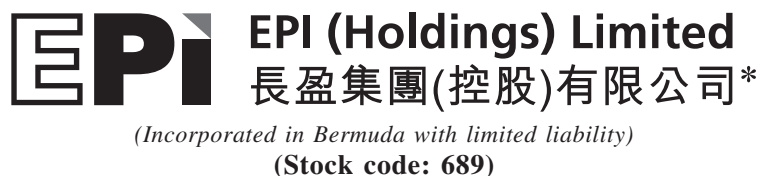

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in EPI (Holdings) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sales or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

**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 on pages 3 to 7 of this circular. A letter from the independent board committee of the Company is set out on page 8 of this circular. A letter from Proton Capital Limited containing its advice to the independent board committee and the independent shareholders of the Company is set out on pages 9 to 16 of this circular.

A notice convening the special general meeting of the Company to be held at 10:00 a.m. on Friday, 10 May 2013 at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages SGM-1 to SGM-3 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 26th Floor, 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 or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the special general meeting of the Company or any adjournment thereof (as the case may be) should you so wish.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definition	1
Letter from the Board	3
Letter from the Independent Board Committee	8
Letter from Proton Capital	9
Notice of SGM	SGM-1

DEFINITION

In this circular, unless the context otherwise requires, capitalised 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
“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Existing General Mandate”	the general mandate to issue up to 496,175,517 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 8 June 2012
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee comprises all the four independent non-executive Directors, namely Mr. Cheung Yuk Ming, Mr. Lam Ting Lok, Mr. Qian Zhi Hui and Mr. Zhu Tiansheng, 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
“Latest Practicable Date”	19 April 2013, 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

DEFINITION

“New General 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 aggregate nominal amount of the issued share capital of the Company as at the date of the SGM
“Proton Capital” or “Independent Financial Adviser”	Proton Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate and grant of the New General Mandate
“SGM”	the special general meeting of the Company to be held on Friday, 10 May 2013 for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	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. Tse Kwok Fai, Sammy
Mr. Allan Ritchie
Mr. Hong Kin Choy

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Director:

Mr. Ho King Fung, Eric

Principal place of business in Hong Kong:

Room 1401, 14/F.

Independent non-executive Directors:

Mr. Cheung Yuk Ming
Mr. Lam Ting Lok
Mr. Qian Zhi Hui
Mr. Zhu Tiansheng

Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

23 April 2013

To the Shareholders,

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

At the forthcoming SGM to be held at 10:00 a.m. on Friday, 10 May 2013 at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, ordinary resolution will be proposed to approve the grant to the Directors the New General Mandate to allot, issue and deal with new Shares not exceeding 20% of the aggregate of the nominal value of the issued share capital of the Company as at the date of the SGM. The purpose of this circular is to provide you with (i) details of the Refreshment of General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Refreshment of General Mandate; (iii) a letter of advice from 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.

* For identification purpose only

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE

Background of the Refreshment of General Mandate

At the annual general meeting of the Company held on 8 June 2012, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 496,175,517 Shares. There has not been any refreshment of the Existing General Mandate since the annual general meeting of the Company held on 8 June 2012.

As at the Latest Practicable Date, the Existing General Mandate had been utilised as to approximately 72.55%. As set out in the announcement of the Company dated 28 June 2012 (the “**Announcement**”), an aggregate of 360,000,000 Shares were issued under the Existing General Mandate as a result of (i) the top-up placing of 250,000,000 Shares; and (ii) the placing of 110,000,000 Shares. As stated in the Announcement, the respective net proceeds from the top-up placing and the placing of approximately HK\$37.2 million and HK\$16.4 million were intended to be used as general working capital of the Group. Completion of the aforesaid top-up placing and placing took place on 29 June 2012 and 17 July 2012 respectively.

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

Date of announcement	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
26 February 2013	Issue of convertible notes in the principal amount of HK\$100 million	HK\$95.5 million	To be used for repayment of the Company's debts and as working capital of the Group	Approximately HK\$53.5 million has been used for the repayment of the Company's debts and approximately HK\$42 million has not yet been utilised
21 January 2013	Placing of 125,000,000 new Shares	HK\$21.6 million	To be used as general working capital of the Group	Used as intended
	Issue of an aggregate of 625,000,000 non-listed transferable warrants at no initial issue price	HK\$123 million upon full exercise of the warrants	To be used as general working capital of the Group	No warrants had been exercised as at the Latest Practicable Date

LETTER FROM THE BOARD

Date of announcement	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
28 June 2012	Placing of 110,000,000 new Shares	HK\$16.4 million	To be used as general working capital of the Group	Used as intended
	Top-up placing and subscription of 250,000,000 new Shares	HK\$37.2 million	To be used as general working capital of the Group	Used as intended
25 April 2012	Top-up placing and subscription of 330,000,000 new Shares	HK\$47 million	To be used as general working capital of the Group	Used as intended

Reasons for the Refreshment of General Mandate

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

The Board would like to provide flexibility for the Company to raise funds for its future business development and/or opportunities to be identified by the Company through equity financing. Given that equity financing (i) does not incur any interest paying obligations on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes 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 New General 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 3,279,877,588 Shares were in issue. Subject to the passing of the proposed resolution for the Refreshment of General Mandate and on the basis that no Share would be issued or repurchased by the Company, no share options and warrants of the Company would be exercised and no convertible notes of the Company would be converted from the Latest Practicable Date up to the date of the SGM, the Company would be allowed under the New General Mandate to issue a maximum of 655,975,517 Shares.

