This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

EPI (Holdings) Limited
長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

CONVOY 康宏
your finance navigator

On 25 April 2012 (after trading hours), (a) the Company, (b) City Wise (as vendor and owner of about 18.51% of the issued share capital of the Company), and (c) Convoy (as placing agent) have entered into the Placing Agreement under which City Wise will sell and Convoy will procure investors to purchase, a total of 330,000,000 existing Shares at a Placing Price of HK$0.15 per Share. The 330,000,000 existing Shares will be sold to not less than 6 independent professional, institutional and/or individual investors to be procured by Convoy.

On the same date, the Company has also entered into the Subscription Agreement with City Wise under which City Wise will subscribe for 330,000,000 new Shares at the same price of HK$0.15 per Share.

* *For identification purpose only*

The Placing is unconditional. The completion of the Subscription is conditional upon (i) the completion of the Placing; (ii) the granting of the listing of and permission to deal in the Subscription Shares by the Listing Committee of the Stock Exchange; and (iii) the Company obtaining all consents and approvals from the relevant authorities, if applicable, to allot and issue the Subscription Shares. An application will be made to the Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares are to be issued under the General Mandate.

The Placing Price was arrived at after arm's length negotiations. The Directors consider that the Placing Price, the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Placing Shares represent approximately 15.34% of the existing issued share capital of the Company and represent approximately 13.30% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in its issued share capital from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The net proceeds of the Subscription will be approximately HK$47 million. The Directors intend to apply the net proceeds as to HK$47 million as general working capital of the Group.

(I) THE PLACING AGREEMENT

Parties

(i) The Company;

(ii) City Wise (as vendor and owner of about 18.51% of the issued share capital of the Company); and

(iii) Convoy (as placing agent).

Number of Shares to be placed

330,000,000 existing Shares representing about 15.34% of the existing Shares in issue, and about 13.30% of the Shares in issue as enlarged by the Subscription.

The placees

Not less than 6 independent professional, institutional and/or individual investors to be procured by Convoy. The placees shall be Independent Third Parties and are not Connected Persons of the Company (as defined in the Listing Rules). No placee will become a substantial Shareholder of the Company upon completion of the Placing.

Placing Price

HK$0.15 per Share (exclusive of Hong Kong stamp duty, brokerage fees, Stock Exchange trading fees and SFC transaction levy).

The Placing Price represents:

1. a premium of about 1.35% to the closing price of HK$0.148 per Share quoted on the Stock Exchange on 25 April 2012, being the date of this announcement;

2. a premium of about 0.94% to the average closing price of about HK$0.1486 per Share as quoted on the Stock Exchange from 18 April 2012 to 24 April 2012, both dates inclusive, being the last five trading days immediately prior to the issuance of this announcement; and

3. a premium of about 0.13% to the average closing price of about HK$0.1498 per Share as quoted on the Stock Exchange from 11 April 2012 to 24 April 2012, both dates inclusive, being the last ten trading days immediately prior to the issuance of this announcement.

The Placing Price was determined on an arm's length basis. The Directors are of the opinion that the Placing Price is fair and reasonable.

Rights

The Placing Shares will be sold free and clear of all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching thereto at the date of the Placing Agreement, including the right to receive all dividends or other distributions declared, made or paid on the Placing Shares at any time after the date of the Placing Agreement.

Conditions of the Placing

The Placing is unconditional.

Completion of Placing

It is expected that the Placing will be completed on or before 25 May 2012 or such other time or date as the parties may agree.

The Placing Agent

Save as acting as the placing agent in respect of the Placing, Convoy is independent of and not connected with the director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates and Convoy is neither acting in concert with City Wise nor is an associate of City Wise.

(II) THE SUBSCRIPTION AGREEMENT

Parties

(i) The Company; and

(ii) City Wise (as subscriber).

Number of Subscription Shares

Immediately after completion of the Placing, the shareholding of City Wise will be reduced to 68,232,975 Shares, representing approximately 3.17% of the existing issued share capital of the Company before completion of the Subscription. The Company has conditionally agreed to allot and issue, and City Wise has conditionally agreed to subscribe for, the Subscription Shares (i.e. 330,000,000 new Shares) which is equivalent to the number of the Placing Shares placed under the Placing. The Subscription Shares, if subscribed in full, will amount to approximately 15.34% of the existing issued share capital of the Company and approximately 13.30% of the issued share capital of the Company as enlarged by the issue of Subscription Shares (assuming that there is no change in its issued share capital from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Subscription Price

The subscription price is HK$0.15 per Subscription Share, which is equivalent to the Placing Price.

The Subscription Price was determined after arm's length negotiations between the Company and City Wise with reference to the Placing Price. The Directors consider that the Subscription Price is fair and reasonable under the current market condition and in the interest of the Company and the Shareholders as a whole.

