
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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REFRESHMENT OF GENERAL MANDATE

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the board of directors of the Company is set out from pages 3 to 7 of this circular. A letter from the independent board committee of the Company is set out on page 8 of this circular. A letter from Guangdong Securities Limited containing its advice to the independent board committee and the independent shareholders of the Company is set out from pages 9 to 15 of this circular.

A notice convening the special general meeting of the Company to be held at 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 29 September 2011 at 10:30 a.m., or any adjournment is set out from pages 16 to 18 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting of the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the special general meeting of the Company should you so wish.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company for at least seven days from the date of its posting.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Letter from the Independent Board Committee	8
Letter from Guangdong Securities	9
Notice of SGM	16

DEFINITIONS

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

“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing General Mandate”	the general mandate to issue up to 414,175,517 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 11 July 2011
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee comprising all the three independent non-executive Directors, namely Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Cheung Yuk Ming, to advise the Independent Shareholders in respect of the Refreshment of General Mandate

DEFINITIONS

“Independent Shareholders”	any Shareholders other than the controlling Shareholders and their respective associates or, if there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Issue Mandate”	the new mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Latest Practicable Date”	9 September 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and grant of the Issue Mandate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held on Thursday, 29 September 2011 for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

LETTER FROM THE BOARD

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

(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

Executive Directors:

Mr. Wong Chi Wing, Joseph
Mr. Chu Kwok Chi, Robert
Mr. Hong Kin Choy

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Zhu Tiansheng
Mr. Qian Zhi Hui
Mr. Cheung Yuk Ming

Principal place of business

in Hong Kong:
Suite 6303, 63/F.
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

14 September 2011

To the Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

The purpose of this circular is to provide you with further information relating to (i) the Refreshment of General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Refreshment of General Mandate; (iii) a letter of advice from Guangdong Securities setting out, among other things, its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate; and (iv) the notice of SGM to be convened and held for the purpose of considering and, if thought fit, approving the resolution to implement the proposal for the Refreshment of General Mandate.

* For identification purpose only

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE

Background of the Refreshment of General Mandate

At the annual general meeting of the Company held on 11 July 2011, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 414,175,517 Shares. There has not been any refreshment of the Existing General Mandate since the annual general meeting of the Company held on 11 July 2011.

As at the Latest Practicable Date, the Existing General Mandate had been utilised as to approximately 99.96%. As set out in the announcements (the “**Announcements**”) of the Company dated 19 August 2011 and 26 August 2011, the Company announced the placing (the “**Placing**”) of convertible notes in the principal amount of HK\$62.1 million, which are convertible by the holders of the convertible notes into a maximum of 414,000,000 conversion Shares at an initial conversion price of HK\$0.15 per Share, subject to amendments. The conversion Shares are to be issued under the Existing General Mandate. As stated in the Announcements, the net proceeds from the Placing of approximately HK\$60 million were intended to be used for financing the Mendoza oil project and for general working capital of the Group.

The Company has the following fund raising exercise in the past 12 months before the Latest Practicable Date:

Date of announcements	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
19 August 2011	Placing of convertible notes in the principal amount of HK\$62.1 million	To be used for financing the Mendoza oil project and for general working capital of the Group	HK\$28.5 million has been used for financing the Mendoza oil project and approximately HK\$31.5 million was used as working capital
9 May 2011	Top up placing and subscription of 1,280,000,000 new shares of HK\$0.01 each in the then share capital of the Company (equivalent to 128,000,000 Shares after the share consolidation (the “ Share Consolidation ”) of the Company which became effective on 23 June 2011, under which every 10 shares of the Company of HK\$0.01 each were consolidated into one Share)	To be used for general working capital and future business development of the Group	HK\$37.6 million has been used for financing the Mendoza oil project and approximately HK\$25.4 million was used as general working capital

LETTER FROM THE BOARD

Date of announcements	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
22 December 2010	Top up placing and subscription of 920,000,000 new shares of HK\$0.01 each in the then share capital of the Company (equivalent to 92,000,000 Shares after the Share Consolidation)	To be used for general working capital and future business development of the Group	HK\$48.4 million has been used for financing the Mendoza oil project and approximately HK\$13.3 million was used as general working capital

Reasons for the Refreshment of General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in the trading of petroleum related products, and petroleum exploration and production in Argentina.

