EPI (Holdings) Limited
長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

MEMORANDUM OF UNDERSTANDING RELATING TO PROPOSED ACQUISITION OF ENTIRE INTEREST IN 60 MEGA-WATT GROUND-MOUNTED SOLAR POWER PLANTS

THE MOU

The Board is pleased to announce that on 1 September 2015 (after Stock Exchange securities trading hours), a memorandum of understanding was entered into between Xin Wei (as purchaser), a wholly-owned subsidiary of the Company, and Zhongli (as vendor) in relation to the proposed acquisition of the Target Company which will hold interests in three solar power plants each with production capacity of 20MW in (i) Changshu, Jiangsu Province, the PRC, (ii) Liyang, Jiangsu Province, the PRC and (iii) Mingchuan, Anhui Province, the PRC respectively. The Solar Plant Projects are under construction and have committed contracts for engineering, procurement and construction (EPC) works.

The MOU does not create any legally binding commitment between the parties to proceed with the Proposed Acquisition and is subject to the parties entering into definitive agreements for the Proposed Acquisition. The Proposed Acquisition, if it proceeds, will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Details of the key terms of the MOU are set out below:

Date

1 September 2015

Parties

(i) Xin Wei, a wholly-owned subsidiary of the Company; and

(ii) Zhongli.

* *for identification purpose only*

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zhongli and its holding company 中利科技集團股份有限公司 (Zhongli Science and Technology Group Co., Ltd.*) (whose shares are listed on the Shenzhen Stock Exchange) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Conditions precedent

Should formal agreement be entered into by the parties to the MOU in respect of the Proposed Acquisition, completion of such agreement will be conditional upon the following being fulfilled:

(i) the due incorporation and existence of the Target Company, and the Target Company having obtained all necessary approvals, licenses and permits for its business operations (including but not limited to those relating to the operations of the Solar Plant Projects);

(ii) the Target Company being the sole legal and beneficial owner of the entire interest in the Solar Plant Projects;

(iii) the Solar Plant Projects having been connected to grid and commenced operation;

(iv) Xin Wei being satisfied with the design, construction, installation, debug, operation and quality of the facilities of the Solar Plant Projects;

(v) Zhongli having provided Xin Wei with the financial statements of the Target Company acceptable to Xin Wei, or a valuation report of the Target Company having been prepared by an independent valuer to be jointly appointed by Xin Wei and Zhongli; and

(vi) the warranties given by Zhongli on the Target Company remaining complete, true and accurate, and Xin Wei being satisfied with the results of the due diligence review against the Target Company.

Due diligence review and exclusivity

Under the MOU, Xin Wei has the right to conduct due diligence during the 3-month period from the signing of the MOU and is given exclusivity in negotiations on the Proposed Acquisition for a period of 6 months from the signing of the MOU.

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Consideration

The consideration for the Proposed Acquisition is to be agreed in the formal agreement, and is expected to be settled by Xin Wei within 2 business days after completion of the Proposed Acquisition. Zhongli will be required to procure the Target Company to enter into a main EPC contract with the EPC main contractor for the Solar Plant Projects on terms agreeable to Xin Wei. Xin Wei will be required to procure that the Target Company settle 80% of the construction sum within 20 days after completion of the Proposed Acquisition and the remaining 20% is to be settled by the Target Company within six months after completion of the Proposed Acquisition.

Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialise and accordingly, they should exercise caution when dealing in the shares of the Company.

DEFINITION

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

"Board"	the board of Directors
"Company"	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding dated 1 September 2015 entered into between Xin Wei and Zhongli with respect to the Proposed Acquisition
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"Proposed Acquisition"	the proposed acquisition of the Solar Plant Projects by Xin Wei
"Solar Plant Projects"	the three solar power plants owned by Zhongli and proposed to be acquired by Xin Wei
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	the special purpose vehicle to be established to hold the Solar Plant Projects

"Xin Wei"	Xin Wei Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
"Zhongli"	中利騰輝光伏科技有限公司 (Zhongli Talesun Solar Technology Company Limited*), an entity established under the laws of the PRC and a subsidiary of 中利科技集團股份有限公司 (Zhongli Science and Technology Group Co., Ltd.*)
"MW"	mega-watt
"%"	per cent.

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

Hong Kong, 2 September 2015

As at the date of this announcement, the Board comprises the non-executive chairman, namely Mr. Ho King Fung, Eric, two executive Directors, namely Mr. Tse Kwok Fai, Sammy (chief executive officer) and Mr. Chan Chi Hung, Anthony, and three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng.

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