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EPI (Holdings) Limited
長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 689)

(I) RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE AT HK$0.14 PER RIGHTS SHARE; AND (II) CHANGE IN BOARD LOT SIZE

Underwriters of the Rights Issue

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Securities (Hong Kong) Limited **Always Profit Development Limited**

RIGHTS ISSUE

The Company proposes to raise gross proceeds of not less than approximately HK$509.5 million and not more than approximately HK$576.7 million by way of the Rights Issue. The Company will allot and issue not less than 3,639,268,185 and not more than 4,119,609,640 Rights Shares at the Subscription Price of HK$0.14 per Rights Share on the basis of five Rights Shares for every one existing Share held on the Record Date.

* *for identification purposes only*

As at the date of this announcement, (i) Mr. Wu is interested in 72,854,972 Shares (representing approximately 10.01% of the existing issued share capital of the Company), of which 71,734,945 Shares are held by City Wise and 1,120,027 Shares are held by City Smart (both companies are wholly owned by Mr. Wu); and (ii) Prestige Rich (a company wholly owned by Mr. Zhang) is interested in 17,943,000 Shares (representing approximately 2.47% of the existing issued share capital of the Company). Mr. Wu, City Smart, City Wise, Mr. Zhang and Prestige Rich have executed the Irrevocable Undertakings in favour of the Company and the Underwriters, pursuant to which, among other things, (i) each of City Smart, City Wise and Prestige Rich has irrevocably undertaken that the Shares beneficially owned by them on the date of the Irrevocable Undertakings will remain beneficially owned by them on the Record Date and each of them has irrevocably undertaken to lodge application and pay for their respective provisional allotments of the Rights Shares under the Rights Issue (being an aggregate of 453,989,860 Rights Shares); (ii) each of City Smart and City Wise has irrevocably undertaken to vote in favour of the resolution in relation to the Rights Issue at the SGM; and (iii) each of Mr. Wu and Mr. Zhang has irrevocably undertaken to procure the performance of the obligations of City Smart, City Wise and Prestige Rich as mentioned above respectively.

Pursuant to the Underwriting Agreement, the Underwriters have undertaken to the Company, subject to the Rights Issue not being terminated, to fully underwrite the Underwritten Shares (other than the Rights Shares undertaken to be taken up by City Smart, City Wise and Prestige Rich pursuant to the Irrevocable Undertakings).

The estimated net proceeds from the Rights Issue will be not less than approximately HK$503.7 million and not more than approximately HK$570.2 million. The net price per Rights Share after deducting the related expenses of the Rights Issue will be approximately HK$0.138. The Company intends to apply such net proceeds as to (i) approximately HK$317.0 million for the Proposed Acquisition including the professional fees and transaction costs attributable thereto; (ii) approximately HK$134.4 million for the repayment of the principal amount of the Company's debts due within the next 24 months (together with interests accrued thereon) by June 2016; and (iii) approximately HK$52.3 million to HK$118.8 million (depending on the amount of net proceeds raised from the Rights Issue) for the general working capital of the Group.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot of 5,000 Shares. Based on the closing price of HK$0.405 per Share (equivalent to a theoretical ex-rights price of approximately HK$0.184 per Share) on the Last Trading Day, the value of each board lot of 5,000 Shares is expected to be approximately HK$920 upon Completion.

In order to increase the value of each board lot of the Shares to not less than HK$2,000 and to reduce the transaction and handling costs to be incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size of the Shares for trading on the Stock Exchange from 5,000 Shares to 15,000 Shares with effect from the date of allotment and issue of the Rights Shares. The Board is of the opinion that the change in board lot size of the Shares is in the interests of the Company and the Shareholders as a whole. The share certificates for the existing board lot of the Shares will remain good evidence of legal title and continue to be valid for delivery, trading and settlement purposes after the change in board lot size of the Shares.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on, among other things, the approval by the Independent Shareholders at the SGM where any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue. Since the Company does not have any controlling Shareholders, Mr. Tse (an executive Director and the chief executive officer of the Company) and his associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM. In addition, Always Profit, which is wholly owned by Mr. Zhang, is one of the Underwriters and has material interest in the Underwriting Agreement. Accordingly, Always Profit and its associates (including Mr. Zhang and Prestige Rich) shall abstain from voting on the resolution(s) in relation to the Rights Issue at the SGM. As at the date of this announcement, (i) Mr. Tse is interested in 330,000 Shares (representing approximately 0.04% of the existing issued share capital of the Company); and (ii) Mr. Zhang, through Prestige Rich, is interested in 17,943,000 Shares (representing approximately 2.47% of the existing issued share capital of the Company). Always Profit does not have any shareholding interest in the Company as at the date of this announcement.

GENERAL

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng, has been established to make recommendations to the Independent Shareholders in respect of the Rights Issue. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held to consider and, if appropriate, approve the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before Wednesday, 2 December 2015.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Overseas Shareholders for information purposes only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, among other things, the obligations of the Underwriters under the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealings in the securities of the Company.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 22 December 2015 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealings in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Wednesday, 20 January 2016), and any dealings in the Rights Issue in their nil-paid form from Tuesday, 5 January 2016 to Tuesday, 12 January 2016 (both days inclusive), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating dealings in the securities of the Company are recommended to consult their own professional advisers.

According to the expected timetable, the last day of dealings in the Shares on a cum-rights basis is Monday, 21 December 2015 and the Shares will be dealt in on an ex-rights basis from Tuesday, 22 December 2015. The Rights Shares are expected to be dealt in the nil-paid form from 9:00 a.m. on Tuesday, 5 January 2016 to 4:00 p.m. on Tuesday, 12 January 2016 (both dates inclusive). In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Wednesday, 23 December 2015. The Latest Time For Acceptance is expected to be 4:00 p.m. on Friday, 15 January 2016.

RIGHTS ISSUE

The Company proposes to raise gross proceeds of not less than approximately HK$509.5 million and not more than approximately HK$576.7 million by way of the Rights Issue. The Company will allot and issue not less than 3,639,268,185 and not more than 4,119,609,640 Rights Shares at the Subscription Price of HK$0.14 per Rights Share on the basis of five Rights Shares for every one existing Share held on the Record Date. The estimated net proceeds from the Rights Issue will be not less than approximately HK$503.7 million and not more than approximately HK$570.2 million. The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) will be fully underwritten by the Underwriters on the terms and subject to the conditions set out in the Underwriting Agreement. For further details, please refer to the section headed "Underwriting arrangement and undertakings" below.

