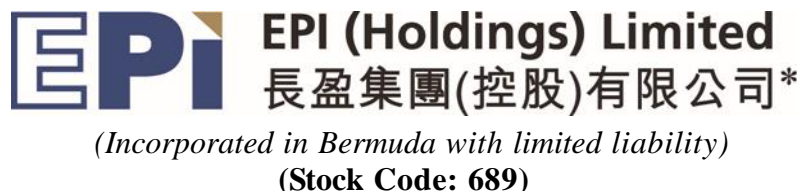


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EXPECTED IMPROVEMENT IN LOSS POSITION

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 expects to record a decrease in loss attributable to owners of the Company for the six months ended 30 June 2018 as compared to the loss of approximately HK\$61.0 million for the six months ended 30 June 2017. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the six months ended 30 June 2018 which have not been confirmed or reviewed by the Company's auditor.

Further details of the Group's financial results and performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced before the end of August 2018.

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**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

** For identification purpose only*

Based on a preliminary review by the Company's management on the unaudited management accounts of the Group, 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 expects to record a decrease in loss attributable to owners of the Company for the six months ended 30 June 2018 as compared to the loss of approximately HK\$61.0 million for the six months ended 30 June 2017. Such expected decrease in loss is mainly due to (i) the absence of the share-based payments expense of approximately HK\$73.3 million, which was non-cash in nature, recognised for the six months ended 30 June 2017 in relation to the granting of share options, though such decrease in loss is partially offset by (ii) the net fair value loss on convertible notes recorded for the six months ended 30 June 2018 of approximately HK\$16.0 million as compared with the net fair value gain on convertible notes recorded for the corresponding period in last year of approximately HK\$3.6 million, which was non-cash in nature; and (iii) the net loss on financial assets at fair value through profit or loss ("**FVTPL**") recorded for the six months ended 30 June 2018 of approximately HK\$25.5 million (which comprised of net unrealised loss and net realised gain of approximately HK\$28.5 million and HK\$3.0 million respectively) as compared with the net gain on financial assets at FVTPL recorded for the corresponding period in last year of approximately HK\$10.6 million (which comprised of net unrealised gain and net realised gain of approximately HK\$1.1 million and HK\$9.5 million respectively).

The net fair value loss on convertible notes recorded by the Group was mainly resulted from the increase in the closing price of the Company's shares as at 29 June 2018, being the last trading day for the six month period ended 30 June 2018, as compared to the closing price of the Company's shares as at 29 December 2017, being the last trading day for the year ended 31 December 2017, and the net loss on financial assets at FVTPL was mainly due to the net decrease in the fair value of the Group's listed equity securities portfolio primarily owing to the volatile conditions of the Hong Kong stock market during the current period.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the six months ended 30 June 2018 which have not been confirmed or reviewed by the Company's auditor.

Further details of the Group's financial results and performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced before the end of August 2018.

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
Executive Director

Hong Kong, 6 August 2018

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