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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 689)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**結好證券有限公司**  
**GET NICE SECURITIES LIMITED**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 16 June 2017 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 651,000,000 new Shares to not less than six independent Placees at the Placing Price of HK\$0.308 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of Placing Shares represent approximately 14.91% of the Company's existing issued share capital and approximately 12.97% of the Company's issued share capital as enlarged by the allotment and issue of the maximum number of Placing Shares.

The Placing Price of HK\$0.308 per Placing Share represents (i) a discount of approximately 18.95% to the closing price of HK\$0.380 per Share as quoted on the Stock Exchange on 16 June 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 17.20% to the average closing price of HK\$0.372 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 15 June 2017.

\* For identification purpose only

The maximum amount of gross proceeds from the Placing will be approximately HK\$200,500,000. The Company intends to use the entire maximum amount of net proceeds of approximately HK\$195,300,000 from the Placing as general working capital for the Group's money lending and investment in securities businesses which require readily available funds in order to operate such businesses. In addition, part of the net proceeds from the Placing may be applied towards funding investment opportunities which may arise from time to time and which the Board considers to be in the interest of the Company to make such investment.

The Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**As completion of the Placing is subject to the satisfaction of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 16 June 2017, the Placing Agreement was entered into between the Company and the Placing Agent. Summarised below are the principal terms of the Placing Agreement.

## **THE PLACING AGREEMENT**

### **Date**

16 June 2017 (after trading hours)

### **Parties**

The Company and the Placing Agent

### **Placing Agent**

Get Nice Securities Limited, the Placing Agent, has conditionally agreed to place up to 651,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2.5% on the gross proceeds actually raised in the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of, and not acting in concert (as defined in the Takeovers Code) with, the Company and its connected persons.

## **Placees**

The Placing Agent will place the Placing Shares to not less than six independent Placees, being professional, institutional or other investors, who and whose ultimate beneficial owners are third parties independent of, and not acting in concert (as defined in the Takeovers Code) with, the Company and its connected persons. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares of 651,000,000 new Shares represent approximately 14.91% of the Company's existing issued share capital and approximately 12.97% of the Company's issued share capital as enlarged by the allotment and issue of the maximum number of Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$6,510,000.

## **Placing Price**

The Placing Price of HK\$0.308 per Placing Share represents (i) a discount of approximately 18.95% to the closing price of HK\$0.380 per Share as quoted on the Stock Exchange on 16 June 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 17.20% to the average closing price of HK\$0.372 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 15 June 2017. The net placing price under the Placing, assuming the maximum number of Placing Shares are placed, is approximately HK\$0.300 per Placing Share.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agent, was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 22 June 2016 pursuant to which the Directors are allowed to allot and issue up to 20% of the total number of issued shares of the Company as at the date of the annual general meeting. Under the General Mandate, the Company is authorised to issue up to 873,424,364 new Shares. Up to the date of this announcement, a maximum of

222,222,222 new Shares (based on the initial conversion price) would be issued and allotted assuming the full conversion of the Convertible Notes issued under the General Mandate (details of which were disclosed in the Company's announcements dated 11 April 2017 and 26 April 2017). Hence, the number of the remaining new Shares available for issue under the General Mandate is 651,202,142 new Shares. Accordingly, assuming completion of the Placing of the maximum number of Placing Shares takes place and full conversion of the Convertible Notes into new Shares (at the initial conversion price), a total of 873,222,222 new Shares would be issued and approximately 99.98% of the General Mandate would be utilized.

### **Conditions of the Placing**

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and
- (ii) the transactions contemplated by the Placing Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority) in Hong Kong or other jurisdiction which is applicable to the Company or the Placing Agent.

If any of the conditions is not fulfilled on or prior to the Long Stop Date or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and none of the parties shall have any claim against another for costs, damages, compensation or otherwise save for any antecedent breaches of the Placing Agreement.

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

### **Termination of the Placing**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing to the Company at any time prior to the Completion Date upon the occurrence of any of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions, affairs or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (A) there develops, occurs or comes into force:
- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
  - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (iii) any material change in conditions of local, national or international securities markets occurs; or
  - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
  - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong, or elsewhere; or
  - (vi) any litigation or claim being instigated against the Company or any member of the Group; or
- (B) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) there is any adverse change in the financial position of the Company which is material in the context of the Placing;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received prior to the Long Stop Date.

Upon the giving of the above mentioned notice by the Placing Agent to the Company, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and outstanding liabilities under the terms of the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing shall take place on the Completion Date.