Rights Issue statistics

Basis of the Rights Issue	:	five (5) Rights Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK$0.14 per Rights Share
Number of Shares in issue as at the date of this announcement	:	727,853,637
Number of Rights Shares	:	not less than 3,639,268,185 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date) and not more than 4,119,609,640 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	not less than HK$36,392,681.85 and not more than HK$41,196,096.40
Enlarged issued share capital of the Company upon Completion	:	Not less than 4,367,121,822 Shares and not more than 4,943,531,568 Shares

Number of Underwritten Shares	:	Not less than 3,185,278,325 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date) and not more than 3,665,619,780 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date), being the total number of Rights Shares less a total of 453,989,860 Rights Shares undertaken to be taken up by City Smart, City Wise and Prestige Rich (a company wholly owned by Mr. Zhang) pursuant to the Irrevocable Undertakings
Underwriters	:	(i) Guotai Junan; and (ii) Always Profit, a company wholly owned by Mr. Zhang

As at the date of this announcement:

(i) there are outstanding Share Options which entitle the holders thereof to subscribe for a total of 141,337,559 new Shares, details of which are set out below:

Date of grant	**Exercise price** *(HK$)*	**Number of underlying Shares**
11 April 2013	2.1722	15,025,920
3 July 2013	2.1722	10,330,320
16 September 2013	1.7548	34,630,049
25 November 2013	1.8656	17,960,670
4 June 2014	1.6100	8,217,300
17 July 2014	1.7037	55,173,300
Total		**141,337,559**

(ii) there are outstanding Warrants which entitle the holders thereof to subscribe for a total of 73,529,411 new Shares at the prevailing subscription price of HK$1.70 per Share (subject to adjustments) during the period from 1 March 2013 to 29 February 2016.

According to the terms of the Underwriting Agreement, the obligations of the Underwriters under the Underwriting Agreement are conditional on, among other things, the Share Options Cancellation to an extent that the aggregate Share Options remaining outstanding shall entitle the holder(s) thereof to subscribe for not more than 22,538,880 Shares immediately after the Share Options Cancellation. Please refer to the section headed "Share Options Cancellation" below for further details. As such, the maximum number of Rights Shares to be allotted and issued pursuant to the Rights Issue shall be subject to the Share Options Cancellation.

Save as disclosed above, the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares as at the date of this announcement.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the minimum number of 3,639,268,185 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent:

(i) 500.00% of the issued share capital of the Company as at the date of this announcement; and

(ii) approximately 83.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date, the maximum number of 4,119,609,640 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent:

(i) approximately 565.99% of the issued share capital of the Company as at the date of this announcement; and

(ii) approximately 83.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Despite the potential dilution effects of the Rights Issue on the shareholding interests of the Shareholders in the Company, the Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole after taking into account that:

(i) the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue and the Underwriting Agreement through their votes at the SGM;

(ii) whilst the dilution nature of Rights Issue is common in the market if the Qualifying Shareholders did not take up their entitlements under the Rights Issue in full, the Qualifying Shareholders who choose to take up their entitlements in the Rights Issue in full are able to maintain their respective existing shareholding interests in the Company after the Rights Issue;

(iii) the Rights Issue provides the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical and prevailing market prices of the Shares as discussed in more detail below; and

(iv) the Qualifying Shareholders who do not wish to take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to acquire additional nil-paid Rights Shares in the market.

The Subscription Price

The Subscription Price of HK$0.14 per Rights Share will be payable in full by a Qualifying Shareholder upon acceptance of the provisional allotments of the Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares. The Subscription Price represents:

(i) a discount of approximately 65.43% to the closing price of HK$0.405 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 65.60% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day of HK$0.407 per Share;

(iii) a discount of approximately 65.26% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK$0.403 per Share;

(iv) a discount of approximately 23.91% to the theoretical ex-rights price of approximately HK$0.184 per Share based on the closing price of HK$0.405 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(v) a discount of approximately 25.53% to the consolidated net asset value per Share as at 30 June 2015 of approximately HK$0.188 (which is calculated based on the unaudited consolidated net asset value of the Group as at 30 June 2015 of approximately HK$136,660,000 and 727,853,637 Shares in issue as at the date of this announcement).

The Company has approached the Underwriters and a number of financial institutions for the underwriting arrangement of the Rights Issue. During the course of negotiations, it has been indicated to the Company that it is one of the requisite terms to set the Subscription Price at a relatively deep discount to the recent closing prices of the Shares in order to mitigate the underwriting risk to the potential underwriters. The terms of the Rights Issue, including the Subscription Price, were determined after arm's length negotiations between the Company and the Underwriters, taking into account the following factors: (i) as at 30 June 2015, the unaudited net assets of the Group amounted to approximately HK$136.7 million, equivalent to approximately HK$0.188 per Share based on 727,853,637 Shares in issue as at the date of this announcement; (ii) the prevailing sentiment in the Hong Kong stock market; (iii) the net loss of the Group for the five consecutive financial years since 2010; (iv) the net cash used in operating activities of the Group for the four consecutive financial years since 2011; (v) the Group's reliance on single geographical market, namely Argentina, and the risk exposure relating to its uncertain political and economic situation; and (vi) the capital needs and the financial position of the Group.

Having considered the recent volatility in the Hong Kong stock market and the possible devaluation trend of Asian currencies in the future, the Directors believe that it would be difficult to attract the Qualifying Shareholders to make further investment in the Company through the Rights Issue if the Subscription Price is not set at a discount to the recent closing prices of the Shares. As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors (excluding the independent non-executive Directors who will form their views after considering the advice of Gram Capital) consider that the Subscription Price which is set at a discount to the recent closing prices of the Shares would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group.

Based on the above, the Directors (excluding the independent non-executive Directors who will form their views after considering the advice of Gram Capital) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional on the obligations of the Underwriters under the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement. Please refer to the paragraph headed "Conditions" under the section headed "Underwriting arrangement and undertakings" below for details of the conditions of the Underwriting Agreement.

Basis of provisional allotments

The basis of the provisional allotments shall be five Rights Shares for every one existing Share held by the Qualifying Shareholders at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

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

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information purposes only, to the Non-qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Wednesday, 23 December 2015.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue to be despatched to the Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-qualifying Shareholders for their information purposes only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day of dealings in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, will be paid pro rata to the Non-qualifying Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK$100 or less for its own benefit. Any unsold entitlements of the Non-qualifying Shareholders in the Rights Issue will be taken up by the Underwriters pursuant to the terms of the Underwriting Agreement. For the avoidance of doubt, the Non-qualifying Shareholders (if any) will be entitled to vote on the resolution in relation to the Rights Issue at the SGM.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealings in the securities of the Company.

Closure of register of members

The Company's register of members will be closed from Thursday, 24 December 2015 to Wednesday, 30 December 2015, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

No application for excess Rights Shares

No application for excess Rights Shares will be offered to Qualifying Shareholders. Any Untaken Shares will be taken up by the Underwriters pursuant to the terms of the Underwriting Agreement.

The Board considers that since each Qualifying Shareholder will be given equal and fair opportunity to maintain their pro rata shareholding interests in the Company through the Rights Issue, the additional work which may be required to prepare for and administer the excess application arrangement (such as printing excess application forms and incurring professional fees to process and handle the excess applications) may not be justified. The excess application mechanism may be abused by the Qualifying Shareholders by splitting their shareholdings into odd lots to enable them to submit multiple top-up applications and be possibly allocated more excess Rights Shares, which is not considered to be fair and equitable. In addition, the excess application mechanism may result in an unexpected introduction of a new substantial shareholder or controlling shareholder to the Company which may cast uncertainties on the Company's future direction and may not be in the interests of the Company and the Shareholders as a whole.