After the Placing, only 175,517 new Shares, representing approximately 0.04% of the Existing General Mandate, may be allotted and issued under the Existing General Mandate.

The Board would like to provide flexibility for the Company to raise funds for its future business development and/or any opportunities to be identified by the Company through equity financing. Given that equity financing (i) does not incur any interest paying obligations on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the SGM. The Company has no current plan to utilize the Issue Mandate as at the Latest Practicable Date. The Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting and therefore, under Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate will be subject to the Independent Shareholders' approval at the SGM.

As at the Latest Practicable Date, a total of 2,070,877,588 Shares were in issue. Subject to the passing of the proposed resolution for the Refreshment of General Mandate and on the basis that no Share will be issued or repurchased by the Company prior to the SGM, the Company will be allowed under the Issue Mandate to allot and issue a maximum of 414,175,517 Shares.

LETTER FROM THE BOARD

The Issue Mandate will, if granted at the SGM, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

The Independent Board Committee, comprising Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Cheung Yuk Ming, all being the independent non-executive Directors, has been formed to consider the Refreshment of General Mandate. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate to be proposed at the SGM. As there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates will abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate. As at the Latest Practicable Date, Mr. Wong Chi Wing, Joseph (the chairman of the Company and an executive Director) and Mr. Chu Kwok Chi, Robert (an executive Director) were interested in 131,707,427 Shares (as to 5,896,600 Shares were held by himself and as to 125,810,827 Shares were held by Rich Concept Worldwide Limited, which is beneficially wholly owned by him) and 33,852,938 Shares, respectively. Therefore, Mr. Wong Chi Wing, Joseph and Mr. Chu Kwok Chi, Robert and their respective associates (if any) will abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate. Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders in respect of the Refreshment of General Mandate at the SGM will be taken by way of poll.

As at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates had indicated that they had no intention to vote against the resolution to approve the Refreshment of General Mandate at the SGM.

SGM

A notice for convening the SGM or any adjournment is set out from pages 16 to 18 of this circular. The SGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolution to approve the Refreshment of General Mandate. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time

LETTER FROM THE BOARD

appointed for the holding of the SGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM (or any adjourned meeting thereof) should you so wish.

Recommendation

Your attention is drawn to the letter from the Independent Board Committee as set out on page 8 of this circular and the letter from Guangdong Securities as set out from pages 9 to 15 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

The Directors consider that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

RESPONSIBILITY STATEMENT

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

Yours faithfully,
For and on behalf of the Board of
EPI (Holdings) Limited
Wong Chi Wing, Joseph
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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

(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

14 September 2011

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 14 September 2011 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders as to whether the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Having considered the principal reasons and factors considered by, and the advice of, Guangdong Securities as set out in its letter of advice from pages 9 to 15 of the Circular, we are of the opinion that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Yours faithfully,
Independent Board Committee

Mr. Zhu Tiansheng

Mr. Qian Zhi Hui

Mr. Cheung Yuk Ming

Independent non-executive Directors

* For identification purpose only

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Refreshment of General Mandate for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

14 September 2011

*To: The independent board committee and the independent shareholders
of EPI (Holdings) Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 14 September 2011 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, only a further of 175,517 Shares could be issued under the Existing General Mandate which was granted to the Directors at the annual general meeting of the Company held on 11 July 2011 (the “**AGM**”). Therefore, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM. Pursuant to Rule 13.36(4) of the Listing Rules, the granting of the Issue Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling shareholders (as defined in the Listing Rules) of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution proposed for the approval of such grant, and under Rule 13.39 of the Listing Rules, any vote of the shareholders at a general meeting must be taken by way of poll. As at the Latest Practicable Date, there was no controlling Shareholder. As such, Mr. Wong Chi Wing, Joseph, being the chairman of the Company and an executive Director, Mr. Chu Kwok Chi, Robert, being an executive Director, and their respective associates (if any) will abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate.