LETTER FROM THE BOARD

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

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate to be proposed at the SGM. As there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates will abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate. As at the Latest Practicable Date, Mr. Tse Kwok Fai, Sammy (an executive Director and chief executive officer of the Company) was interested in 2,200,000 Shares, representing approximately 0.07% of the total issued share capital of the Company. Therefore, Mr. Tse Kwok Fai, Sammy and his 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, Mr. Tse Kwok Fai, Sammy and his associates (if any) 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 New General Mandate will remain effective

The New General 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.

SGM

A notice for convening the SGM to be held at 10:00 a.m. on Friday, 10 May 2013 at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, 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 or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

Having considered the reasons set out herein, the Board hereby recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Your attention is drawn to the letter from the Independent Board Committee set out on page 8 of this circular which contains its recommendation to the Independent Shareholders in connection with the terms of the New General Mandate. Your attention is also drawn to the letter from Proton Capital set out on pages 9 to 16 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders as regards to the Refreshment of General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

RESPONSIBILITY STATEMENT

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

By Order of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

23 April 2013

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 23 April 2013 (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 New General Mandate. Proton Capital 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 New General Mandate, after taking into account the advice of Proton Capital as set out on pages 9 to 16 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. Cheung Yuk Ming Mr. Lam Ting Lok Mr. Qian Zhi Hui Mr. Zhu Tiansheng
Independent Non-Executive Directors

* For identification purpose only

LETTER FROM PROTON CAPITAL



普頓資本有限公司
PROTON CAPITAL LIMITED

Suite 06-07, 28th Floor, Shui On Centre
6-8 Harbour Road, Wanchai, Hong Kong

23 April 2013

*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 23 April 2013 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 136,175,517 Shares could be issued under the Existing General Mandate which was granted to the Directors at the annual general meeting of the Company held on 8 June 2012 (the “**AGM**”). Therefore, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM. Pursuant to Rule 13.36(4) of the Listing Rules, the granting of the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling shareholders (as defined in the Listing Rules) of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution proposed for the approval of such grant, and under Rule 13.39 of the Listing Rules, any vote of the shareholders at a general meeting must be taken by way of poll. As at the Latest Practicable Date, there was no controlling Shareholder. As such, Mr. Tse Kwok Fai, Sammy, Mr. Allan Ritchie, Mr. Hong Kin Choy, Mr. Ho King Fung, Eric, and their respective associates (if any) will abstain from voting in favour of the relevant resolution to approve the Refreshment of General Mandate.

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

LETTER FROM PROTON CAPITAL

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, that having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading.

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

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

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:

LETTER FROM PROTON CAPITAL

(1) Background of the Refreshment of General Mandate

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

The Directors were authorised to allot and issue up to 496,175,517 new Shares under the Existing General Mandate which was granted to the Directors at the AGM.

According to the announcements of the Company dated 28 June 2012, 11 July 2012 and 17 July 2012 regarding (i) the top-up placing and subscription (the “**Top-up Placing**”) of 250,000,000 new Shares; and (ii) the placing (the “**Placing**”) of 110,000,000 new Shares. Since all of subscription Shares and new Shares were issued under the Existing General Mandate, the Existing General Mandate has been utilised as to 360,000,000 Shares, representing approximately 72.55% of the Existing General Mandate.

If the New General Mandate is not granted, only 136,175,517 new Shares may be further allotted and issued by the Directors under the Existing General Mandate. Given that the Existing General Mandate has been substantially utilised as a result of the Top-up Placing and the Placing, the Board proposes to seek approval of the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM.

As at the Latest Practicable Date, the Company had 3,279,877,588 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company, no share option and warrants of the Company would be exercised and no convertible notes of the Company would be converted from the Latest Practicable Date up to the date of the SGM, the Refreshment of General Mandate would allow the Directors to allot, issue and deal with up to 655,975,517 new Shares, representing 20% of the total issued share capital of the Company as at the date of the SGM.

(2) Reasons for the Refreshment of General Mandate

With reference to the Board Letter, the Board would like to provide flexibility for the Company to raise funds for its future business development and/or opportunities to be identified by the Company through equity financing. Given that equity financing (i) does not incur any interest paying obligations on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes 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.