In light of the above and that the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue (including no application for excess Rights Shares) through their votes at the SGM, the Board believes that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

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

Share certificates for the Rights Shares and refund cheques

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Wednesday, 27 January 2016 to those entitled thereto by ordinary post at their own risks. If the Rights Issue is terminated, refund cheques are expected to be posted on or before Wednesday, 27 January 2016 by ordinary post to the applicants at their own risk.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) 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.

Dealings in the Rights Shares in their fully-paid form in new board lot size of 15,000 Shares and the Rights Shares in their nil-paid form in the existing board lot size of 5,000 Shares, which are registered in the Registrar, will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) 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 Rights Shares (in both their nil-paid and fully-paid forms) 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 settlement 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 Rights Shares (in both their nil-paid and fully-paid forms) to be admitted into CCASS.

UNDERWRITING ARRANGEMENT AND UNDERTAKINGS

The Rights Issue (excluding the Rights Shares which are subject to the Irrevocable Undertakings) will be fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement as set out below.

Principal terms of the Underwriting Agreement

Date	:	12 November 2015
Parties	:	(i) The Company; (ii) Guotai Junan; and (iii) Always Profit, a company wholly owned by Mr. Zhang. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guotai Junan, Always Profit and their respective ultimate beneficial owner(s) are third party(ies) independent of the Company and its connected persons.
Total number of Rights Shares underwritten	:	Not less than 3,185,278,325 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date) and not more than 3,665,619,780 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date), being the total number of Rights Shares less a total of 453,989,860 Rights Shares undertaken to be taken up by City Smart, City Wise and Prestige Rich (a company wholly owned by Mr. Zhang) pursuant to the Irrevocable Undertakings.

Underwriting commitment	: (i) Firstly, as to 702,000,000 Rights Shares by Always Profit; and (ii) then, as to the total number of Underwritten Shares less 702,000,000 Rights Shares, i.e. not less than 2,483,278,325 and not more than 2,963,619,780 Rights Shares, by Guotai Junan.
Commission	: 1.0% of the aggregate Subscription Price in respect of the Rights Shares agreed to be underwritten by the Underwriters. The commission rate was determined after arm's length negotiations between the Company and the Underwriters with reference to, among other things, the scale of the Rights Issue and market rate. 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 paragraph headed "Conditions" below.
Latest Time For Termination	: 4:00 p.m. on the Settlement Date, i.e. the third Business Day following (but 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	: 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 Rights Issue 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 Rights Issue; 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 Shares 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 or 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 the Prospectus 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 Prospectus 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 Rights Issue; or (ii) makes it inadvisable or inexpedient to proceed with the Rights Issue, the Underwriters shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Information on Always Profit and Mr. Zhang

Based on the information provided by Always Profit and Mr. Zhang and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Always Profit is a company incorporated in the BVI with limited liability; (ii) Always Profit is principally engaged in investment holding and its ordinary course of business does not include underwriting; (iii) as at the date of this announcement, Always Profit is wholly owned by Mr. Zhang and does not hold any Shares; and (iv) Mr. Zhang is a third party independent of and has no prior or current business dealings or relationships with Zhongli (being the vendor under the Proposed Acquisition).

Mr. Zhang is the ultimate beneficial owner of Prestige Rich, which holds 17,943,000 Shares, representing approximately 2.47% of the issued share capital of the Company as at the date of this announcement. Mr. Zhang is also interested in approximately 27% of the issued share capital of O Luxe, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 860). As at the date of this announcement, O Luxe is interested in 9,275,000 Shares through its wholly-owned subsidiaries, representing approximately 1.27% of the existing issued share capital of the Company.

The management of the Company is acquainted with a number of existing Shareholders and potential investors including Mr. Zhang which had indicated general willingness to invest in the Company from time to time. The management of the Company started to approach potential investors including Mr. Zhang after the Company entered into the non-legally binding memorandum of understanding with Zhongli with respect to the Proposed Acquisition with a view to soliciting support for possible fund raising activities of the Company to finance the Proposed Acquisition. At the same time, the Directors also considered to raise funds by way of the Rights Issue and approached potential underwriters including Guotai Junan, which also acted as the underwriter for the Previous Open Offer, to negotiate on the terms of the possible fund raising. While Guotai Junan indicated that they were only willing to take up a maximum underwriting commitment of not more than HK$400 million, the management of the Company approached Mr. Zhang to see if he was willing to act as the co-underwriters alongside with Guotai Junan. After further negotiations among the Company, Guotai Junan and Mr. Zhang, it was agreed that Guotai Junan and Always Profit shall act as co-underwriters for the Rights Issue with respective underwriting commitments as set out in the paragraph headed "Principal terms of the Underwriting Agreement" above.

Irrevocable Undertakings

As at the date of this announcement, (i) Mr. Wu is interested in 72,854,972 Shares (representing approximately 10.01% of the existing issued share capital of the Company), of which 71,734,945 Shares are held by City Wise and 1,120,027 Shares are held by City Smart (both companies are wholly owned by Mr. Wu); and (ii) Prestige Rich is interested in 17,943,000 Shares (representing approximately 2.47% of the existing issued share capital of the Company). Mr. Wu, City Smart, City Wise, Mr. Zhang and Prestige Rich have executed the Irrevocable Undertakings in favour of the Company and the Underwriters, pursuant to which, among other things, (i) each of City Smart, City Wise and Prestige Rich has irrevocably undertaken that the Shares beneficially owned by them on the date of the Irrevocable Undertakings will remain beneficially owned by them on the Record Date and each of them has irrevocably undertaken to lodge application and pay for their respective provisional allotments of the Rights Shares under the Rights Issue (being an aggregate of 453,989,860 Rights Shares); (ii) each of City Smart and City Wise has irrevocably undertaken to vote in favour of the resolution in relation to the Rights Issue at the SGM; and (iii) each of Mr. Wu and Mr. Zhang has irrevocably undertaken to procure the performance of the obligations of City Smart, City Wise and Prestige Rich as mentioned above respectively.

Conditions

The obligations of the Underwriters under the Underwriting Agreement are conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

(i) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;

(ii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) by no later than the first day of their dealings;

(iii) compliance by the Company with its obligations under the Underwriting Agreement;

(iv) (a) the Shares remaining listed on the Stock Exchange at all times prior to 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 Prospectus Documents); and (b) no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (whether or not conditions will or may be attached thereto) (other than pending publications of announcements in respect of the Rights Issue);

(v) the execution and delivery of the Irrevocable Undertakings in favour of the Company and the Underwriters on the date of the Underwriting Agreement;

(vi) the Share Options Cancellation having become effective;

(vii) the Shareholders (other than those who are required to abstain from voting pursuant to the Listing Rules) having approved at a general meeting the Rights Issue; and

(viii) 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 the 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 10% of the issued share capital of the Company as at the date of that general meeting (subject to adjustments on share consolidation or subdivision).

In the event that the above conditions are not fulfilled or (in respect of condition (iv) 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, 20 January 2016 or such other date as may be agreed between the Company and the Underwriters in writing), or if the Underwriting Agreement is terminated, all obligations and liabilities of the parties thereunder shall forthwith cease and determine and no party shall have any claim against the other parties (save for any antecedent breaches and claims hereof).

