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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 689)**

**(1) TOP-UP PLACING OF EXISTING SHARES  
AND SUBSCRIPTION OF 250,000,000 NEW SHARES**

**AND**

**(2) PLACING OF 110,000,000 NEW SHARES  
UNDER GENERAL MANDATE**

**Placing Agents**



**英皇證券(香港)有限公司**  
**Emperor Securities Limited**

**CONVOY**  **康宏**  
your finance navigator

**TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

On 28 June 2012 (after trading hours), the Vendor and the Placing Agents entered into the Top-Up Placing Agreement and the Top-Up Subscription Agreement pursuant to which the Vendor has agreed to place, through the Placing Agents, on a best effort basis, up to 250,000,000 existing Shares to independent investors at a price of HK\$0.155 per Share and the Vendor will conditionally subscribe for up to 250,000,000 new Shares at the price of HK\$0.155 per Share. The Top-Up Placing Shares amount to approximately 9.57% of the existing issued share capital of the Company and approximately 8.73% of the share capital of 2,862,877,588 Shares as enlarged by the Top-Up Subscription.

The Top-Up Placing is unconditional, but the completion of the Top-Up Subscription is conditional upon (i) the completion of the Top-Up Placing; and (ii) the granting of the listing of and permission to deal in the Subscription Shares by the Listing Committee of the Stock Exchange. An application will be made to the Listing Committee of the Stock Exchange for granting the approval for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares are to be issued under the General Mandate.

\* For identification purpose only

## **PLACING OF NEW SHARES**

On 28 June 2012 (after trading hours), the Company further entered into the New Shares Placing Agreement with the Placing Agents pursuant to which the Company agreed to place, through the Placing Agents, on a best effort basis a maximum of 110,000,000 new Shares to not less than six placees at a price of HK\$0.155 per Placing Share.

The maximum of 110,000,000 new Shares represent (i) approximately 4.21% of the existing issued share capital of the Company of 2,612,877,588 as at the date of this announcement and (ii) approximately 3.70% of the issued share capital of the Company of 2,972,877,588 Shares as enlarged by the Top-Up Subscription and the New Shares Placing.

The aggregate net proceeds of the Top-Up Subscription and the New Shares Placing amount to approximately HK\$53.6 million and will be applied as the general working capital of the Group and professional and other upfront fees incurred in evaluating the Group's potential investment projects in North America.

**As the Top-Up Subscription and New Shares Placing are subject to the fulfillment of a number of conditions, the Top-Up Subscription and New Shares Placing may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE TOP-UP PLACING AGREEMENT DATED 28 JUNE 2012**

### **Parties**

- Vendor: The Vendor is City Wise Investment Limited, a substantial Shareholder of the Company and a company beneficially wholly-owned by Mr. Wu Shaozhang. As at the date of this announcement, the Vendor holds 398,232,975 Shares, representing approximately 15.24% of the existing issued share capital of the Company.
- Placing Agents: Emperor Securities Limited and Convoy Investment Services Limited. Each of the Placing Agents and their respective ultimate beneficial owners are, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, are Independent Third Parties.

## **Independence of placees**

The placees (being not less than six independent individuals and/or institutional investors) of the Top-Up Placing are independent of, not connected with the Company and the directors, chief executive and substantial Shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules) and they (including their ultimate beneficial owners) are independent of and not acting in concert with the Vendor and its concert parties. No individual placee is expected to become a substantial Shareholder (as defined under the Listing Rules) immediately after completion of the Top-Up Placing.

## **Placing Price**

The Placing Price is HK\$0.155 per Share and represents:

- (i) a discount of approximately 6.63% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on 28 June 2012, being the last trading day before the publication of this announcement; and
- (ii) a discount of approximately 6.63% to the average of the closing price of the Shares of HK\$0.166 per Share quoted on the Stock Exchange for the five consecutive trading days prior to the date of this announcement.

The Placing Price was arrived at after arm's length negotiation between the Company, the Vendor and the Placing Agents. The Directors consider the Placing Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Number of Top-Up Placing Shares to be placed**

Up to 250,000,000 Shares will be placed, through the Placing Agents, on a best effort basis to independent investors. The Top-Up Placing Shares represent approximately 9.57% of the existing issued share capital of the Company and approximately 8.73% of the share capital of 2,862,877,588 Shares as enlarged by the Top-Up Subscription.

