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 **EPI (Holdings) Limited**
長盈集團(控股)有限公司*
EPI (Holdings) Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

PROFIT WARNING

This announcement is made by EPI (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Reference is also made to the joint announcement dated 4 August 2016 (the “**Joint Announcement**”) issued by the Company and Always Profit Development Limited in relation to the Offers. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

The board of directors (the “**Board**”) of the Company would like to inform the Shareholders and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016 and other information currently available to the management of the Group, the Group is expected to record an increase in loss for the six months ended 30 June 2016 by more than 80% as compared to the loss of approximately HK\$15 million for the six months ended 30 June 2015 (the “**Profit Warning Statement**”). Such increase in loss is expected to be primarily attributable to (i) the lack of fair value gain of approximately HK\$12.3 million and effective interest expense of approximately HK\$6.8 million on convertible notes as a result of the early redemption by the Company in June 2015; (ii) the segment results of petroleum exploration and production turned from a profit of approximately HK\$3.1 million for the six months ended 30 June 2015 to a small loss for the same period in 2016; and (iii) the increase in other expenses.

The information as disclosed above is only based on a preliminary assessment by the management of the Group on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, which is subject to finalisation and has not been audited or reviewed by the Company’s auditors, and other information available to the management of the Group. The Interim Result is expected to be announced by the Company in late August 2016.

* *for identification purposes only*

The Profit Warning Statement constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company's auditor and financial adviser in compliance with Rule 10.4 of the Takeovers Code. Meanwhile, this announcement is required to be made pursuant to Rule 13.09(2)(a) of the Listing Rules, which requires the Company to publish the Profit Warning Statement as soon as practicable. Due to the time constraint in issuing this announcement in compliance with the relevant rules and regulations, the Company has encountered genuine difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code for this announcement. In this regard, the Executive will normally permit the relaxation of Rule 10.4 of the Takeovers Code, and require the Profit Warning Statement to be reported on as soon as reasonably practicable and the reports from the Company's auditor and financial adviser to be included in the next document to be sent to the Shareholders, which is expected to be the Composite Document. However, as the announcement of the Interim Result will be published prior to the despatch of the Composite Document, the requirement under Rule 10.4 of the Takeovers Code to report on the Profit Warning Statement will no longer apply.

The Company would like to draw the attention of the Shareholders and potential investors that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Offers.

By order of the Board
EPI (Holdings) Limited
Tse Kwok Fai, Sammy
Executive Director & CEO

Hong Kong, 11 August 2016

As at the date of this announcement, the Board comprises the non-executive chairman, namely Mr. Ho King Fung, Eric; three executive Directors, namely Mr. Tse Kwok Fai, Sammy (chief executive officer), Mr. Chan Chi Hung, Anthony and Mr. Zou Feng; a non-executive Director, namely Mr. Phen Chun Shing Vincent; and three independent non-executive Directors, namely Mr. Qian Zhi Hui, Mr. Teoh Chun Ming and Mr. Zhu Tiansheng.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.