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

	2015
Expected despatch date of the circular, proxy form and notice of the SGM	Wednesday, 2 December
Latest time for lodging proxy forms for the SGM	10:00 a.m. on Wednesday, 16 December
Expected time and date of the SGM	10:00 a.m. on Friday, 18 December
Announcement of poll results of the SGM	Friday, 18 December
Last day of dealings in the Shares on a cum-rights basis	Monday, 21 December
First day of dealings in the Shares on an ex-rights basis	Tuesday, 22 December
Latest time for the Shareholders to lodge transfer of the Shares in order to qualify for the Rights Issue	4:30 p.m. on Wednesday, 23 December
Closure of register	From Thursday, 24 December to Wednesday, 30 December
Record Date	Wednesday, 30 December
Register of members of the Company re-opens	Thursday, 31 December
Despatch of Prospectus Documents (in the case of the Non-qualifying Shareholders, the Prospectus only)	Thursday, 31 December

	2016
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 5 January
Latest time for splitting of PAL	4:30 p.m. on Thursday, 7 January
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Tuesday, 12 January
Latest Time For Acceptance	4:00 p.m. on Friday, 15 January
Latest Time For Termination and the Rights Issue becomes unconditional	4:00 p.m. on Wednesday, 20 January
Announcement of the results of the Rights Issue	Tuesday, 26 January
Despatch of certificates for the Rights Shares	Wednesday, 27 January
Despatch of refund cheques if the Rights Issue is terminated	Wednesday, 27 January
Expected first day of dealings in the fully-paid Rights Shares and the effective date for trading in new board lot size of 15,000 Shares	9:00 a.m. on Thursday, 28 January
Designated broker starts to stand in the market to provide matching service for odd lots of Shares	9:00 a.m. on Thursday, 28 January
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Tuesday, 23 February

The expected timetable as set out above is subject to change, and any changes will be announced by the Company in separate announcement(s) as and when appropriate.

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

All times in this announcement 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 Friday, 15 January 2016, 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.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Scenario 1 — assuming there is no change in the issued share capital of the Company since the date of this announcement up to the Record Date:

	(i) As at the date of this announcement		**(ii) Immediately after Completion, assuming all the Rights Shares are subscribed by the Qualifying Shareholders**		**(iii) Immediately after Completion, assuming no Qualifying Shareholders (other than City Smart, City Wise and Prestige Rich) applied for their provisional allotments**	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
City Wise *(Note 1)*	71,734,945	9.86	430,409,670	9.86	430,409,670	9.86
City Smart *(Note 2)*	1,120,027	0.15	6,720,162	0.15	6,720,162	0.15
Subtotal	72,854,972	10.01	437,129,832	10.01	437,129,832	10.01
Mr. Tse *(Note 3)*	330,000	0.04	1,980,000	0.04	330,000	0.01
Prestige Rich *(Note 5)*	17,943,000	2.47	107,658,000	2.47	107,658,000	2.47
Always Profit *(Notes 5, 7 and 8)*	—	—	—	—	702,000,000	16.07
Subtotal	91,127,972	12.52	546,767,832	12.52	1,247,117,832	28.56
O Luxe *(Note 6)*	9,275,000	1.27	55,650,000	1.27	9,275,000	0.21
Guotai Junan *(Notes 7 and 8)*	—	—	—	—	2,483,278,325	56.86
Other public Shareholders	627,450,665	86.21	3,764,703,990	86.21	627,450,665	14.37
Total	**727,853,637**	**100.00**	**4,367,121,822**	**100.00**	**4,367,121,822**	**100.00**

Scenario 2 — assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date:

	(i) As at the date of this announcement		**(ii) Immediately after full exercise of all outstanding Share Options and Warrants but before the Record Date** *(Note 4)*		**(iii) Immediately after Completion, assuming all the Rights Shares are subscribed by the Qualifying Shareholders**		**(iv) Immediately after Completion, assuming no Qualifying Shareholders (other than City Smart, City Wise and Prestige Rich) applied for their provisional allotments**	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
City Wise *(Note 1)*	71,734,945	9.86	71,734,945	8.71	430,409,670	8.71	430,409,670	8.71
City Smart *(Note 2)*	1,120,027	0.15	1,120,027	0.13	6,720,162	0.13	6,720,162	0.13
Subtotal	72,854,972	10.01	72,854,972	8.84	437,129,832	8.84	437,129,832	8.84
Mr. Tse *(Note 3)*	330,000	0.04	330,000	0.04	1,980,000	0.04	330,000	0.01
Prestige Rich *(Note 5)*	17,943,000	2.47	17,943,000	2.18	107,658,000	2.18	107,658,000	2.18
Always Profit *(Notes 5, 7 and 8)*	—	—	—	—	—	—	702,000,000	14.20
Subtotal	91,127,972	12.52	91,127,972	11.06	546,767,832	11.06	1,247,117,832	25.23
O Luxe *(Note 6)*	9,275,000	1.27	9,275,000	1.13	55,650,000	1.13	9,275,000	0.19
Guotai Junan *(Notes 7 and 8)*	—	—	—	—	—	—	2,963,619,780	59.95
Other public Shareholders	627,450,665	86.21	723,518,956	87.81	4,341,113,736	87.81	723,518,956	14.63
Total	**727,853,637**	**100.00**	**823,921,928**	**100.00**	**4,943,531,568**	**100.00**	**4,943,531,568**	**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. Mr. Tse is an executive Director and the chief executive officer of the Company.

4. As at the date of this announcement, there are outstanding Warrants which entitle the holders thereof to subscribe for a total of 73,529,411 new Shares at the prevailing subscription price of HK$1.70 per Share. Assuming the Share Options Cancellation has become effective, the maximum number of new Shares to be allotted and issued upon the exercise of all outstanding Share Options on or before the Record Date will be 22,538,880 Shares.

5. Prestige Rich and Always Profit are wholly owned by Mr. Zhang.

6. Mr. Zhang is interested in approximately 27% of the issued share capital of O Luxe.

7. Pursuant to the Underwriting Agreement:

   (i) none of the Underwriters shall 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 Completion;

   (ii) each of the Underwriters will use its best endeavours to ensure that each of the sub-underwriters and subscribers procured by it or the sub-underwriters (a) shall be third party independent of, not acting in concert with and not connected with the directors or chief executive of the Company or substantial Shareholders or their respective associates; (b) shall not, together with any of its associates, hold 10% or more of the Shares upon Completion; and (c) shall not, together with party(ies) acting in concert 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; and

   (iii) each of the Underwriters shall use its best endeavours to ensure each of the sub-underwriters shall 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.

8. As at the date of this announcement, none of the Underwriters has any sub-underwriting arrangements in place and no sub-underwriters have been identified by the Underwriters.

BUSINESS PLAN OF THE GROUP AND REASONS FOR THE RIGHTS ISSUE

The Company is an investment holding company. The Group is principally engaged in petroleum exploration and production in the Puesto Pozo Cercado Concession and Chanares Herrados Concession (together, the "**Concessions**") in Cuyana Basin, Mendoza Province of Argentina.

