EPI (Holdings) Limited
長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 689)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the "**Board**") of EPI (Holdings) Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2025 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**38,158**	36,841
Sales of petroleum, net of royalties		**33,458**	32,605
Sales of electricity		**4,343**	3,759
Interest income		**357**	477
Purchases, processing and related expenses		**(10,058)**	(9,279)
Other income and losses, net	*5*	**11,488**	24
Net loss on financial assets at fair value through profit or loss	*6*	**(3)**	(181)
Provision of expected credit loss on loan and interest receivables		**(527)**	(395)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income		**(308)**	(350)
Wages, salaries and other benefits	*9*	**(6,661)**	(6,393)
Depreciation	*9*	**(13,646)**	(13,989)
Other expenses		**(4,978)**	(3,793)
Finance costs	*7*	**(853)**	(1,039)

* *For identification purpose only*

	Notes	Six months ended 30 June **2025** ***HK$'000*** **(Unaudited)**	 2024 *HK$'000* (Unaudited)
Profit before tax		**12,612**	1,446
Income tax expense	*8*	**(1,495)**	(412)
Profit for the period	*9*	**11,117**	1,034
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on debt instruments at fair value through other comprehensive income		**(308)**	(350)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income included in profit or loss		**308**	350
Exchange differences arising on translation of financial statements of foreign operations		**4,790**	(2,423)
Other comprehensive income (expense) for the period, net of income tax		**4,790**	(2,423)
Total comprehensive income (expense) for the period attributable to owners of the Company		**15,907**	(1,389)
			(Restated)
Earnings per share attributable to owners of the Company			
– Basic	*11*	**HK1.86 cent**	HK0.20 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 HK$'000 (Unaudited)	At 31 December 2024 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	*12*	**194,589**	196,269
Right-of-use assets	*12*	**3,676**	2,174
Deposit paid for decommissioning obligation	*13*	**9,253**	8,540
Deferred tax assets		**2,619**	2,619
Total non-current assets		**210,137**	209,602
Current assets			
Debt instruments at fair value through other comprehensive income	*14*	**3,039**	3,347
Inventories		**100**	92
Loan and interest receivables	*15*	**18,528**	15,216
Trade and other receivables and prepayments	*13*	**22,429**	13,413
Financial assets at fair value through profit or loss	*16*	**1,518**	1,999
Tax recoverable		**211**	–
Cash and cash equivalents		**215,873**	193,315
Total current assets		**261,698**	227,382
Current liabilities			
Other payables	*17*	**6,655**	8,192
Tax payable		**1,353**	891
Lease liabilities		**1,325**	369
Decommissioning obligation		**1,259**	1,120
Total current liabilities		**10,592**	10,572
Net current assets		**251,106**	216,810
Total assets less current liabilities		**461,243**	426,412
Non-current liabilities			
Lease liabilities		**2,587**	1,944
Deferred tax liabilities		**6,124**	4,669
Decommissioning obligation		**24,025**	22,952
Total non-current liabilities		**32,736**	29,565
Net assets		**428,507**	396,847

	Note	At 30 June 2025 HK$'000 (Unaudited)	At 31 December 2024 HK$'000 (Audited)
Capital and reserves			
Share capital	*18*	**6,192**	52,403
Reserves		**422,317**	344,446
Equity attributable to owners of the Company		**428,509**	396,849
Non-controlling interests		**(2)**	(2)
Total equity		**428,507**	396,847

Notes:

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

The condensed consolidated financial statements are presented in Hong Kong dollar ("**HK$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's audited consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

3. Revenue

The Group's revenue is arising from petroleum exploration and production, solar energy, money lending and investment in securities businesses.

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of petroleum	**37,211**	37,516
Less: Royalties	**(3,753)**	(4,911)
Sales of petroleum, net of royalties	**33,458**	32,605
Sales of electricity	**4,343**	3,759
Interest income from money lending business*	**315**	477
Interest income from debt instruments at fair value through other comprehensive income ("**FVTOCI**")*	**42**	–
	38,158	36,841

* Under effective interest method

During the six months ended 30 June 2025 and 2024, revenue from sales of petroleum was recognised at a point in time. Revenue from sales of petroleum was recognised once the control of the crude oil was transferred from the Group to the customer. Revenue was measured based on the oil price agreed with the customers at the point of sales.

