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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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(Incorporated in Bermuda with limited liability)

(Stock code: 689)

(I) REFRESHMENT OF GENERAL MANDATE; (II) PROPOSED GRANT OF REPURCHASE MANDATE; AND (III) REFRESHMENT OF SCHEME MANDATE LIMIT

**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 4 to 9 of this circular. A letter from the independent board committee of the Company is set out on page 10 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 11 to 17 of this circular.

A notice convening the special general meeting of the Company to be held at Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 3 December 2009 at 10:30 a.m. or any adjournment is set out from pages 21 to 24 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 7 days from the date of its posting.

* For identification purpose only

16 November 2009

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DEFINITIONS

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

“associate(s)”	shall have the meaning 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)”	director(s) of the Company
“Eligible Person(s)”	any employee or proposed employee (whether full time or part time), directors (including executive, non-executive and independent non-executive directors) of any member of the Group or any Invested Entity and any supplier, customer, consultant, adviser or shareholder of any member of the Group or any Invested Entity, who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity
“Existing General Mandate”	the general mandate to issue up to 826,269,714 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 6 July 2009
“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 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined 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 PRC

DEFINITIONS

“Independent Board Committee”	the independent board committee comprises all the three independent non-executive Directors, namely Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Poon Kwok Shin, Edmond, to advise the Independent Shareholders in respect of the Refreshment of General Mandate
“Independent Shareholders”	any Shareholders other than the controlling Shareholders and their 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
“Invested Entity/Entities”	any entity/entities in which the Group holds any equity interest
“Latest Practicable Date”	13 November 2009, 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
“Option(s)”	the option(s) granted or to be granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“PRC”	the People’s Republic of China
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the SGM
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and grant of the Issue Mandate
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the SGM to exercise the powers of the Company to repurchase up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate

DEFINITIONS

“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group, which must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commence on the Stock Exchange which may be refreshed pursuant to the rules of the Share Option Scheme. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the Shares in issue as at the date of passing of the relevant ordinary resolutions at the SGM
“SFO”	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, 3 December 2009 for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate, the proposed grant of Repurchase Mandate and the Proposed Refreshment
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 6 November 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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

LETTER FROM THE BOARD



(Incorporated in Bermuda with limited liability)

(Stock code: 689)

Executive Directors:

Mr. Wong Chi Wing, Joseph
Mr. Chu Kwok Chi, Robert

Non-executive Director:

Mr. Leung Hon Chuen

Independent non-executive Directors:

Mr. Zhu Tiansheng
Mr. Qian Zhi Hui
Mr. Poon Kwok Shin, Edmond

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and

principal place of business:

Room 6303, 63/F.
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

16 November 2009

To the Shareholders

Dear Sir or Madam,

**(I) REFRESHMENT OF GENERAL MANDATE;
(II) PROPOSED GRANT OF REPURCHASE MANDATE; AND
(III) REFRESHMENT OF SCHEME MANDATE LIMIT**

INTRODUCTION

The purpose of this circular is to provide you with further information relating to (i) the Refreshment of General Mandate, the proposed grant of Repurchase Mandate and the Proposed Refreshment; (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 the Independent Financial Adviser 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, the proposed grant of Repurchase Mandate and the Proposed Refreshment.

* For identification purpose only

LETTER FROM THE BOARD

(I) REFRESHMENT OF GENERAL MANDATE

Background of the Refreshment of General Mandate

At the annual general meeting of the Company held on 6 July 2009, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 826,269,714 Shares. There has not been any refreshment of the Existing General Mandate since the annual general meeting of the Company held on 6 July 2009.

As at the Latest Practicable Date, the Existing General Mandate had been utilized as to approximately 99.24%. As set out in the announcement of the Company dated 12 October 2009 (the “**Announcement**”), 820,000,000 Shares were issued under the Existing General Mandate as a result of the top-up placing of 820,000,000 Shares under the placing agreement dated 12 October 2009. As stated in the Announcement, the net proceeds from the top-up placing of approximately HK\$177.5 million were intended to be used as general working capital and for future business development of the Group.