Petroleum exploration and production

As at the date of this announcement, there are 10 production wells at the Concessions. The Group is entitled to 72% interest in production of 5 production wells and 51% interest in production from the remaining 5 production wells. For each of the two years ended 31 December 2013 and 2014, the Group recorded revenue from sale of petroleum of approximately HK$89.9 million and HK$85.7 million respectively. Despite the petroleum exploration and production business of the Group was able to generate positive segment results (excluding impairment losses) of approximately HK$4.4 million and HK$17.3 million for each of the two years ended 31 December 2013 and 2014 respectively, the Group was loss making due to the significant amount of impairment losses of the exploration and evaluation assets and finance expenses incurred by the Group. Having considered the current economic situation of Argentina, the Group decided to restart the overall business development plan in respect of the Concessions in later years and focus on workover and infrastructure investments to improve production on the existing oil wells. At the same time, the Group has been searching for opportunities in businesses including oil and gas exploration and production, energy related projects and other businesses which would generate satisfactory return to the Group and diversify the Group's risk exposure in Argentina. To this end, the Group entered into a letter of intent in January 2014 with respect to a proposed acquisition of certain oil and gas properties in the United States of America (the "**Possible Oil Properties Acquisition**"). However, as disclosed in the announcement of the Company dated 8 January 2015, the significant decreases in oil price and the lack of visibility on near to medium term prospects of a sustained rebound in oil prices presented challenges for the Company to pursue the basic purchase price range which was set out in the letter of intent in relation to the Possible Oil Properties Acquisition. As at the date of the announcement, negotiation on the Possible Oil Properties Acquisition has been suspended.

Solar power plant investments

In order to diversify the risks encountered by the Group's petroleum exploration and production business in Argentina, the Company has been actively conducting review of the market situation and potential investments made available to it in order to identify investment opportunities in other energy related sectors that may create shareholders value.

Favorable national policies with respect to the development of renewable energy sectors

Among the various energy sources, solar energy is a clean and renewable energy which does not generate pollutants, wastes and greenhouse gases. The Directors note that the PRC government has continued to promulgate favorable policies to support the development of solar power generation business in the PRC over the years.

In December 2011, the National Energy Administration ("**NEA**") issued 《國家能源科技"十二五"規劃》 (the National Energy Technology Twelfth Five Year Plan*) (the "**NET 12th Five-Year Plan**") which cited that the proportion of solar energy consumption volume to the total energy consumption volume in the world is expected to increase in the future. The NET 12th Five-Year Plan stated that one of the national directions for energy technology development is to reduce reliance on coal energy and shift to use clean, diversified and low-carbon energy. Despite the looming economic pressure in the first half of 2015, NEA considered that the growth of solar power industry in the PRC remained robust. The NEA further published《關於下達2015年光伏發電建設實施方案的通知》 (Notice About The Implementation of Photovoltaic Power Generation Construction Plan for 2015*) in March 2015. Such notice (i) set out the national target for construction of solar power plants in 2015 including target construction scale for respective provinces in the PRC; (ii) offered priority to certain well-established solar power plants for connecting to the grid; and (iii) encouraged competition in the solar power generation industry by encouraging companies with strong technological support and economic strength to participate in constructing solar power plants so as to reduce the construction costs of solar power plants and subsequently the grid power price.

Currently, the PRC government strives to accelerate the development and production of renewable energy during the NET 12th Five-Year Plan period. To this end, the PRC government focuses on the development of many renewable energy generation projects, including solar power generation, wind power generation and the PV water heating generation.

* *For identification purposes only*

The Proposed Acquisition

In light of the policies promulgated by the PRC government to support the development of solar power, the Directors consider the prospects of solar power generation industry in the PRC is promising and believe that the investment in the solar power generation business is beneficial to the Group in the long run. The Directors believe that the sooner the Group taps into the solar power industry through its investments in solar power plants, the earlier such investments will bring contribution to the Group and benefit the Shareholders and the Group as a whole. The Company intends to diversify into the solar power generation business in the PRC by acquiring solar power plants which meet the following criteria (the "**Criteria**"):

(i) all of the licences, approvals, consents and agreements necessary for the solar power plant to carry out the solar power generation business and supply electricity to the grid having been obtained, including but not limited to the approval for on-grid connection and agreement for power supply;

(ii) the solar power plants being qualified for subsidies granted by the local government for supplying solar power;

(iii) the planned total installed capacity of each solar power plant being no less than 10MW;

(iv) the average internal rate of return of the solar power plant being no less than 8.5% per annum over 15 to 20 years since commencement of operation; and

(v) the projected payback period of the solar power plant being no longer than 10 years.

Based on the Company's understanding, after the construction work of the solar power plants are completed and the solar power plants are connected to the grid, they will operate automatically to generate and supply electricity to the grid. It is expected that the operation of the solar power plants will only involve a few staff, including (i) a small team which comprises three to four technicians and one management staff to monitor the operation thereof through computerised systems and perform ad-hoc maintenance works, and (ii) a few administrative staff to perform general administrative and accounting work. Accordingly, the operating expenses of the solar power plant which usually include staff salaries and benefits, office expenses, maintenance costs and tax expenses, are expected to be funded by internally generated cash derived from solar power plant operation. Substantial capital injection is not expected to be required after the solar power plant commences operation. In light of this, the Group intends to acquire solar power plants of which construction work has been completed and are in operation and permitted to connect and supply electricity to the grid, such that the solar power plants are able to generate immediate cash flow and require less administrative efforts to administer.

As disclosed in the announcement of the Company dated 2 September 2015, the Group entered into a non-legally binding memorandum of understanding with Zhongli (a subsidiary of one of the top twenty PV power plant investment companies in the PRC) with respect to a proposed acquisition of a target company which will hold the entire interests in certain solar power plants (the "**Proposed Acquisition**"). Such solar power plants are expected to have aggregate production capacity of 60MW and are located in Changshu and Liyang of Jiangsu Province and Mingchuan of Anhui Province in the PRC. The electricity generated by the solar power plants is expected to be supplied to the local state grid companies. Subject to the results of the due diligence review on the solar power plants and the negotiation between the Group and Zhongli, the Group is not obliged to acquire all solar power plants but may only acquire any part thereof, by requesting Zhongli to transfer only some of the prospective solar power plants to the said target company. At the initial stage, the Company intends to acquire solar power plants with aggregate production capacity of not less than 30MW and the acquisition is targeted to be completed in the first half of 2016.

Consideration

Based on the Company's understanding, the consideration for acquisition of solar power plant is generally determined based on the production capacity of the solar power plant to be acquired, and the price of solar power plant per unit of production capacity currently ranges from approximately RMB7.60 per Watt to RMB9.28 per Watt in the solar power industry in Jiangsu Province and Anhui Province of the PRC. At present, the Group has not entered into any legally binding agreements with Zhongli for the Proposed Acquisition. The Group is in the process of performing due diligence review on the solar power plants and evaluating the suitability of such solar power plants for acquisition. The Company will determine whether or not to proceed with the Proposed Acquisition by considering, among other things, the results of the due diligence review, the suitability of such solar power plants in accordance with the stated Criteria, and the consideration and payment terms to be agreed between the Group and Zhongli. The Company will make further announcement(s) in relation to the Proposed Acquisition as and when appropriate.

