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**SHARE CONSOLIDATION  
AND  
CHANGE IN BOARD LOT SIZE**

**The Share Consolidation**

In view of the recent trading price of the Existing Shares, the Board proposes to implement the Share Consolidation involving the consolidation of every ten Existing Shares of HK\$0.01 each into one New Share of HK\$0.1. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the SGM.

**Change in board lot size**

Upon the Share Consolidation becoming effective, the board lot for trading in the shares of the Company will be changed from 20,000 Existing Shares to 5,000 New Shares per board lot.

**General**

The SGM will be convened to consider, and, if thought fit, to approve, the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and change in board lot size together with the notice of SGM will be sent to the Shareholders on or before 7 June 2011.

**THE SHARE CONSOLIDATION**

The Board proposes to consolidate the ordinary share capital of the Company on the basis of every ten Existing Shares into one New Share. As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Existing Shares, of which 19,428,775,885 Existing Shares are in issue. Upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$1,000,000,000 divided into 10,000,000,000 New Shares, of which 1,942,877,588 New Shares will be in issue.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional on:

- (i) the passing by the Shareholders at the SGM of an ordinary resolution approving the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise that may be required in respect of the Share Consolidation.

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the New Shares. Subject to the listing of, and permission to deal in, the New Shares being granted, the New Shares will be accepted as eligible securities by the Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System with effect from the commencement date of dealings in the New Shares on the Stock Exchange.

## **Effects of the Share Consolidation**

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional New Shares to which Shareholders may be entitled. The New Shares will rank pari passu in all respects with each other.

## **CHANGE IN BOARD LOT SIZE**

In conjunction with the Share Consolidation, the Board also proposes to change the board lot size of the shares. As at the date of this announcement, the Existing Shares are traded in board lots of 20,000 Existing Shares. Following the Share Consolidation, the Board proposes to change the existing board lot size for share trading from 20,000 Existing Shares to 5,000 New Shares.

## **CERTIFICATES FOR NEW SHARES**

Subject to the Share Consolidation becoming effective, Shareholders may submit their existing share certificates for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates for the New Shares (on the basis of ten Existing Shares for one New Share). New share certificates are expected to be available for collection from the Company's branch share registrar in Hong Kong at the aforesaid address by the Shareholders within 10 business days (i.e. any day on which the Stock Exchange is open for the business of dealing in securities) after delivery of the existing share certificates to the Company's branch share registrar in Hong Kong for exchange purposes.

Unless otherwise instructed, certificates for the New Shares will be issued in board lots of 5,000 New Shares each. All existing share certificates for Existing Shares will cease to be valid for trading and settlement purpose after the parallel trading of the Existing Shares and the New Shares ends but will continue to be evidence of title to New Shares on the basis of every ten Existing Shares for one New Share and may be lodged for re-registration or exchanged for certificates for New Shares at any time. The expected timetable for the implementation of the Share Consolidation and the change in board lot size is set out in the section headed “Expected timetable” below.

**ODD LOT ARRANGEMENT AND FRACTIONAL ENTITLEMENT**

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint a securities firm to provide matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lot arrangement will be stated in the circular to be issued by the Company to the Shareholders in connection with the Share Consolidation and change in board lot size.

Fractional New Shares will be disregarded and not issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional New Shares will only arise in respect of the entire shareholding of a holder of the Existing Share regardless of the number of share certificates held by such holder.

**EXPECTED TIMETABLE**

The expected timetable of the proposed Share Consolidation is as follows:–

**2011**

- Despatch of circular with the notice of SGM. . . . . Tuesday, 7 June
- Latest date for lodging form of proxy for the SGM  
(at least 48 hours before the time appointed for the holding of the SGM) . . . . . Monday, 20 June
- SGM . . . . . Wednesday, 22 June

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation**

- Effective date of the Share Consolidation . . . . . Thursday, 23 June
- Dealings in the New Shares commence . . . . . 9:00 a.m., Thursday, 23 June
- Original counter for trading in Existing Shares in  
board lots of 20,000 Existing Shares (in the form of  
existing share certificates in beige) temporarily closes . . . . . 9:00 a.m., Thursday, 23 June

Temporary counter for trading in board lots of 2,000 New Shares (in the form of existing share certificates in beige) opens . . . . .	9:00 a.m., Thursday, 23 June
First day for free exchange of existing share certificates in beige for new share certificates in light yellow . . . . .	9:00 a.m., Thursday, 23 June
Original counter for trading in New Shares in board lots of 5,000 New Shares (in the form of new share certificates in light yellow) re-opens . . . . .	9:00 a.m., Friday, 8 July
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) commences . . . . .	9:00 a.m., Friday, 8 July
Designated broker starts to stand in the market to provide matching services for odd lots of New Shares . . . . .	9:00 a.m., Friday, 8 July
Temporary counter for trading in New Shares in board lots of 2,000 New Shares (in the form of existing share certificates in beige) closes . . . . .	4:00 p.m., Thursday, 28 July
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) ends. . . . .	4:00 p.m., Thursday, 28 July
Designated broker ceases to stand in the market to provide matching services for odd lots of New Shares. . . . .	4:00 p.m., Thursday, 28 July
Last day for free exchange of share certificates in beige for new share certificates in light yellow. . . . .	Monday, 1 August

## **REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

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.

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Existing Shares, the Board proposes to implement the Share Consolidation and change in board lot size in order to comply with the trading requirements of the Listing Rules. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the New Shares. The Directors consider that the Share Consolidation and change in board lot size are in the interests of the Company and the Shareholders as a whole.

## **ADJUSTMENTS TO THE SHARE OPTIONS**

As at the date of this announcement, there are Share Options outstanding, entitling the holders thereof to subscribe for up to an aggregate of 126,800,000 Existing Shares at various exercise prices of HK\$0.642 per Existing Share, HK\$0.1564 per Existing Share and HK\$0.161 per Existing Share (all subject to adjustments).

Adjustments to the exercise price and number of the shares to which the outstanding Share Options are entitled may be required under the relevant terms of the share option scheme of the Company. The Company will appoint an independent financial adviser or its auditors to certify the necessary adjustments, if any, to the exercise price and number of the shares to which the outstanding Share Options are entitled. Further announcement will be made by the Company in this regard.

Save for the Share Options, there are no other outstanding convertible securities, options, or warrants in issue which confer any right to subscribe for, convertible or exchangeable into Existing Shares as at the date of this announcement.

## **GENERAL**

The SGM will be convened to consider, and, if thought fit, to approve, the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and change in board lot size together with the notice of SGM will be sent to the Shareholders on or before 7 June 2011. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

## **TERMS USED IN THE ANNOUNCEMENT**

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 689)
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities of the Stock Exchange

“New Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company upon the Share Consolidation becoming effective
“SGM”	a special general meeting of the Company to be convened to consider, and, if thought fit, to approve, the Share Consolidation
“Share Consolidation”	the proposed consolidation of every ten Existing Shares into one New Share
“Share Option(s)”	share option(s) issued under the terms and conditions of the share option scheme adopted by the Company on 6 November 2006
“Shareholder(s)”	holder(s) of the Existing Shares or the New Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**EPI (Holdings) Limited**  
**Wong Chi Wing, Joseph**  
*Chairman*

Hong Kong, 16 May, 2011

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wong Chi Wing, Joseph, Mr. Chu Kwok Chi, Robert and Mr. Hong Kin Choy, and two independent non-executive Directors, namely Mr. Zhu Tiansheng and Mr. Qian Zhi Hui.*

\* *For identification purpose only*