Reasons for the Refreshment of General Mandate

The Company is an investment holding company. Its subsidiaries are principally engaged in the sourcing and trading of non-ferrous metals, consumer electronics products and oil exploration. The principal activities of the Group’s jointly controlled entity are the provision of copper smelting and production of copper anode.

The Board would like to provide flexibility for the Company to raise funds for its future resources sector business development 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 the Refreshment of 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 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 5,952,148,570 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 issue a maximum of 1,190,429,714 Shares.

LETTER FROM THE BOARD

The Independent Board Committee, comprising Mr. Zhu Tiansheng, Mr. Qian Zhi Hui and Mr. Poon Kwok Shin, Edmond, 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. Accordingly, Mr. Wong Chi Wing, Joseph, the chairman of the Company and an executive Director, Mr. Chu Kwok Chi, Robert, an executive Director and Mr. Leung Hon Chuen, David, a non-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. 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 have no intention to vote against the resolution to approve the Refreshment of General Mandate at the SGM.

Period during which the Issue Mandate will remain effective

The Issue Mandate will, if granted, 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 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.

(II) PROPOSED GRANT OF REPURCHASE MANDATE

The Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company, or any applicable laws of Bermuda to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given by the Directors.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether vote for or against the resolution to grant the Repurchase Mandate to the Directors. An explanatory statement required by the Listing Rules has been included in the appendix to this circular.

The Board proposes to seek from the Shareholders for the grant of Repurchase Mandate. The Company will convene the SGM at which resolution will be proposed for the grant of Repurchase Mandate to the Directors.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to repurchase up to a maximum of 595,214,857 Shares, representing 10% of the aggregate nominal amount of the issued Shares as at the date of passing the resolution approving the Repurchase Mandate on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM.

(III) REFRESHMENT OF SCHEME MANDATE LIMIT

The existing Scheme Mandate Limit was refreshed at the annual general meeting held on 20 June 2008, which enables the Directors to grant options to Eligible Persons under the Share Option Scheme to subscribe for up to 413,134,857 Shares. From the date of refreshing of the existing Scheme Mandate Limit and up to the Latest Practicable Date, the Company has not granted any options. If the existing Scheme Mandate Limit is not refreshed, the Company would be allowed to grant options to subscribe for up to 413,134,857 Shares, representing approximately 6.94% of the Shares in issue as at the Latest Practicable Date. In order to provide the Company with more flexibility in providing incentives to those Eligible Persons by way of granting of options, the Board decides to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so that the total number of the Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the SGM. Options previously granted under the Share Option Scheme and any other scheme(s) of the Company (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules and exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

As at the Latest Practicable Date, there were in issue 5,952,148,570 Shares and a total of 179,880,000 outstanding options granted under the Share Option Scheme at exercise prices of HK\$0.205 per Share (as to 164,320,000 options), HK\$0.30 per Share (as to 12,560,000 options) and HK\$0.642 (as to 3,000,000 options). The total outstanding options represented 3.02% of the existing issued share capital of the Company. Save and except for these outstanding options, there are no options granted under the Share Option Scheme or any other share options scheme(s) of the Company which remained outstanding as at the Latest Practicable Date. There have been no options lapsed or cancelled as at the Latest Practicable Date.

LETTER FROM THE BOARD

If the Scheme Mandate Limit is refreshed, on the basis of 5,952,148,570 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the SGM, the Company may grant options entitling holders thereof to subscribe 595,214,857 Shares (representing 10% of the Shares in issue as at the date of the SGM approving the refreshing of the Scheme Mandate Limit).