The consideration for the Proposed Acquisition is estimated to be approximately RMB253.2 million (equivalent to approximately HK$309.0 million) based on the price of solar power plant per unit of production capacity of RMB8.44 per Watt and the professional fees and transaction costs attributable thereto is estimated to be approximately HK$8.0 million. The Company intends to fund the Proposed Acquisition including the professional fees and transaction costs attributable thereto with the net proceeds from the Rights Issue. In the event that the Group pursues additional acquisition of solar power plants in future, the Company intends to finance such acquisition by debt financing and/or further equity financing, depending on the financing means then available to the Group.

In addition to the Proposed Acquisition, the Group is also actively exploring other opportunities to acquire suitable solar power plants. In the event that the Group decides not to proceed with the Proposed Acquisition and the Group is not able to identify other suitable solar power plants to acquire from Zhongli, the Group intends to source suitable solar power plants for acquisition from other potential sellers which are the top twenty PV power plant investment companies engaged in construction of power plants in the PRC. In such circumstances, the net proceeds from the Rights Issue initially allocated for the Proposed Acquisition will instead be applied to the acquisition of other suitable solar power plants. Having considered that there is abundant supply of solar power plants in the market, the Directors are confident that the Group will be able to identify suitable acquisition targets and venture into the solar power generation business.

Money Lending Business

The Company has incorporated a wholly-owned subsidiary on 30 July 2015, namely Have Result Finance Limited ("**HR Finance**"). HR Finance has lodged the application for money lenders license to the Commissioner of the Police and the Registrar of Money Lenders, pending the grant by the Licensing Court. It is expected that HR Finance will obtain the money lenders license by the end of 2015 or early 2016 and commence the money lending business, focusing on the provision of corporate loans, within three months after receiving the money lenders license, so as to allow sufficient time for HR Finance to establish loan approval policies including credit review and collateral pledging policies before it solicits any financing business. It will consider recruiting professionals with relevant experience to assist the Directors to manage this business. The initial plan is to build up a loan portfolio in the amount of HK$50 million to HK$100 million during the first year of operation, depending on the funding available to the Group. In future, the Company intends to finance the operation of HR Finance by debt financing and/or further equity financing, depending on the financing means then available to the Group.

USE OF PROCEEDS AND REASONS FOR THE RIGHTS ISSUE

As at the date of this announcement, the Group had a short-term loan from a licenced money lender in the principal amount of HK$20 million which will be due for repayment in February 2016 and bank borrowings from China Development Bank Corporation Hong Kong Branch in the principal amount of HK$163.8 million, of which HK$54.6 million will be due for repayment in November 2016, HK$54.6 million will be due for repayment in November 2017 and HK$54.6 million will be due for repayment in November 2018 according to the terms of the loan facility.

The gross proceeds from the Rights Issue will be not less than approximately HK$509.5 million and not more than HK$576.7 million before expenses. The estimated net proceeds from the Rights Issue will be not less than approximately HK$503.7 million and not more than approximately HK$570.2 million. The net price per Rights Share after deducting the related expenses of the Rights Issue will be approximately HK$0.138. The Company intends to apply such net proceeds as to (i) approximately HK$317.0 million for the Proposed Acquisition including the professional fees and transaction costs attributable thereto; (ii) approximately HK$134.4 million for the repayment of the principal amount of the Company's debts due within the next 24 months (together with interests accrued thereon) by June 2016; and (iii) approximately HK$52.3 million to HK$118.8 million (depending on the amount of net proceeds raised from the Rights Issue) for the general working capital of the Group.

As mentioned above, if the Group decides not to proceed with the Proposed Acquisition and the Group is not able to identify other suitable solar power plants to acquire from Zhongli, the Group intends to source suitable solar power plants for acquisition from other PV power plants investors in the market. Accordingly, the net proceeds from the Rights Issue of approximately HK$317 million which were initially allocated for the Proposed Acquisition (the "**Net Proceeds for Solar Plant Projects**") will instead be applied to the acquisition of suitable solar power plants from other PV power plant investors in the market. Should the Company fail to complete the Proposed Acquisition or other potential acquisition of solar power plants within the 12 months after Completion, the Company intends to reallocate the Net Proceeds for Solar Plant Projects as to (i) approximately HK$55.8 million to repay the Company's debt due in November 2018; and (ii) subject to the then market conditions, approximately HK$261.2 million for the drilling of new oil wells and/or investment in workover on existing oil wells to improve the production of oil in the Concessions.

The Board considers that the Rights Issue will enable the Group to strengthen the capital base of the Group, reduce its debt and enhance its financial position, and cater for the capital needs of the Proposed Acquisition. The Rights Issue will provide the Qualifying Shareholders opportunity to participate in the enlargement of the capital base of the Company and enable the Qualifying Shareholders 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 the Rights Issue 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 Rights Issue and the commission rate) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, bank borrowings, placing and open offer. The Board believes the Rights Issue represents a more cost effective means to raise the necessary funds for the capital requirements of the Group as compared to the other alternatives, having considered that (i) debt financing and bank borrowings will result in additional interest burden to and higher gearing ratio for the Group; (ii) placing of new Shares would not be available for all Qualifying Shareholders and would possibly dilute the shareholding interests of the existing Shareholders; and (iii) open offer would not provide an additional option to those Qualifying Shareholders who do not wish to take up their entitlements to sell their entitled nil-paid Rights Shares and those Qualifying Shareholders who wish to increase their shareholding interests in the Company to acquire additional nil-paid Rights Shares in the market. The Board believes that the Rights Issue enables the Shareholders to maintain their pro-rata shareholding interests in the Company and is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE IN THE PRECEDING 12-MONTH PERIOD

The table below sets out the fund raising exercise conducted by the Company in the past 12 months immediately before the date of this announcement:

Date of announcement	Date of completion of the fund raising activity	Fund raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
31 March 2015	17 June 2015	The Previous Open Offer	Approximately HK$119 million	(i) approximately HK$97 million for the repayment of the Company's debts; and	(i) approximately HK$97 million has been used for the repayment of the Company's debt; and
				(ii) remaining proceeds for the general working capital of the Group and/or future investment activities when such investment opportunities arise.	(ii) approximately HK$22.0 million has been used as general working capital of the Company.

Save as disclosed above, the Company has not conducted any other fund raising activities in the past 12 months immediately prior to the date of this announcement.

