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VOLUNTARY ANNOUNCEMENT ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT IN RELATION TO SOLAR ENERGY GENERATION BUSINESS

This announcement is made by EPI (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

THE COOPERATION FRAMEWORK AGREEMENT

The Board of Directors (the “**Board**” or the “**Directors**”) of the Company is pleased to announce that on 23 July 2021 (after the trading hours), an indirect wholly owned subsidiary of the Company entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with a specialist solar energy total solutions and services provider (the “**Services Provider**”), pursuant to which the Group would engage the Services Provider to cooperate with the Group in respect of the investment in solar power generation system projects and the sale of the electricity generated by the systems to the two power companies (the “**Power Companies**”) in Hong Kong (the “**Solar Energy Generation Business**”), thereby earning the Feed-in Tariff (the “**FiT**”) income from the Power Companies under the Renewable Energy Feed-in Tariff Scheme (the “**FiT Scheme**”) launched by the Government of Hong Kong and the Power Companies. The first phase of the cooperation period shall be three years from the date of the Cooperation Framework Agreement.

To the best of the Directors’ information, knowledge and belief having made all reasonable enquiries, the Services Provider and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at the date of this announcement.

Pursuant to the Cooperation Framework Agreement, the Group intends to invest not less than HK\$60 million per annum to build solar power generation systems in Hong Kong to feed the electricity generated to the electricity grid of the Power Companies and to earn the FiT income under the FiT Scheme; and the Services Provider will be responsible for (i) deal sourcing with landlords or owners’ incorporation (the “**Landlords**”) of commercial, industrial or residential buildings or non-governmental organizations; (ii) design, procurement and installation of the solar power generation systems; and (iii) project management and maintenance of the solar power generation systems. The Services Provider undertakes to the Group that the Group has the “first right of refusal” to invest in solar power generation system projects successfully solicited by the Services Provider.

** For identification purpose only*

The Services Provider will negotiate with the Landlords and recommend any potential project development site (the “**Potential Site**”) to the Group. Once a Potential Site is selected, the Services Provider will procure the entering into of solar power generation system cooperation agreement between the Group, the Landlords and the Services Provider. The Group reserves the right to make the final decision on investment in individual projects. The specific terms of the individual projects that the Group decides to invest will be clearly stated in a separate contract. The Group will earn FiT income from the Power Companies from feeding the electricity generated from the solar power generation systems to the electricity grid of the Power Companies, and the Group will share the FiT income received on a pre-determined sharing ratio with the Landlords, after deducting the system operation and maintenance fees payable to the Services Provider.

REASONS FOR AND BENEFITS OF THE COOPERATION FRAMEWORK AGREEMENT

Recently, major countries in the world are actively formulating their energy policies in order to curb carbon emissions. In order to capture the business opportunities in decarbonization, the Group envisages to expand its footprints in the energy sector to the next level by investing in renewable energy business including but not limited to the Solar Energy Generation Business, which could provide the Group with sustainable and viable business development.

The Board considers that the entering into of the Cooperation Framework Agreement is in the interests of the Company and its shareholders as a whole as it would enable both parties to leverage on their respective strength, resources and expertise to build a stable and mutually-beneficial strategic relationship for the development of solar power generation system projects and provides an opportunity for the Company to further broaden its business scope into renewable energy business.

GENERAL

The Cooperation Framework Agreement merely provides a strategic cooperation framework between the Group and the Services Provider. The terms of cooperation contemplated under the Cooperation Framework Agreement are subject to the terms of any definitive agreements which the Group and the Services Provider may subsequently enter into from time to time. As at the date of this announcement, the Group and the Services Provider have not entered into any legally binding agreements in relation to any specific cooperation projects. If any transaction contemplated under the Cooperation Framework Agreement constitutes a notifiable transaction for the Company under the Listing Rules, further announcement(s) will be made by the Company as and when appropriate.

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

Hong Kong, 23 July 2021

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Sue Ka Lok, Mr. Yiu Chun Kong, Mr. Chan Shui Yuen and Mr. Liang Weijie; and three Independent Non-executive Directors, namely Mr. Pun Chi Ping, Ms. Leung Pik Har, Christine and Mr. Kwong Tin Lap.