Pursuant to the Listing Rules, the maximum number of Share which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company at any time must not in aggregate exceeds 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to and continuing efforts to promote the interests of the Company. The Directors consider that the refreshing of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

The conditions of the Proposed Refreshment:

- (a) the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Proposed Refreshment; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

RECOMMENDATION

Having considered the reasons set out herein, the Board hereby recommends (i) the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Refreshment of General Mandate; and (ii) the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the proposed grant of Repurchase Mandate and the Proposed Refreshment.

Your attention is drawn to the letter from Guangdong Securities, which contains its advice to the Independent Board Committee and the Independent Shareholders as regards to the Refreshment of General Mandate. The text of the letter from Guangdong Securities is set out from pages 11 to 17 of this circular.

SGM

A notice for convening the SGM to be held at Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 3 December 2009 at 10:30 a.m. or any adjournment is set out from pages 21 to 24 of this circular.

LETTER FROM THE BOARD

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 SGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM should you so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein 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



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

16 November 2009

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 16 November 2009 (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 in connection with the terms of the Issue Mandate. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are of the view that the terms of the Issue Mandate, after taking into account the advice of Guangdong Securities as set out from pages 11 to 17 of the Circular, are fair and reasonable so far as the Independent Shareholders are concerned, and that the Refreshment of General Mandate 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 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. Poon Kwok Shin, Edmond
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.



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

16 November 2009

*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 16 November 2009 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 6,269,714 Shares can be issued under the Existing General Mandate which was granted to the Directors at the annual general meeting of the Company held on 6 July 2009. 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 issue, allot 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(s) at the SGM. Pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders (as defined under the Listing Rules) and their respective associates or, where there are no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, are required to abstain from voting in favour of the resolution(s) proposed for the approval of the Refreshment of General Mandate. Accordingly, Mr. Wong Chi Wing, Joseph, the chairman of the Company and an executive Director, Mr. Chu Kwok Chi, Robert, an executive Director and Mr. Leung Hon Chuen, David, a non-executive Director, and their respective associates (if any) will abstain from voting in favour of the relevant resolution(s) 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. Poon Kwok Shin, Edmond (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. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. 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 sourcing and trading of non-ferrous metals, consumer electronics products and oil exploitation. The principal activities of the Group's jointly controlled entity are the provision of copper smelting and production of copper anode.

The Directors are authorised to issue and allot up to 826,269,714 new Shares under the Existing General Mandate which was granted to the Directors at the annual general meeting of the Company held on 6 July 2009.

As set out in the announcement of the Company dated 12 October 2009 (the "**Announcement**"), 820,000,000 Shares were issued under the Existing General Mandate as a result of the top-up placing of 820,000,000 Shares pursuant to the placing agreement dated 12 October 2009 (the "**Top-up Placing**"). As stated in the Announcement, the net proceeds from the Top-up Placing of approximately HK\$177.5 million were intended to be used as general working capital and for future resources sector business development of the Group. Since all of such Shares were issued under the authority of the Existing General Mandate, the Existing General Mandate have been utilised as to 820,000,000 Shares, representing approximately 99.24% of the Existing General Mandate.

If the Issued Mandate is not granted, only 6,269,714 new Shares may be further issued and allotted by the Directors under the Existing General Mandate. Given that the Existing General Mandate has been largely utilised as a result of the Top-up Placing, the Board proposes to seek approval of the Independent Shareholders for the grant of the Issue Mandate so that the Directors will be granted the authority to issue, allot 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(s) at the SGM. As advised by the Directors, the next annual general meeting will not be held until around July 2010, which is around 8 months away from the Latest Practicable Date. In the event that the Existing General Mandate (which was almost fully utilised) is not to be refreshed at the SGM, the Company will not have sufficient general mandate to issue shares to raise additional funds for the future resources sector business development, if so required, until the general mandate is approved in the next annual general meeting of the Company.

As at the Latest Practicable Date, the Company had 5,952,148,570 Shares in issue. On the basis that no new Share(s) would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the Refreshment of General Mandate would allow the Directors to issue, allot and deal with up to 1,190,429,714 new Shares, representing 20% of the aforesaid issued share capital of the Company.