The table below sets forth the accumulative dilution effect of the Rights Issue and the Previous Open Offer:

Date of announcement	**Event**	**Dilution to the Share price** *(Note 1)*	**Maximum potential dilution to the shareholding interests of the Qualifying Shareholders who do/did not participate in the relevant Rights Issue** *(Note 2)*
31 March 2015	The Previous Open Offer (on the basis of one offer share for every two existing shares then held) completed by the Company in June 2015	15.1%	33.33%
12 November 2015	The Rights Issue (on the basis of five Rights Shares for every one existing Share held)	54.6%	83.33%
	Accumulative dilution effect on the Share price resulting from the Previous Open Offer and the Rights Issue	*61.5%*	*N/A*
	Accumulative dilution effect to those Shareholders who do/did not participate in both the Previous Open Offer and the Rights Issue	*N/A*	*88.89%*

Notes:

(1) The dilution effect on the Share price is calculated as the percentage decrease from the adjusted (if applicable) closing price of the Shares as quoted on the Stock Exchange on the date of the relevant underwriting agreement to the ex-entitlement price or ex-rights price of the Shares.

(2) The maximum potential dilution to the shareholding interests of the Shareholders in the Company is calculated by dividing the increase in number of Shares by the total number of Shares in issue immediately after the relevant fund raising exercises.

SHARE OPTIONS CANCELLATION

As at the date of this announcement, the Company has outstanding Share Options which entitle the holders thereof to subscribe for a total of 141,337,559 Shares, representing approximately 19.4% of the existing issued share capital of the Company. Such Share Options were granted to the Directors, certain employees and other participants pursuant to the Share Option Scheme. The details of such Share Options are set out below:

Date of grant	**Exercise price** *(HK$)*	**Number of underlying Shares**
11 April 2013	2.1722	15,025,920
3 July 2013	2.1722	10,330,320
16 September 2013	1.7548	34,630,049
25 November 2013	1.8656	17,960,670
4 June 2014	1.6100	8,217,300
17 July 2014	1.7037	55,173,300
Total		**141,337,559**

The Share Options Cancellation is proposed to be implemented for the following reasons:

(i) the total number of Shares which may be issued upon exercise of all Share Options is subject to the scheme mandate limit refreshed at the Company's special general meeting held on 13 May 2015, which is 24,747,023 Shares (the "**Scheme Mandate Limit**"), and that the total number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised must not exceed 30% of the issued share capital of the Company from time to time (the "**Option Limits**") as stipulated in the Listing Rules. Given the outstanding Share Options represent a considerably substantive size (representing approximately 19.4% of the issued share capital of the Company as at the date of this announcement), and a substantive part of the Scheme Mandate Limit has been utilised to satisfy the adjustment made to the Share Options as a result of the Previous Open Offer completed on 17 June 2015, leaving a buffer of only 3,809,464 Shares unused, any possible fund raising activities of the Company that may give rise to even a slight adjustment to the outstanding Share Options may cause the aforesaid Option Limits to be exceeded. These will greatly hinder the possible fund raising activities that the Company may carry out to grasp appropriate opportunities to diversity its business; and

(ii) while the exercise prices of the aforesaid outstanding Share Options ranged from HK$1.6100 to HK$2.1722, the closing prices of the Shares were generally lower than HK$1.00 since January 2015 and was decreasing from over HK$1.4 to approximately HK$0.40 in the past 12 months. As the exercise prices of the Share Options are far higher than the current market price of the Shares and such situation is unlikely to improve significantly in the foreseeable future under the current financial position of the Company, the Share Options may no longer serve the purposes of providing incentives or rewards to the selected Directors and employees for their contribution to the Group.

In view of the reasons above, the Board discussed and approved the Share Options Cancellation at a Board meeting on 18 September 2015. No consideration will be payable to the Optionholders for the Share Options Cancellation. The Share Options Cancellation is subject to the consent from the Optionholders.

In addition, having considered that the Rights Issue may cause the aforesaid Option Limits to be exceeded, the Share Options Cancellation is set as a pre-condition for Completion to ensure that the Option Limits will not be exceeded as a result of the Rights Issue and the relevant Listing Rules requirements in relation to the Option Limits will be fully complied with. As a pre-condition for Completion, the Rights Issue will only proceed if and only if the outstanding Share Options immediately after the Share Options Cancellation shall only entitle the Optionholders to subscribe for not more than 22,538,880 Shares.

Should the Share Options Cancellation fail to take effect, the Company would not be in a position to carry out the proposed Rights Issue since Completion will lead to adjustment to the outstanding Share Options that may exceed the Option Limits. Nevertheless, the Share Option Cancellation would proceed even if the Rights Issue is terminated or otherwise not proceed to Completion with a view to enhancing flexibility to the Company's future fund raising exercises.

The Company will approach the Optionholders and seek their consent to the Share Options Cancellation. Within two weeks after the date of this announcement, the Company will cancel the outstanding Share Options in respect of the consents which are received from the relevant Optionholders. The Company will publish an announcement in relation to the Share Options Cancellation when it becomes effective.

POSSIBLE ADJUSTMENTS RELATING TO SHARE OPTIONS AND WARRANTS

As a result of the Rights Issue, there may be certain adjustments to the exercise prices and/or number of Shares to be issued upon exercise of the Share Options which remain outstanding after the Share Options Cancellation and the subscription price of the Warrants pursuant to the relevant terms of the Share Option Scheme and the terms of the instrument constituting the Warrants respectively. Pursuant to the Share Option Scheme and the terms of the instrument constituting the Warrants, the final results of adjustments (if any) to the exercise prices and/or number of Shares to be issued upon exercise of the Share Options and the subscription price of the Warrants will become effective subject to certification by the auditors of the Company for the time being or, where applicable, an investment or merchant bank of repute. Further details of the adjustments (if any) to the exercise prices and/or number of Shares to be issued by the Company upon exercise of the Share Options and the subscription price of the Warrants will be announced by the Company as and when appropriate.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot of 5,000 Shares. Based on the closing price of HK$0.405 per Share (equivalent to a theoretical ex-rights price of approximately HK$0.184 per Share) on the Last Trading Day, the value of each board lot of 5,000 Shares is expected to be approximately HK$920 upon Completion.

In order to increase the value of each board lot of the Shares to not less than HK$2,000 and to reduce the transaction and handling costs to be incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size of the Shares for trading on the Stock Exchange from 5,000 Shares to 15,000 Shares with effect from the date of allotment and issue of the Rights Shares. The Board is of the opinion that the change in board lot size of the Shares is in the interests of the Company and the Shareholders as a whole. The share certificates for the existing board lot of the Shares will remain good evidence of legal title and continue to be valid for delivery, trading and settlement purposes after the change in board lot size of the Shares.

ODD LOT ARRANGEMENT

To alleviate the difficulties in trading odd lot of the Shares arising from the change in board lot size of the Shares, the Company will appoint a broker as an agent to provide matching services to those Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 28 January 2016 to 4:00 p.m. on Tuesday, 23 February 2016 (both dates inclusive). Shareholders should note that the matching service is on a "best efforts" basis only. The successful matching of the sale and purchase of odd lots of the Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Shares available for such matching. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details with respect to the odd lot arrangement will be disclosed in the circular of the Company which contains details of the Rights Issue and a notice convening the SGM.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on, among other things, the approval by the independent Shareholders at the SGM where any controlling Shareholders and their associates or, where there are no controlling Shareholders (within the meaning of the Listing Rules), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue. Since the Company does not have any controlling Shareholders, Mr. Tse (an executive Director and the chief executive officer of the Company) and his associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM. In addition, Always Profit, which is wholly owned by Mr. Zhang, is one of the Underwriters and has material interest in the Underwriting Agreement. Accordingly, Always Profit and its associates (including Mr. Zhang and Prestige Rich) shall abstain from voting on the resolutions(s) in relation to the Rights Issue at the SGM. As at the date of this announcement, (i) Mr. Tse is interested in 330,000 Shares (representing approximately 0.04% of the existing issued share capital of the Company); and (ii) Mr. Zhang, through Prestige Rich, is interested in 17,943,000 Shares (representing approximately 2.47% of the existing issued share capital of the Company). Always Profit does not have any shareholding interest in the Company as at the date of this announcement.