The aggregate nominal value of the Subscription Shares is HK$33,000,000.

General Mandate to issue the Subscription Shares

The Subscription Shares under the Subscription will be issued and allotted under the General Mandate. Since the General Mandate was granted, the Company had placed 80,000,000 Shares on 14 October 2011, therefore, 334,175,517 new Shares remain unutilized under the General Mandate.

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 Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

(i) the completion of the Placing;

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

(iii) the Company obtaining all consents and approvals from the relevant authorities, if applicable, to allot and issue the Subscription Shares.

In the event that the conditions are not fulfilled on or before 9 May 2012 (or such later date as the parties may mutually agree) the rights and obligations of the parties under the Subscription Agreement shall cease and be of no further effect, in which event the parties thereto shall be released from such obligations without any liability save as to any antecedent breach. None of the above conditions can be waived.

As the Subscription is subject to the fulfillment of a number of conditions, the Subscription may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

Completion

Completion of the Subscription shall take place 14 days from the date of the Subscription Agreement (or such later date as the parties may mutually agree).

Under Rule 14A.31(3)(d) of the Listing Rules, completion of the Subscription is required to take place within 14 days after the date of the Placing Agreement otherwise independent Shareholders' approval would be required for the 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.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

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 Placing offers a good opportunity for the Company to raise further capital and broaden the shareholder base of the Company thereby increasing the liquidity of the Shares. Assuming the Subscription become unconditional, the gross proceeds of the Subscription will be approximately HK$49.5 million and the net proceeds will be approximately HK$47 million after deducting all related expenses (including professional fees). The Company intends to apply the net proceeds as general working capital of the Group. The net price to be raised per Share from the Subscription will be approximately HK$0.1424 per Share.

The Directors consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and City Wise and that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Capital raising activity	Net proceeds raised *(approximately)*	Proposed use of the net proceeds	Actual use of the net proceeds
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
9 May 2011	Top up placing and subscription of 1,280,000,000 new Shares of HK$0.01 each in the share capital of the Company (equivalent to 128,000,000 Shares after the share consolidation of the Company which became effective on 23 June 2011, under which every 10 shares of the Company of HK$0.01 each were consolidated into one share	HK$63 million	To be used for general working capital and future business development of the Group	HK$37.6 million has been used for financing the Mendoza oil project and approximately HK$25.4 million was used as working capital

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding 25 April 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 Placing but before the completion of the subscription; and (iii) after the completion of the Placing and the Subscription (in each case assuming that there is no other change in the issued share capital of the Company from the date of this announcement except for the issue of Subscription Shares) will be as follows:

	Existing		**Immediately after completion of the Placing but before the Subscription**		**Immediately after completion of the Placing and the Subscription**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
City Wise *(Note 1)*	398,232,975	18.51	68,232,975	3.17	398,232,975	16.05
City Smart International Investment Limited *(Note 2)*	7,466,856	0.35	7,466,856	0.35	7,466,856	0.30
Rich Concept Worldwide Limited *(Note 3)*	125,810,827	5.85	125,810,827	5.85	125,810,827	5.07
Mr. Chu Kwok Chi Robert	33,852,938	1.57	33,852,938	1.57	33,852,938	1.36
Other Public Shareholders	1,585,513,992	73.72	1,915,513,992	89.06	1,915,513,992	77.22
Total	2,150,877,588	100.00	2,150,877,588	100.00	2,480,877,588	100.00

Notes:

(1) City Wise is a company 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
"City Wise"	City Wise Investment Limited, a substantial shareholder of the Company and a company beneficially wholly-owned by Mr. Wu Shaozhang
"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
"Convoy"	Convoy Investment Services Limited, a licensed corporation to carry out Type 1, Type 2 and Type 4 regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Director(s)"	director(s) of the Company
"General Mandate"	general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the special general meeting of the Company held on 29 September 2011, pursuant to which a maximum of 414,175,517 new Shares may fall to be allotted and issued
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party(ies)"	independent third parties who are not Connected Person(s) (as defined in the Listing Rules) 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
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Placing"	the placing of 330,000,000 existing Shares by City Wise to independent professional, institutional and/or individual investors to be procured by Convoy under the Placing Agreement
"Placing Price"	HK$0.15 per Placing Share
"Placing Shares"	330,000,000 Shares
"Shares"	ordinary shares of HK$0.1 each of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription for the Subscription Shares by City Wise pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 25 April 2012 and entered into between the Company and City Wise in respect of the Subscription
"Subscription Price"	HK$0.15 per Subscription Share

"Subscription Shares"	330,000,000 new Shares for which City Wise has conditionally agreed to subscribe pursuant to the Subscription Agreement
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent

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

Hong Kong, 25 April 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.