LETTER FROM GUANGDONG SECURITIES

(2) Reasons for the grant of the Issue Mandate

As advised by the Directors, the Directors consider the Refreshment of General Mandate to be in the interests of the Company and the Shareholders as a whole by way of maintaining the financial flexibility for the Company to raise additional funds for the Group's future resources sector business development through equity financing. The Directors also consider equity financing to be an important avenue of resources to the Group since it (i) does not create any interest paying obligations on the Group as compared with banking 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.

According to the circular of the Company dated 9 October 2009 (the “**VSA Circular**”) and the announcement of the Company dated 3 November 2009 regarding a very substantial acquisition for the Company, Have Result Investment Limited (“**Have Result**”) has become a wholly-owned subsidiary of the Company after the completion of an acquisition on 3 November 2009. Have Result is incorporated in the British Virgin Islands principally engaged in petroleum production in Argentina. According to the VSA Circular, upon completion of the said acquisition, the Group will be obliged to pay an amount of US\$7,500,000 (equivalent to approximately HK\$58,500,000) by 20 November 2010. Based on the then estimation by the Board, the drillings cost, together with all the necessary infrastructure works to be incurred within two years from the date of the VSA Circular, will amount to approximately US\$28,800,000 (equivalent to approximately HK\$224,600,000). Overall, it is estimated that the funding requirement of Have Result will be approximately HK\$283,100,000 for the two-year period following the issue of the VSA Circular.

Note: The exchange rate used above is based on the then exchange rate used in the VSA Circular.

In view of all the above and in particular, the importance of financing flexibility for the Company to raise additional funds for its future resources sector 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.

LETTER FROM GUANGDONG SECURITIES

(3) Equity fund raising activity in the past twelve months

Save as and except for the following fund raising activity, the Company has not conducted any equity fund raising activities during the past twelve months:

Date of announcement	Description of the fund raising activity	Intended use of proceeds	Actual use of proceeds
12 October 2009	Top-up Placing of 820,000,000 Shares	Approximately HK\$177.5 million as general working capital and future business development of the Group	Applied as intended

(4) Flexibility in financing

We consider that the Refreshment of General Mandate would provide the Company with the necessary flexibility for fulfilling any possible funding needs for its future resources sector business development. In addition, the Refreshment of General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to issue and allot new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments or acquisitions 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 on potential acquisitions in a timely manner (if any). 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 sources 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 the banks. Given also that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively uncertain, impracticable 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. Having this being the case, along with the fact that the Refreshment of General Mandate will provide the Company with an

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additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future resources sector 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 public Shareholders

For illustrative purpose, 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):

<i>Shareholder</i>	Shareholding in the Company as at the Latest Practicable Date		Shareholding in the Company upon full utilisation of the Issue Mandate (assuming no other Shares are issued or repurchased by the Company)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Climax Associates Limited	1,208,146,000	20.30	1,208,146,000	16.91
Rich Concept Worldwide Limited	3,331,277	0.06	3,331,277	0.04
Wong Chi Wing, Joseph (<i>Director</i>)	9,000,000	0.15	9,000,000	0.13
Chu Kwok Chi, Robert (<i>Director</i>)	3,306,383	0.06	3,306,383	0.04
Cheng Hairong (<i>former Director</i>)	250,362,340	4.20	250,362,340	3.51
Climax Associates Limited and parties acting in concert with it	1,474,146,000	24.77	1,474,146,000	20.63
Poon Kwok Shin, Edmond (<i>Independent non-executive Director</i>)	2,000,000	0.03	2,000,000	0.03
City Smart International Investment Limited	130,000,000	2.18	130,000,000	1.82
TCL Peak Winner Investment Limited	620,000,000	10.42	620,000,000	8.68
Public Shareholders	3,726,002,570	62.60	3,726,002,570	52.17
Shares to be issued under Issue Mandate	–	–	1,190,429,714	16.67
	<u>5,952,148,570</u>	<u>100.00</u>	<u>7,142,578,284</u>	<u>100.00</u>

The table above illustrates that the shareholding of the existing public Shareholders would decrease from approximately 62.60% as at the Latest Practicable Date to approximately 52.17% upon full utilisation of the Issue Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholding of the public Shareholders represents a dilution of approximately 10.43 percent 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; 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 public Shareholders as just mentioned is acceptable.