LETTER FROM GUANGDONG SECURITIES

An Independent Board Committee comprising Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Cheung Yuk Ming (all being independent non-executive Directors) has been established to advise the Independent Shareholders on the Refreshment of General Mandate. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Refreshment of General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GUANGDONG SECURITIES

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Refreshment of General Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of the Refreshment of General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in the trading of petroleum related products, and petroleum exploration and production in Argentina.

The Directors were authorised to allot and issue up to 414,175,517 new Shares under the Existing General Mandate which was granted to the Directors at the AGM.

According to the announcements of the Company dated 19 August 2011 and 26 August 2011 regarding the placing (the “**Placing**”) of convertible notes in the principal amount of HK\$62.1 million, which are convertible by the holders of the convertible notes into a maximum of 414,000,000 conversion Shares at an initial conversion price of HK\$0.15 per Share, subject to amendments. Since all of such conversion Shares are to be issued under the Existing General Mandate, the Existing General Mandate has been utilised as to 414,000,000 Shares, representing approximately 99.96% of the Existing General Mandate.

If the Issue Mandate is not granted, only 175,517 new Shares may be further allotted and issued by the Directors under the Existing General Mandate. Given that the Existing General Mandate has been largely utilised as a result of the Placing, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM.

As at the Latest Practicable Date, the Company had 2,070,877,588 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company and no convertible notes of the Company would be converted from the Latest Practicable Date up to the date of the SGM, the Refreshment of General Mandate would allow the Directors to allot, issue and deal with up to 414,175,517 new Shares, representing 20% of the total issued share capital of the Company as at the date of the SGM.

(2) Reasons for the Refreshment of General Mandate

As advised by the Directors, the Directors believe that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group’s future business development. In this regard, the Directors also consider equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

According to the Company’s interim results announcement for the six months ended 30 June 2011 and as further confirmed by the Directors, the Group’s continuing operations comprises petroleum exploration and production and trading of petroleum related products

LETTER FROM GUANGDONG SECURITIES

while the Group has suspended the nonferrous metals sourcing and trading business. Since the Company's core business of petroleum exploration and production is still at early development stage, the contribution of this business to the profitability of the Group was nominal during the six months ended 30 June 2011. As at the Latest Practicable Date, the Group had six wells in production, generating revenue of approximately HK\$13 million from domestic oil sales in Mendoza Province of Argentina for the six months ended 30 June 2011. The Group intends to drill more wells and is now finalising the overall future drilling plan. The Directors expect that the local selling price of crude oil in Argentina will continue to increase given the rising trend in the international oil price and the Group will be profit making as more wells commence production.

Given the foregoing, we are of the opinion that the Refreshment of General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. Accordingly, we are of the view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

(3) Fund raising activities in the past twelve months

Set out below are the fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcements	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
19 August 2011	Placing of convertible notes in the principal amount of HK\$62.1 million	To be used for financing the Mendoza oil project and for general working capital of the Group	HK\$28.5 million has been used for financing the Mendoza oil project and approximately HK\$31.5 million was used as working capital
9 May 2011	Top up placing and subscription of 1,280,000,000 new shares of HK\$0.01 each in the then share capital of the Company (equivalent to 128,000,000 Shares after the share consolidation (the "Share Consolidation") of the Company which became effective on 23 June 2011, under which every 10 shares of the Company of HK\$0.01 each were consolidated into one Share)	To be used for general working capital and future business development of the Group	HK\$37.6 million has been used for financing the Mendoza oil project and approximately HK\$25.4 million was used as general working capital

LETTER FROM GUANGDONG SECURITIES

Date of announcements	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
22 December 2010	Top up placing and subscription of 920,000,000 new shares of HK\$0.01 each in the then share capital of the Company (equivalent to 92,000,000 Shares after the Share Consolidation)	To be used for general working capital and future business development of the Group	HK\$48.4 million has been used for financing the Mendoza oil project and approximately HK\$13.3 million was used as general working capital

Save as and except for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

(4) Flexibility in financing

As advised by the Directors, the Group does not obviate the possibilities of further issuing capital should there be investor(s) indicating interest in the business of the Company in the future although there were no such investors as at the Latest Practicable Date. The Directors believe that the Refreshment of General Mandate will provide the Group with flexibility for possible future fund raising. The Directors are therefore of the view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole. As further advised by the Directors, the Company did not have any plan to utilise the Issue Mandate as at the Latest Practicable Date.