## **Placing commission**

The Placing Agents shall receive a total placing commission of 3% of the amount equal to the Placing Price multiplied by the number of the Top-Up Placing Shares successfully placed.

## **Condition and Completion of the Top-Up Placing**

The Top-Up Placing is unconditional. Completion will take place on the third business day on which the Shares are traded on the Stock Exchange after the date of this announcement or such other date as may be agreed between the parties.

## **THE TOP-UP SUBSCRIPTION AGREEMENT DATED 28 JUNE 2012**

### **Parties**

Issuer:           The Company

Subscriber:       The Vendor

### **Number of Subscription Shares to be subscribed**

The Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of the Top-Up Placing Shares successfully placed. As such, up to 250,000,000 new Shares will be subscribed by the Vendor, which amount to approximately 9.57% of the existing issued share capital of the Company and approximately 8.73% of the share capital of 2,862,877,588 Shares as enlarged by the Top-Up Subscription (assuming the completion of the Top-Up Placing and before the completion of the New Shares Placing).

### **Subscription price**

The subscription price for the Subscription Shares is HK\$0.155 per Share and is equal to the Placing Price. The Company will bear all costs and expenses incurred in connection with the Top-Up Subscription and reimburse the Vendor for all costs and expenses incurred by it in connection with the Top-Up Placing and the Top-Up Subscription.

The Directors consider that the terms of the Top-Up Subscription are fair and reasonable under the current market condition and in the interest of the Company and its Shareholders as a whole.

### **General Mandate to issue the Subscription Shares**

The Subscription Shares will be issued and allotted under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 June 2012, which allows a maximum of 496,175,517 new Shares to be granted under the General Mandate. The Company has not issued any Shares pursuant to such General Mandate since it was granted.

### **Ranking of the Subscription Shares**

The Subscription Shares when fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the completion date of the Top-Up Subscription.

### **Conditions of the Top-Up Subscription**

The Top-Up Subscription is conditional upon:

- (i) the completion of the Top-Up Placing; and

- (ii) the granting of the listing of and permission to deal in the Subscription Shares by the Listing Committee of the Stock Exchange.

In the event that the conditions are not fulfilled on or before 31 July 2012 (or such later date as the parties may mutually agree) the rights and obligations of the parties under this Top-Up Subscription Agreement shall cease and be of no further effect, in which event the parties hereto shall be released from such obligations without any liability save as to any antecedent breach and provided that any right or remedies which shall have accrued shall not be prejudiced or affected. None of the above conditions can be waived.

### **Completion**

Completion of the Top-Up Subscription will take place on or before 12 July 2012, being 14 days after the date of the Top-Up Placing Agreement. Under Rule 14A.31(3)(d) of the Listing Rules, completion of the Top-Up Subscription is required to take place within 14 days after the date of the Top-Up Placing Agreement, otherwise independent Shareholders' approval would be required for the Top-Up Subscription.

### **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting of the listing of, and permission to deal in, the Subscription Shares.

## **THE NEW SHARES PLACING AGREEMENT DATED 28 JUNE 2012**

Issuer: The Company

Placing Agents: The Placing Agents

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

### **Independent of placees**

The New Placing Shares will be placed to not less than six placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors and not concert parties with the controlling Shareholder(s) (if any) (as defined under the Takeovers Code), and not connected with any directors, chief executive or substantial Shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the placees and their respective associates will become a substantial Shareholder as a result of the Top-Up Placing and New Shares Placing.

## **Number of New Placing Shares**

Pursuant to the New Shares Placing Agreement, the Placing Agents agreed to procure, on a best effort basis, not less than six placees to subscribe for a maximum of 110,000,000 New Placing Shares at the Placing Price. The maximum of 110,000,000 New Placing Shares represent (i) approximately 4.21% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.70% of the issued share capital of the Company of 2,972,877,588 Shares as enlarged by the issue of the Subscription Shares and a maximum of 110,000,000 New Placing Shares.