LETTER FROM GUANGDONG SECURITIES

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(s) 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 resolution(s) in this regard.

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

This is the explanatory statement given to the Shareholders relating to a resolution authorizing the Company to repurchase its own Shares which is proposed to be passed by the Shareholders by means of an ordinary resolution at the SGM.

This explanatory statement contains a summary of the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

Share capital

- As at the Latest Practicable Date, the authorised share capital of the Shares were 100,000,000,000 Shares, of which a total of 5,952,148,570 Shares were issued and fully paid.
- Assuming that no further Shares are issued or repurchased after the Latest Practicable Date and before the date of SGM, there will be 5,952,148,570 Shares in issue, and exercise in full of the Repurchase Mandate would result in up to a maximum of 595,214,857 Shares being repurchased by the Company during the relevant period referred to in ordinary resolution numbered 2(c) of the notice of the SGM.

Reason for repurchase

- The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to purchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

Funding of repurchases

- The repurchase of Shares shall be made with funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.
- As compared to the financial position of the Company as at 31 December 2008 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of securities will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Securities Repurchase Mandate were to be exercised in full during the proposed

repurchase period. The Directors do not propose to exercise the Securities Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Directors, their associates and connected persons

- None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Securities Repurchase Mandate is approved by the Shareholders, to sell Shares of the Company.
- No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Securities Repurchase Mandate is approved by the Shareholders.

Undertaking of the Directors

- The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Securities Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable law of Bermuda.

Shares repurchase made by the Company

During the six months preceding the Latest Practicable Date, the Company has not repurchased any Shares (whether on the Exchange or otherwise).

GENERAL

If as a result of a repurchase of Shares an ordinary shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of ordinary shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. If the Company were to repurchase Shares up to the permitted maximum of 10% of the issued ordinary share capital of the Company, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Climax Associates Limited and its parties acting in concert, City Smart International Investment Limited and TCL Peak Winner Investment Limited held 1,474,146,000 Shares, 130,000,000 Shares and 620,000,000 Shares respectively, representing approximately 24.77%, 2.18% and 10.42% interest in the issued ordinary share capital of the Company respectively. Climax Associates Limited, City Smart International

Investment Limited and TCL Peak Winner Investment Limited, in the event that the Repurchase Mandate is exercised in full, their respective shareholding would be increased to approximately 27.52%, 2.43% and 11.57% of the issued ordinary share capital of the Company and such increase would not give rise to an obligation to make mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which the exercise in full of the Repurchase Mandate would have under the Takeovers Code.

PRICES OF THE SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Share	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
November (up to the Latest Practicable Date)	0.275	0.235
October	0.290	0.230
September	0.315	0.265
August	0.355	0.250
July	0.335	0.160
June	0.250	0.141
May	0.168	0.104
April	0.121	0.077
March	0.086	0.071
Feb	0.099	0.072
January	0.105	0.065
2008		
December	0.093	0.061
November	0.085	0.049

NOTICE OF SGM



(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 Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 3 December 2009 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 authorization 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 recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

2. “THAT:

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase the shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF SGM

- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of 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 the bye-laws of the Company or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

3. “THAT:

subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted on 6 November 2006, which entitles the Directors to grant options after the listing of Shares on the Stock Exchange, in the manner as set out in paragraph (a) of this resolution,

- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

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

Hong Kong, 16 November 2009

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

*Head Office and
principal place of business:*
Room 6303, 63/F.
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

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Notes:

- (1) A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
- (2) In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrars 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 holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person should they so wish.