**As completion of the Placing is subject to the satisfaction of the conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The principal activity of the Company is investment holding and the principal activities of the Group are petroleum exploration and production, money lending and investment in securities.

The maximum amount of gross proceeds from the Placing will be approximately HK\$200,500,000. The Company intends to use the entire maximum amount of net proceeds of approximately HK\$195,300,000 from the Placing as general working capital for the Group's money lending and investment in securities businesses which require readily available funds in order to operate such businesses. In addition, part of the net proceeds from the Placing may be applied towards funding investment opportunities which may arise from time to time and which the Board considers to be in the interest of the Company to make such investment(s). Accordingly, the Company may reallocate the use of the net proceeds in response to changing business conditions and appropriate disclosure(s) regarding the change(s), if any, will be made in due course.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activity in the past twelve months immediately preceding the date of this announcement:

<b>Date of announcements</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
11 April 2017 and 26 April 2017	Issue of the Convertible Notes of an aggregate principal amount of HK\$80,000,000	Approximately HK\$79,900,000	The Company intended to use approximately 50% of the net proceeds as working capital for the money lending business of the Group and the remaining 50% of the net proceeds as working capital for the investment in securities business of the Group.	Used as intended

Save for the above, the Company has not conducted any other fund raising activity by way of issue of equity securities in the past twelve months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing of the maximum number of Placing Shares (assuming there is no change in the share capital of the Company between the date of this announcement and completion of the Placing); and (iii) immediately after completion of the Placing of the maximum number of Placing Shares and the issue of Conversion Shares (at the initial conversion price) assuming all conversion rights attaching to the Convertible Notes have been exercised, are set out below for illustration purpose:

	(i) as at the date of this announcement		(ii) immediately after the completion of the Placing of the maximum number of Placing Shares		(iii) immediately after completion of the Placing of the maximum number of Placing Shares and the issue of Conversion Shares (at the initial conversion price) assuming all conversion rights attaching to the Convertible Notes have been exercised	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Shareholders</b>						
Billion Expo International Limited ( <i>Note</i> )	2,535,285,620	58.05	2,535,285,620	50.52	2,535,285,620	48.38
Subscriber	–	–	–	–	222,222,222	4.24
<b>Public Shareholders</b>						
Placees	–	–	651,000,000	12.97	651,000,000	12.42
Others	1,831,836,202	41.95	1,831,836,202	36.51	1,831,836,202	34.96
<b>Total</b>	<b>4,367,121,822</b>	<b>100.00</b>	<b>5,018,121,822</b>	<b>100.00</b>	<b>5,240,344,044</b>	<b>100.00</b>

*Note:* Billion Expo International Limited is wholly owned by Premier United Group Limited, which is wholly owned by Mr. Suen Cho Hung, Paul, an Executive Director and the Chairman of the Board.

## DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Board”	Board of Directors of the Company
“Business Day”	any day (excluding Saturdays, Sundays or public holidays) on which banks are generally open for business in Hong Kong

“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	means a day as soon as possible following the satisfaction of all the conditions of the Placing and in any event not later than five (5) Business Days after the satisfaction of the conditions of the Placing (or such other date as the Company and the Placing Agent may agree in writing) and on which completion of the Placing will take place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Share(s)”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	convertible note(s) of an aggregate principal amount of HK\$80,000,000 issued to the Subscriber on 26 April 2017, details of which were disclosed in the Company’s announcements dated 11 April 2017 and 26 April 2017
“Director(s)”	director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 22 June 2016 to allot, issue and deal with up to 20% of the then total number of issued shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	4 July 2017 or such later date as the Company and the Placing Agent shall agree
“Placee(s)”	any professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of up to 651,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the SFO
“Placing Agreement”	a conditional placing agreement dated 16 June 2017 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.308 per Placing Share
“Placing Share(s)”	up to 651,000,000 new Shares to be placed under the Placing
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Beijing Rui Gao Capital Management Limited# (北京睿高資本管理有限公司), a limited liability company established in the PRC, the subscriber of the Convertible Note(s)

“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

The English translation of the Chinese name which is marked with “#” in this announcement is included for identification purpose only and should not be regarded as the official English translation of such Chinese name. If there is any inconsistency between the Chinese name mentioned in this announcement and its English translation, the Chinese name shall prevail.

By Order of the Board  
**EPI (Holdings) Limited**  
**Sue Ka Lok**  
*Chief Executive Officer*

Hong Kong, 16 June 2017

*As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Ms. Chan Yuk Yee, Mr. Yiu Chun Kong, Mr. Chan Shui Yuen and Mr. Liu Zhiyi; and three Independent Non-executive Directors, namely Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine.*