During the six months ended 30 June 2025 and 2024, revenue from sales of electricity was recognised at a point in time when the electricity generated (by solar energy power generation systems) and transmitted was simultaneously received and consumed by the power companies under the Renewable Energy Feed-in Tariff Scheme (the "**FiT Scheme**"), jointly launched by the Hong Kong Government and the two power companies in Hong Kong. The Group has no unsatisfied performance obligations at each reporting date.

Interest income fall outside the scope of HKFRS 15 "Revenue from Contracts with Customers".

4. **Segment information**

The following is an analysis of the Group's revenue and results by operating segments, based on the information provided to the chief operating decision maker representing the Board, for the purposes of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

The Group's operating segments under HKFRS 8 "Operating Segments" are as follows:

(i) Petroleum exploration and production
(ii) Solar energy
(iii) Money lending
(iv) Investment in securities

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the six months ended 30 June 2025

	Petroleum exploration and production *HK$'000* **(Unaudited)**	**Solar energy** *HK$'000* **(Unaudited)**	**Money lending** *HK$'000* **(Unaudited)**	**Investment in securities** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue					
External sales/sources	**33,458**	**4,343**	**315**	**42**	**38,158**
Results					
Segment results before provision of expected credit loss ("**ECL**")	**7,990**	**1,634**	**318**	**23**	**9,965**
Provision of ECL	**–**	**–**	**(527)**	**(308)**	**(835)**
Segment results	**7,990**	**1,634**	**(209)**	**(285)**	**9,130**
Other income and losses, net					**10,883**
Corporate expenses					**(7,357)**
Finance costs					**(44)**
Profit before tax					**12,612**
Income tax expense					**(1,495)**
Profit for the period					**11,117**

For the six months ended 30 June 2024

	Petroleum exploration and production HK$'000 (Unaudited)	Solar energy HK$'000 (Unaudited)	Money lending HK$'000 (Unaudited)	Investment in securities HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue					
External sales/sources	32,605	3,759	477	–	36,841
Results					
Segment results before provision of ECL	7,182	998	381	(182)	8,379
Provision of ECL	–	–	(395)	(350)	(745)
Segment results	7,182	998	(14)	(532)	7,634
Other income and losses, net					(376)
Corporate expenses					(5,782)
Finance costs					(30)
Profit before tax					1,446
Income tax expense					(412)
Profit for the period					1,034

Segment results represent the profit earned/loss incurred by each segment without allocation of certain other income and losses, net, corporate expenses, certain finance costs and income tax expense.

5. Other income and losses, net

	Six months ended 30 June **2025** ***HK$'000*** **(Unaudited)**	2024 *HK$'000* (Unaudited)
Bank and other interest income	**3,232**	3,610
Exchange gain (loss), net	**8,136**	(3,753)
Others	**120**	167
	11,488	24

6. Net loss on financial assets at fair value through profit or loss

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Realised loss on disposal of financial assets at fair value through profit or loss ("**FVTPL**")	**(25)**	–
Unrealised gain (loss) on financial assets at FVTPL	**22**	(181)
	(3)	(181)

7. Finance costs

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Accretion expense on decommissioning obligation	**772**	967
Interest on lease liabilities	**81**	72
	853	1,039

8. Income tax expense

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
– Canada withholding tax	**394**	412
Deferred tax	**1,101**	–
Income tax expense recognised in profit or loss	**1,495**	412

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

The Corporate Tax rate of the Canadian subsidiaries is 23% that composed of federal tax rate at 15% and provincial tax rate at 8%.

Withholding tax rate on the interest income and distributable profits from Canadian subsidiaries is 10% and 5% respectively.

9. Profit for the period

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs		
– directors' emoluments	**903**	822
– other staff costs	**5,517**	5,361
– other staff retirement benefits schemes contributions (excluding directors)	**241**	210
Total staff costs	**6,661**	6,393
Depreciation of property, plant and equipment	**12,934**	13,192
Depreciation of right-of-use assets	**712**	797
Total depreciation	**13,646**	13,989
Professional and consultancy fees	**2,683**	1,934

10. Dividends

No dividend was paid, declared or proposed for the six months ended 30 June 2025 (30 June 2024: nil), nor has any dividend been proposed since the end of the reporting period (30 June 2024: nil).

11. Earnings per share

Earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	**11,117**	1,034

	Six months ended 30 June	
	2025	2024
	'000	*'000*
		(Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**597,151**[1]	524,034[2]

Notes:

1. The weighted average number of ordinary shares for the purpose of calculation of the earnings per share has been adjusted for the effect of the placing of new shares completed on 12 February 2025 and the effect of share consolidation being effective on 1 April 2025.