As discussed in the foregoing, we consider that the Refreshment of General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The Refreshment of General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the Refreshment of General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

(5) Other financing alternatives

We have enquired into the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing, such as bank borrowings and issue of bonds, to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with banks. In light of also that debt financing will usually incur interest

LETTER FROM GUANGDONG SECURITIES

burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing, such as placing of new Shares, for the Group to obtain additional funding.

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the Refreshment of General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

(6) Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Issue Mandate (assuming no other Shares are issued or repurchased by the Company):

	As at the Latest Practicable Date		Upon full utilisation of the Issue Mandate (assuming no other Shares are issued or repurchased by the Company)	
	Number of Shares	%	Number of Shares	%
City Wise Investment Limited (<i>Note 1</i>)	398,232,975	19.23	398,232,975	16.03
City Smart International Investment Limited (<i>Note 2</i>)	7,466,856	0.36	7,466,856	0.30
Rich Concept Worldwide Limited (<i>Note 3</i>)	125,810,827	6.08	125,810,827	5.06
Mr. Wong Chi Wing, Joseph	5,896,600	0.29	5,896,600	0.24
Mr. Chu Kwok Chi, Robert	33,852,938	1.63	33,852,938	1.36
Existing public Shareholders	1,499,617,392	72.41	1,499,617,392	60.34
Shares to be issued under the Issue Mandate	–	–	414,175,517	16.67
Total	<u>2,070,877,588</u>	<u>100.00</u>	<u>2,485,053,105</u>	<u>100.00</u>

Notes:

1. City Wise Investment Limited is a company wholly owned by South America Petroleum Investment Holdings Limited, a company beneficially wholly owned by Mr. Wu Shaozhang.
2. City Smart International Investment Limited is a company beneficially wholly owned by Mr. Wu Shaozhang.
3. The entire share capital of Rich Concept Worldwide Limited is beneficially wholly owned by Mr. Wong Chi Wing, Joseph, the chairman of the Company and an executive Director.

LETTER FROM GUANGDONG SECURITIES

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 72.41% as at the Latest Practicable Date to approximately 60.34% upon full utilisation of the Issue Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 12.07 percentage point.

Taking into account that the Refreshment of General Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the Issue Mandate; (ii) would provide more options of financing to the Group for further development of its business as well as in other potential future investment as and when such opportunities arise; and (iii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Issue Mandate, we are of the opinion that the potential dilution to the shareholdings of the existing public Shareholders as just mentioned is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

NOTICE OF SGM

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of EPI (Holdings) Limited (the “**Company**”) will be held at 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 29 September 2011 at 10:30 a.m., for the purpose of considering and, if though fit, passing with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (to be defined in paragraph (d) below) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (to be defined in paragraph (d) below), or (ii) any share option schemes of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

* For identification purpose only

NOTICE OF SGM

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s articles of association to be held; or
- (iii) the date upon which the authority set out in this resolution revoked or varied by way of ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

Yours faithfully,
For and on behalf of the Board of
EPI (Holdings) Limited
Wong Chi Wing, Joseph
Chairman

Hong Kong, 14 September 2011

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

Principal place of business in Hong Kong:
Suite 6303, 63/F.
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (3) A form of proxy for use in connection with the SGM is enclosed with this circular. To be valid, the form of proxy, and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time

NOTICE OF SGM

appointed for holding the SGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.

- (4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members.
- (5) Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, voting on the ordinary resolution as set out above will be conducted by way of poll.
- (6) As at the date of this notice, the directors of the Company are Mr. Wong Chi Wing, Joseph, Mr. Chu Kwok Chi, Robert and Mr. Hong Kin Choy being the executive directors of the Company, and Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Cheung Yuk Ming being the independent non-executive directors of the Company.