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(Incorporated in Bermuda with limited liability)

(Stock Code: 689)

UPDATE ON THE GROUP'S PETROLEUM OPERATION IN ARGENTINA

Reference is made to the announcement (the “**Announcement**”) of EPI (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 24 May 2019 in relation to a development relating to the Group’s petroleum exploration and production business in the Chañares Herrados area (“**CHE Area**”) located in Cuyana Basin, Mendoza Province of Argentina. This is an update of such development since the issue of the Announcement. For ease of reference, capitalised terms used in the Announcement have the same meanings when used in this announcement.

As disclosed in the Announcement, the Company has been notified by the Concessionaire that the Executive of the Province of Mendoza has issued a decree (the “**Decree**”) in respect of the termination of the CHE Concession as the Concessionaire has not fulfilled its Investment Commitment, without stating an effective date of termination of the CHE Extension. Accordingly, the Company has clarified with its legal adviser in Argentina (the “**Local Legal Adviser**”) as to the contents of the Decree and has been advised that it is stated in the Decree that the CHE Concession should now be made available for other investors to invest and operate under a formal bidding process (the “**Bidding Process**”), and that before the successful bidder takes over the concession, the Concessionaire can continue to operate in the CHE Concession and pay the same fees, royalties and other payments to the government under the same contractual conditions previously granted. The interpretation of the Local Legal Adviser for these statements in the Decree is that the Concessionaire is allowed to continue operating the oilfield until a new concessionaire takes over, and that during such period, the Concessionaire should be able to extract and sell oil and should continue to pay fees, royalties and other payments, which logically are only payable in a context where the Concessionaire is allowed to extract and sell oil. As of the date of this announcement, the Company is not aware that the Bidding Process has commenced.

* *For identification purpose only*

Based on the understanding of the Company, the Concessionaire continues to operate in the CHE Concession and has continued to send to the Company the daily production reports which contains daily production and sales quantity, and monthly report which contains production and sales quantity, selling price, sales revenue and operating expenses for calculating the profit sharing between the Company and the Concessionaire under an operation agreement entered into between the parties on 5 June 2012.

In light of the advice from the Local Legal Adviser and the Company's understanding that the Concessionaire continues to operate in the CHE Concession, the Company considers that the termination of the CHE Extension contemplated under the Decree has no immediate impact on the Company's operations, financial position and performance unless and until there is a successful bidder who can take over the CHE Concession after the Bidding Process. The Company understands that the Concessionaire is considering all necessary legal actions to be taken in order to protect its rights under the CHE Concession, including action to reverse the decision under the Decree in respect of termination of the CHE Concession. The Company is also evaluating its position and if it is in the interest of the Company to do so, it may participate in the Bidding Process (subject to the legal actions of the Concessionaire, if and when the process materialises) when it commences so as to minimise interruption to the Group's petroleum exploration and production business. With a view to strengthening the Group's business performance, the Company is also assessing other potential petroleum projects in which the Company may invest. Further announcement in relation to the above matters will be made as and when necessary.

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, 18 June 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.