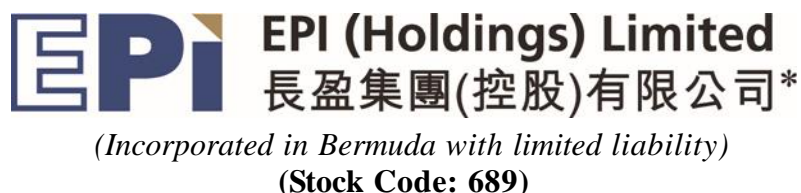


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EXPECTED IMPROVEMENT IN LOSS POSITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a significant decrease in loss and total comprehensive expense attributable to owners of the Company for FY2016 as compared to the loss and total comprehensive expense recorded for FY2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by EPI (Holdings) Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Based on a preliminary review by the Company, the Board of Directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant decrease in loss and total comprehensive expense attributable to owners of the Company for the year ended 31 December 2016 (“**FY2016**”) as compared to the loss and total comprehensive expense recorded for the year ended 31 December 2015 (“**FY2015**”) of HK\$276,548,000. Such expected decrease in loss is mainly attributable to (i) the absence of impairment loss of HK\$115,222,000 recognised in respect of exploration and evaluation assets during FY2015;

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(ii) the decrease in impairment loss, depreciation and depletion recognised in respect of oil and gas properties as compared to FY2015; and (iii) the absence of effective interest expense on convertible notes of HK\$6,761,000 recognised during FY2015 as the convertible notes were redeemed in June 2015.

The Company is in the process of finalising the annual results of the Group for FY2016, which are subject to audit by the Company's auditors. The information contained in this announcement is only a preliminary assessment made by the Board based on currently available information and such information has not been reviewed or audited by the Company's auditors. Details of the Group's annual results will be disclosed in the results announcement of the Company for FY2016 which is expected to be released before the end of March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 February 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. Zhu Kai and Mr. Chan Shui Yuen; and three Independent Non-executive Directors, namely Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine.