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UPDATE ON THE GROUP'S PETROLEUM OPERATION IN ARGENTINA

This announcement is made by EPI (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and is the latest update of the Group’s petroleum exploration and production business in the Chañares Herrados area (“**CHE Area**”) located in Cuyana Basin, Mendoza Province of Argentina.

As disclosed in the Company’s announcement dated 15 August 2017, based on the representation of the holder (“**Concessionaire**”) of the hydrocarbon exploitation concession rights in the CHE Area (“**CHE Concession**”), the Executive of the Province of Mendoza accepted the investment commitment plan (“**Investment Commitment**”) submitted by the Concessionaire in respect of the CHE Area, and the CHE Concession was extended until 14 November 2027 (“**CHE Extension**”).

Despite the CHE Extension, the Company has been notified by the Concessionaire that the Executive of the Province of Mendoza has issued a decree in respect of the termination of the CHE Concession as it has not fulfilled its Investment Commitment. The decree does not state the exact effective date of the termination of the CHE Extension. The Company understands that the Concessionaire is evaluating the legal actions to be followed in order to adequately protect its rights.

The Company is also seeking advice from the Company’s legal adviser in Argentina in relation to this latest development including remedies and possible actions that may be taken. Further announcement will be made by the Company in respect of any material development including the potential impact on the Group’s financial position and performance, which assessment the management will be able to make when there is more clarification on the matter.

* *For identification purpose only*

Shareholders and potential investors of the Company should exercise caution when dealing in securities of the Company.

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

Hong Kong, 24 May 2019

As at the date of this announcement, the Board of Directors of the Company 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 four Independent Non-executive Directors, namely Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping, Ms. Leung Pik Har, Christine and Mr. Kwong Tin Lap.