## **Placing Price**

The Placing Price is HK\$0.155 per Share and represents:

- (i) a discount of approximately 6.63% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on 28 June 2012, being the last trading day before the publication of this announcement; and
- (ii) a discount of approximately 6.63% to the average of the closing price of the Shares of HK\$0.166 per Share quoted on the Stock Exchange for the five consecutive trading days prior to the date of this announcement.

The Placing Price was arrived at after arm's length negotiation between the Company and the Placing Agents. The Directors consider the Placing Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Conditions and completion to the New Shares Placing Agreement**

The New Shares Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the New Placing Shares and any other approval as may be required for the New Shares Placing. Completion of the New Shares Placing shall take place within two business days after the fulfillment of the aforesaid conditions or any other date as the parties may agree.

The New Shares Placing Agreement shall automatically become null and void and of no effect if the conditions set forth above remain unfulfilled on 31 July 2012 or such date mutually agreed by both the Company and the Placing Agents and in such event either party shall have no claim against each other, save for those expressly reserved and agreed in the New Shares Placing Agreement.

## **Ranking of New Placing Shares**

The New Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares on the date of allotment and issue of the New Placing Shares.

## **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting of the listing of, and permission to deal in, the New Placing Shares.

## Termination

The Placing Agents reserves their rights to terminate the arrangements set out in the New Shares Placing Agreement if at any time at or before 10:00 a.m. on the New Shares Placing Completion Date without liability to the Company, in the absolute opinion of the Placing Agents:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agents, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of this Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agents, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the placing of the New Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agents to proceed with the New Shares Placing; or
- (c) any significant change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the New Shares Placing (such success being the completion of the placing of the New Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of Placing Agents make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agents to proceed with the New Shares Placing; or
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the New Shares Placing Agreement; or
- (e) any adverse change in the business, financial or trading position of any member of the Company and its subsidiaries which is material to the New Shares Placing; and
- (f) the Placing Agents shall become aware of the fact that any of the representations or warranties contained in the New Shares Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agents shall determine in its absolute opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the New Shares Placing.



**As the Top-Up Subscription and New Shares Placing are subject to the fulfillment of a number of conditions, the Top-Up Subscription and New Shares Placing may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

## **REASONS FOR AND BENEFIT OF THE TOP-UP PLACING, TOP-UP SUBSCRIPTION AND NEW SHARES PLACING**

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 consider the Top-Up Subscription and New Shares Placing offer good opportunities to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group.

Assuming the Top-Up Subscription and the New Shares Placing become unconditional, the aggregate gross proceeds of the Top-Up Subscription and the New Shares Placing will be approximately HK\$55.8 million and the net proceeds will be approximately HK\$53.6 million after deducting all related expenses (including professional advisors fees and printing costs). The Company intends to apply the net proceeds as general working capital of the Group and professional and other upfront fees incurred in evaluating the Group's potential investment projects in North America. The net price to be raised per Share from the Top-Up Subscription and the New Shares Placing will be approximately HK\$0.149 per Share.

The Directors consider that the terms of Top-Up Placing Agreement, the Top-Up Subscription and the New Shares Placing Agreement are fair and reasonable and they are in the interests of the Company and its Shareholders as a whole.



## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

<b>Date of announcement</b>	<b>Capital raising activity</b>	<b>Net proceeds raised (<i>approximately</i>)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
25 April 2012	Top up placing and subscription of 330,000,000 new Shares	HK\$47 million	To be used for general working capital of the Group	used as intended
14 October 2011	Top up placing and subscription of 80,000,000 new Shares	HK\$13.56 million	To be used for financing the Mendoza oil project and for general working capital of the Group	HK\$11.36 million has been used for financing the Mendoza oil project and approximately HK\$2.2 million was used as working capital
19 August 2011	Placing of convertible notes in the principal amount of HK\$62.1 million	HK\$60 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

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the twelve month period immediately preceding the 28 June 2012, being the last trading day before the publication of this announcement.