According to the Company’s annual results announcement for the year ended 31 December 2012 and as further confirmed by the Directors, the Group’s core and continuing operations is petroleum exploration and production. The Group did not generate revenue

LETTER FROM PROTON CAPITAL

from the trading of petroleum related products during 2012, which led to the substantial decrease in turnover as compared with 2011. As at the Latest Practicable Date, the Group has ten wells in production, generating revenue of approximately HK\$80.85 million for the year ended 31 December 2012. As of 31 December 2012, the Company has invested HK\$559.50 million in the drilling and completion of its oil wells, as well as related infrastructure, in the Mendoza project. The Directors further advised us that (i) the Group will invest in its own water injection capacity in the second quarter of year 2013 to lower the field operating cost; (ii) they considered the current economic situation of Argentina and decided to restart the overall business development plan on Chañares oil project in later years; (iii) after setting up the technical & operational team and having a stable development in Argentina operation, the Group continues making effort in searching for opportunities on oil & gas exploration and production business; and (iv) the Group is now looking into a few acquisition opportunities in North America (including the proposed acquisition of the equity ownership and voting shares of a group of companies holding the interests in certain oil and gas properties located in United States of America which was announced by the Company on 28 November 2012), which may constitute major transactions/very substantial acquisition transactions for the Company under the Listing Rules if the proposed acquisition proceeds.

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

LETTER FROM PROTON CAPITAL

(3) Fund raising activities in the past twelve months

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

Date of announcements	Capital raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
26 February 2013	Issue of convertible notes in the principal amount of HK\$100 million	HK\$95.5 million	To be used for repayment of the Company's debts and as working capital of the Group	Approximately HK\$53.5 million has been used for the repayment of the Company's debts and approximately HK\$42 million has not yet been utilised
21 January 2013	(a) Placing of 125,000,000 new Shares	(a) HK\$21.6 million	(a) To be used as general working capital of the Group	(a) Used as intended
	(b) Issue of an aggregate of 625,000,000 non-listed transferable warrants at no initial issue price	(b) HK\$123 million upon full exercise of the warrants	(b) To be used as general working capital of the Group	(b) No warrants had been exercised as at the Latest Practicable Date
28 June 2012	(a) Placing of 110,000,000 new Shares	(a) HK\$16.4 million	(a) To be used as general working capital of the Group	(a) Used as intended
	(b) Top-up placing and subscription of 250,000,000 new Shares	(b) HK\$37.2 million	(b) To be used as general working capital of the Group	(b) Used as intended
25 April 2012	Top-up placing and subscription of 330,000,000 new Shares	HK\$47 million	To be used as general working capital of the Group	Used as intended

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

LETTER FROM PROTON CAPITAL

(4) Flexibility in financing

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

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

(5) Other financing alternatives

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

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

LETTER FROM PROTON CAPITAL

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

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

	Shareholding in the Company as at the Latest Practicable Date		Shareholding in the Company upon full utilization of the New General Mandate (assuming no other Shares are issued or repurchased by the Company)	
	Number of Shares	%	Number of Shares	%
City Wise Investment Limited (Note 1)	398,232,975	12.14	398,232,975	10.12
City Smart International Investment Limited (Note 2)	7,466,856	0.23	7,466,856	0.19
Mr. Tse Kwok Fai, Sammy (Note 3)	2,200,000	0.07	2,200,000	0.05
Existing public Shareholders	2,871,977,757	87.56	2,871,977,757	72.97
Shares to be issued under the New General Mandate	—	—	655,975,517	16.67
Total	<u>3,279,877,588</u>	<u>100.00</u>	<u>3,935,853,105</u>	<u>100.00</u>

Notes:

1. City Wise Investment Limited is wholly owned by South America Petroleum Investment Holdings Limited, a company beneficially and wholly owned by Mr. Wu Shaozhang.
2. City Smart International Investment Limited is a company beneficially and wholly owned by Mr. Wu Shaozhang.
3. Mr. Tse Kwok Fai, Sammy is an executive Director.

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 87.56% as at the Latest Practicable Date to approximately 72.97% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 14.59 percentage point.

Taking into account that the Refreshment of General Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) would provide more options of financing to the Group for further development of its business as well as in other potential future investment as and when such opportunities

LETTER FROM PROTON CAPITAL

arise; and (iii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the existing public Shareholders as just mentioned is acceptable.

RECOMMENDATION

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

Yours faithfully,
For and on behalf of
Proton Capital Limited
Josephine Lau
Director – Corporate Finance

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 10:00 a.m. on Friday, 10 May 2013 at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if though fit, passing with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

1. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as 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 (as 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, or (iv) the exercise of the outstanding conversion rights attaching to any convertible securities issued by the Company, which are convertible into shares 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).”

By Order of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & Chief Executive Officer

Hong Kong, 23 April 2013

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Room 1401, 14/F.
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A member may appoint more than one proxy on the same occasion. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (3) A form of proxy for use in connection with the SGM is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of

NOTICE OF SGM

proxy shall not be treated as valid. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.

- (4) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect of thereof.

As at the date of this notice, the Board comprises:

Executive Directors:

Mr. Tse Kwok Fai, Sammy (*Chief Executive Officer*)

Mr. Allan Ritchie (*Deputy Chief Executive Officer*)

Mr. Hong Kin Choy (*Chief Financial Officer*)

Non-Executive Director:

Mr. Ho King Fung, Eric

Independent Non-Executive Directors:

Mr. Cheung Yuk Ming

Mr. Lam Ting Lok

Mr. Qian Zhi Hui

Mr. Zhu Tiansheng