,800,000	9,020,000	1.86
Mr. Chan Chi Hung, Anthony	Personal	—	7,800,000	7,800,000	1.61

Note:

The number of Shares has taken in account the effect of the Capital Reorganisation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had any interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules to be notified to the Company and the Stock Exchange. None of the Directors is a director or employee of a company which had

any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

(b) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up.

(c) Interests in contracts or arrangements

None of the Directors had any material interests in any contract or arrangement subsisting at the date of this Offering Circular which was significant in relation to the business of the Group taken as a whole.

(d) Directors' service contracts

As at the Latest Practicable Date, there was no existing or proposed service contract between any member of the Group and any Director or proposed Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

(e) Competing business

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

5. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares

Name of Shareholders	Long/short positions	Capacity/ nature of interest	Number of Shares/ underlying Shares held (Note 2)	Approximate % of issued share capital as at the Latest Practicable Date
City Smart (Note 1)	Long	Beneficial owner	746,685	0.15%
City Wise (Note 1)	Long	Beneficial owner	47,823,297	9.86%
South America Petroleum Investment Holdings Limited (Note 1)	Long	Interest of a controlled corporation	47,823,297	9.86%
Mr. Wu (Note 1)	Long	Interest of a controlled corporation	48,569,982	10.01%
Lofty Sky Limited (Note 3)	Long	Beneficial owner	31,578,947	6.5%
Jumbo Eagle Investments Limited (Note 4)	Long	Beneficial owner	31,250,000	6.44%

Notes:

- As at the Latest Practicable Date, so far as is known to the Directors, City Smart is a company beneficially wholly-owned by Mr. Wu and City Wise is wholly-owned by South America Petroleum Investment Holdings Limited. Both City Wise and South America Petroleum Investment Holdings Limited are beneficially wholly-owned by Mr. Wu.
- The number of Shares has taken into account the effect of the Capital Reorganisation.
- Lofty Sky Limited is the holder of the Convertible Notes, which is convertible into 31,578,947 Shares at the prevailing conversion price of HK\$1.9.
- Jumbo Eagle Investments Limited holds outstanding warrants entitling it to subscribe for 31,250,000 Shares.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company or other member of the Group as at the Latest Practicable Date.

6. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who have given opinions, letters or advice which are contained or referred to in this Offering Circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

- (b) PricewaterhouseCoopers has given, and has not withdrawn, its written consent to the issue of this Offering Circular with the inclusion of the references to its name and/or its report in the form and context in which they are included.
- (c) As at the Latest Practicable Date, PricewaterhouseCoopers had no shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (d) As at the Latest Practicable Date, PricewaterhouseCoopers had no interest, direct or indirect, in any asset which had been, since 31 December 2014, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, there were no litigation or claims of material importance pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) were entered into by the members of the Group within the two years preceding the date of this Offering Circular which are or may be material:

- (1) a placing agreement dated 22 July 2013 entered into between the Company and Convoy Investment Services Limited in relation to the placing of 650,000,000 new shares of the Company;
- (2) a placing agreement dated 11 March 2014 entered into between the Company and Convoy Investment Services Limited in relation to the placing of 1,100,000,000 new shares of the Company and (if applicable) up to 100,000,000 new shares of the Company under the over-allotment option;

- (3) a supplemental agreement dated 17 March 2014 entered into between the Company and Convoy Investment Services Limited in relation to the placing agreement on placing of new shares of the Company dated 11 March 2014;
- (4) a deed of amendment dated 8 January 2015 executed by the Company in relation to the instrument of the Company dated 11 April 2013 relating to the creation and issue of the Convertible Notes;
- (5) the Underwriting Agreement; and
- (6) a supplemental agreement dated 17 April 2015 entered into among the Company, Guotai Junan and Ever-Long in relation to the Underwriting Agreement.

9. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE OPEN OFFER

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
Underwriters:	Guotai Junan Securities (Hong Kong) Limited 27/F, Low Block, Grand Millennium Plaza 181 Queen's Road Central Hong Kong Ever-Long Securities Company Limited 18/F, Dah Sing Life Building 99–105 Des Voeux Road Central Hong Kong
Financial Adviser to the Company:	Guotai Junan Capital Limited 27/F, Low Block, Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Legal advisers to the Company:	<i>As to Bermudan law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong

As to Hong Kong law:

Reed Smith Richards Butler
20th Floor, Alexandra House
16–20 Chater Road
Hong Kong

Reporting accountant and auditor:

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central
Hong Kong

Principal bankers:

The Hongkong and Shanghai Banking
Corporation Limited
1/F, Causeway Bay Plaza II
463–483 Lockhart Road
Causeway Bay
Hong Kong

Principal share registrar:

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

Hong Kong branch share registrar:

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Authorised representatives:

Mr. Ho King Fung, Eric
Room 1108-09, 11/F
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Mr. Tse Kwok Fai, Sammy
Room 1108-09, 11/F
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Company secretary:

Mr. Tsang Wing Hung
(A member of The Institute of Chartered
Accountants in England and Wales and The Hong
Kong Institute of Certified Public Accountants)

10. EXPENSES

The expenses in connection with the Open Offer, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$2.2 million on the basis of 242,617,879 Offer Shares being issued, which are payable by the Company.

11. MISCELLANEOUS

The English text of this Offering Circular shall prevail over their Chinese texts in case of inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong, at Room 1108–09, 11/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, up to 10 June 2015:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) annual report of the Company for each of the years ended 31 December 2012, 2013 and 2014;
- (c) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix III to this Offering Circular;
- (d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Group, the text of which is set out in this Appendix II to this Offering Circular;
- (e) the written consent from PricewaterhouseCoopers referred to in the section headed “Expert and consent” of this Appendix III to this Offering Circular; and
- (f) this Offering Circular.