## EFFECT ON SHAREHOLDING

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Top-Up Placing but before completion of the Top-Up Subscription and the New Shares Placing; (iii) immediately after completion of the Top-Up Placing and the Top-Up Subscription but before completion of the New Shares Placing; and (iv) after completion of the Top-Up Placing, the Top-Up Subscription and the New Shares Placing will be as follows:

	Existing		Immediately after completion of the Top-Up Placing but before the Top-Up Subscription and the New Shares Placing		Immediately after completion of the Top-Up Placing and the Top-Up Subscription but before the New Share Placing		Immediately after completion of the Top-Up Placing, the Top-Up Subscription and the New Shares Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
City Wise (Note 1)	398,232,975	15.24	148,232,975	5.67	398,232,975	13.91	398,232,975	13.40
City Smart International Investment Limited (Note 2)	7,466,856	0.28	7,466,856	0.28	7,466,856	0.26	7,466,856	0.25
Rich Concept Worldwide Limited (Note 3)	125,810,827	4.82	125,810,827	4.82	125,810,827	4.40	125,810,827	4.23
Mr. Chu Kwok Chi Robert Placees	33,852,938	1.30	33,852,938	1.30	33,852,938	1.18	33,852,938	1.14
	–	–	250,000,000	9.57	250,000,000	8.73	360,000,000	12.11
Other Public Shareholders	2,047,513,992	78.36	2,047,513,992	78.36	2,047,513,992	71.52	2,047,513,992	68.87
Total	<u>2,612,877,588</u>	<u>100.00</u>	<u>2,612,877,588</u>	<u>100.00</u>	<u>2,862,877,588</u>	<u>100.00</u>	<u>2,972,877,588</u>	<u>100.00</u>

Notes:

- (1) City Wise is a substantial Shareholder of the Company and 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.

## TERMS USED IN THIS ANNOUNCEMENT

“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liabilities, the securities of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“General Mandate”	generate mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2012, pursuant to which a maximum of 496,175,517 new Shares may fall to be allotted and issued
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Parties”	independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company and its directors, chief executive, and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Placing Agent(s)”	<p>Emperor Securities Limited, a licensed corporation to carry out Type 1 and Type 4 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)</p> <p>Convoy Investment Services Limited, a licensed corporation to carry out Type 1, Type 2 and Type 4 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)</p> <p>Emperor Securities Limited and Convoy Investment Services Limited, the placing agents in respect of the Top-Up Placing and the New Shares Placing</p>
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“New Shares Placing”	the placing of the New Placing Shares pursuant to the New Shares Placing Agreement
“New Shares Placing Agreement”	the placing agreement dated 28 June 2012 entered into between the Company and Placing Agents in relation to the placing of up to 110,000,000 new Shares at a placing price of HK\$0.155 per Share
“New Shares Placing Completion Date”	two business days after the fulfillment of conditions as set out in the New Shares Placing Agreement or such other date as the Company and the Placing Agents may agree
“New Placing Shares”	up to 110,000,000 new Shares to be placed under the New Shares Placing
“Placing Price”	HK\$0.155 per Top-Up Placing Share and New Placing Share
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	up to 250,000,000 new Shares to be issued to the Vendor pursuant to the Top-Up Subscription Agreement
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Repurchases issued by Securities and Futures Commission of Hong Kong
“Top-Up Placing”	the placing of the Top-Up Placing Shares pursuant to the Top-Up Placing Agreement
“Top-Up Placing Agreement”	the placing agreement dated 28 June 2012 entered into between the Vendor and Placing Agents in relation to the placing of up to 250,000,000 existing Shares at a placing price of HK\$0.155 per Share
“Top-Up Placing Shares”	up to 250,000,000 existing Shares to be placed under the Top-Up Placing
“Top-Up Subscription”	the conditional subscription of up to 250,000,000 Subscription Shares by the Vendor pursuant to the Top-Up Subscription Agreement

“Top-Up Subscription Agreement”	the subscription agreement dated 28 June 2012 entered into between the Company and the Vendor pursuant to which the Vendor will subscribe up to 250,000,000 Subscription Shares
“Vendor” or “City Wise”	City Wise Investment Limited, a substantial Shareholder of the Company and a company beneficially wholly-owned by Mr. Wu Shaozhang
“%”	per cent.

By order of the Board  
**EPI (Holdings) Limited**  
**Chu Kwok Chi Robert**  
*Executive Director and CEO*

Hong Kong, 28 June 2012

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