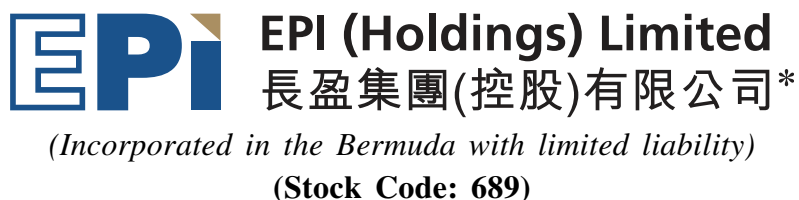


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UPDATE ON THE GROUP'S PETROLEUM OPERATION IN ARGENTINA

Reference is made to the announcement of EPI (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 25 August 2016 (the “**Announcement**”) and the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”) in relation to the Group’s petroleum exploration and production business in the Chañares Herrados area (“**Area A**”) and the Puesto Pozo Cercado area (“**Area B**”) located in Cuyana Basin, Mendoza Province of Argentina. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement and the 2016 Annual Report, the Company was notified by the Concessionaire of the Concessions that the department of hydrocarbons of the government of Mendoza (the “**Mendoza Government**”) has been reviewing the fulfilment of the terms and conditions of the 10-year extension of the Concessions till 2027 (the “**Extension**”) previously awarded to the Concessionaire, particularly the status of the investment commitment of the Concessionaire. The Board of Directors (the “**Board**”) announced that the Company was notified by the Concessionaire that the Executive of the Province of Mendoza published two decrees on 9 August 2017 to the effect that (i) it has accepted the investment commitment plan submitted by the Concessionaire in respect of the Extension for Area A; and (ii) it declared the lapse of the Concession in respect of Area B by 30 October 2017. The Concessionaire also advised the Company that based on its discussions with the Mendoza Government, the Concession in respect of Area A will be extended until 14 November 2027. The Company is requesting the Concessionaire to obtain written confirmation from the Mendoza Government on the exact period of the Extension and is at the same time seeking advice from the Company’s legal adviser in Argentina on this matter. Further announcement will be made by the Company if there is any updated information on the Extension other than those disclosed above.

As disclosed in the 2016 Annual Report, the Group finished drilling of 10 oil wells in Area A. All the 10 oil wells are in production and the Group is entitled to 51% interest on the production of 5 oil wells and 72% interest on the production of the other 5 oil wells. Following the Extension, the Group will continue its participation in the operations and sharing of interest on the production of the aforesaid 10 oil wells in Area A. As regards Area B, as no oil wells have been drilled or are in

* For identification purpose only

operations and the Group's investment in respect of its right over the hydrocarbon production from Area B has been fully impaired in the year ended 31 December 2015, the Board considers that the lapse of the Concession in respect of Area B would not have material adverse effect on the business, financial positions or prospects of the Group.

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

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

Hong Kong, 15 August 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.