GENERAL

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng, has been established to make recommendations to the Independent Shareholders in respect of the Rights Issue. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held to consider and, if appropriate, approve the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before Wednesday, 2 December 2015.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Overseas Shareholders for information purposes only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, among other things, the obligations of the Underwriters under the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealings in the securities of the Company.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 22 December 2015 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealings in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled (which is expected to be on 4:00 p.m. on Wednesday, 20 January 2016), and any dealings in the Rights Shares in their nil-paid form from Tuesday, 5 January 2016 to Tuesday, 12 January 2016 (both days inclusive), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating dealings in the securities of the Company are recommended to consult their own professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Always Profit"	Always Profit Development Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Zhang
"associates"	has the meaning ascribed to it 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 and on which the Stock Exchange is open for normal trading, 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
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"City Smart"	City Smart International Investment Limited, a company incorporated in the BVI with limited liability which holds 1,120,027 Shares (representing approximately 0.15% of the total issued share capital of the Company as at the date of this announcement) and wholly owned by Mr. Wu
"City Wise"	City Wise Investment Limited, a company incorporated in the BVI with limited liability which holds 71,734,945 Shares (representing approximately 9.86% of the total issued share capital of the Company as at the date of this announcement) and wholly owned by South America Petroleum Investment Holdings Limited, which is in turn wholly owned by Mr. Wu
"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
"Completion"	completion of the Rights Issue
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the director(s) of the Company
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
"Group"	the Company and its subsidiaries
"Guotai Junan"	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed 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
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising all three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng, established to give a recommendation to the Independent Shareholders in respect of the Rights Issue
"Independent Shareholders"	Shareholders other than Mr. Tse, Always Profit and their respective associates (including Mr. Zhang and Prestige Rich)
"Irrevocable Undertakings"	the irrevocable undertakings dated 12 November 2015 given by Mr. Wu, City Smart, City Wise, Mr. Zhang and Prestige Rich in favour of the Company and the Underwriters, as described in the paragraph headed "Irrevocable Undertakings" under the section headed "Underwriting arrangement and undertakings" in this announcement
"Last Trading Day"	12 November 2015, being the date of the Underwriting Agreement and the last trading day of the Shares before the release of this announcement
"Latest Time For Acceptance"	4:00 p.m. on Friday, 15 January 2016, or such later time or date as may be agreed between the Underwriters and the Company in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents

"Latest Time For Termination"	4:00 p.m. on the Settlement Date, i.e. the third Business Day following (but 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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Tse"	Mr. Tse Kwok Fai, Sammy, the executive Director and the chief executive officer of the Company
"Mr. Wu"	Mr. Wu Shaozhang
"Mr. Zhang"	Mr. Zhang Jinbing
"MW"	mega-watt
"Non-qualifying Shareholders"	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 Rights 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
"O Luxe"	O Luxe Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 860) and is owned as to approximately 27% by Mr. Zhang
"Optionholder(s)"	holder(s) of the Share Option(s)
"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
"PAL"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

"Prestige Rich"	Prestige Rich Holdings Limited, a company incorporated in the BVI with limited liability which is interested in 17,943,000 Shares (representing approximately 2.47% of the issued share capital of the Company as at the date of this announcement) and wholly owned by Mr. Zhang
"Previous Open Offer"	the open offer conducted by the Company on the basis of one offer share for two existing shares then held as announced by the Company on 31 March 2015
"Proposed Acquisition"	has the meaning as ascribed to it in the section headed "Business plan of the Group and reasons for the Rights Issue" in this announcement
"Prospectus"	the prospectus to be despatched to the Shareholders in relation to the Rights Issue in such form as may be agreed between the Company and the Underwriters
"Prospectus Documents"	the Prospectus and the PAL
"Prospectus Posting Date"	Thursday, 31 December 2015, or such other day as may be agreed between the Company and the Underwriters, being the date of despatch of the Prospectus Documents
"PV"	photovoltaic
"Qualifying Shareholders"	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"	Wednesday, 30 December 2015, being the date by reference to which entitlements to the Rights Issue will be determined
"Registrar"	the Company's branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
"Rights Issue"	the issue of five (5) Rights Shares for every one (1) existing Share 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 Prospectus Documents

"Rights Share(s)"	new Share(s) to be allotted and issued under the Rights Issue, being not less than 3,639,268,185 Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date) and not more than 4,119,609,640 Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date other than the issue of new Shares upon exercise in full of the subscription rights attached to all outstanding Share Options (other than those Share Options subject to the Share Options Cancellation) and Warrants on or before the Record Date)
"Settlement Date"	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) as the day for settlement of the Rights Issue
"SGM"	the special general meeting of the Company to be held to consider and approve, among other things, the Rights Issue
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Share Options"	the share options of the Company granted pursuant to the Share Option Scheme
"Share Options Cancellation"	the cancellation of the Share Options to an extent that the aggregate Share Options remaining outstanding shall entitle the holder(s) thereof to subscribe for not more than 22,538,880 Shares immediately after such cancellation
"Share Option Scheme"	the share option scheme of the Company approved and adopted by the Company at the special general meeting of the Company held on 6 November 2006
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price in respect of each Rights Share, being HK$0.14 per Rights Share
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Underwriters"	Guotai Junan and Always Profit

"Underwriting Agreement"	the underwriting agreement dated 12 November 2015 entered into between the Company and the Underwriters in relation to the Rights Issue
"Underwritten Shares"	all Rights Shares, other than the 453,989,860 Rights Shares undertaken to be taken up by City Smart, City Wise and Prestige Rich pursuant to the Irrevocable Undertakings
"Untaken Shares"	any of the Underwritten Shares not taken up on or before the Latest Time for Acceptance
"Warrants"	the non-listed transferable warrants issued by the Company entitling the holders thereof to subscribe for 73,529,411 Shares at the prevailing subscription price of HK$1.70 per Share (subject to adjustments) during the period from 1 March 2013 to 29 February 2016
"Zhongli"	中利騰輝光伏科技有限公司 (Zhongli Talesun Solar Technology Company Limited*), an entity established under the laws of the PRC
"HK$"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

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

Hong Kong, 12 November 2015

For illustration only, amounts in RMB in this announcement have been translated into HK$ at the rate of RMB1.00 = HK$1.22. No representation is made that any amounts in HK$ and RMB have been or could be converted at the above rate or any other rates or at all.

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

* *For identification purposes only*