2. The weighted average number of ordinary shares for the purpose of calculation of the earnings per share has been adjusted for the effect of the share consolidation being effective on 1 April 2025.

For the six months ended 30 June 2025 and 2024, the diluted earnings per share attributable to owners of the Company are not presented as there were no dilutive potential ordinary shares in issue.

12. Property, plant and equipment and right-of-use assets

During the six months ended 30 June 2025, the Group had additions of construction in progress related to oil and gas properties of HK$1,867,000 (30 June 2024: HK$119,000) and other office equipment of HK$9,000 (30 June 2024: nil).

During the six months ended 30 June 2025, the Group entered into new lease agreement with lease terms for 2 years. On the date of lease commencement, the Group recognised right-of-use assets of HK$2,214,000 and lease liabilities of HK$2,214,000.

During the six months ended 30 June 2024, the Group had not entered into any new lease agreement.

13. Deposits and prepayments, trade and other receivables

	At 30 June 2025	At 31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Deposit paid for decommissioning obligation *(Note (i))*	**9,253**	8,540
Trade receivables *(Note (ii))*	**7,308**	8,999
Deposits and prepayments	**12,822**	3,397
Others	**2,299**	1,017
	22,429	13,413

Notes:

(i) The amount represented a refundable deposit paid to Alberta Energy Regulator in relation to decommissioning obligation of the Group's petroleum exploration and production business in Canada.

(ii) The Group allows an average credit period of 30 to 60 days (31 December 2024: 30 to 60 days). The trade receivables of HK$7,308,000 (31 December 2024: HK$8,999,000) were aged within 60 days from the customers' statement date and were neither past due nor impaired.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Credit limit and credit quality attributed to customers are reviewed by the management regularly.

14. Debt instruments at fair value through other comprehensive income

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
Listed investments, at fair value:		
– Debt securities listed in Singapore (31 December 2024: Singapore) with fixed interests ranging from 5.25% to 11.75% (31 December 2024: 5.25% to 11.75%) per annum and contractual maturity dates ranging from 23 March 2022 to 28 June 2025 (31 December 2024: 23 March 2022 to 28 June 2025)	**3,039**	3,347

At 30 June 2025 and 31 December 2024, the fair values of the debt instruments at FVTOCI were determined based on quoted market prices and credit risk adjustments on certain debt instruments.

For the current interim period, provision of ECL of HK$308,000 (30 June 2024: HK$350,000) on debt instruments at FVTOCI was recognised in profit or loss with corresponding adjustment to other comprehensive income.

15. Loan and interest receivables

	At 30 June 2025 *HK$'000* (Unaudited)	At 31 December 2024 *HK$'000* (Audited)
Fixed-rate loan receivables	**32,323**	28,500
Interest receivables	**24**	8
	32,347	28,508
Less: Impairment allowance	**(13,819)**	(13,292)
	18,528	15,216
Analysed as:		
Current portion	**18,528**	15,216
Analysed as:		
Secured	**18,528**	15,216

For the current interim period, provision of ECL of HK$527,000 (30 June 2024: HK$395,000) on loan and interest receivables was recognised in profit or loss.

16. Financial assets at fair value through profit or loss

	At 30 June 2025 HK$'000 (Unaudited)	At 31 December 2024 HK$'000 (Audited)
Listed investments, at fair value:		
– Equity securities listed in Hong Kong	**1,518**	1,999

Listed equity securities were stated at fair values which were determined based on quoted market closing prices available on the Hong Kong Stock Exchange.

17. Other payables

	At 30 June 2025 HK$'000 (Unaudited)	At 31 December 2024 HK$'000 (Audited)
Accrued professional fees	**293**	411
Payables for additions of property, plant and equipment *(Note (i))*	**1,813**	–
Other payables and accruals *(Note (ii))*	**4,549**	7,781
	6,655	8,192

Notes:

(i) At 30 June 2025, the amount was related to the additions of oil and gas properties with credit period of 60 days.

(ii) At 30 June 2025, the amount included other payables of HK$3,173,000 (31 December 2024: HK$3,184,000) for operating expenses, workover costs and abandonment costs in relation to the Group's petroleum exploration and production business.

18. Share capital

	Number of ordinary shares *'000*	Share capital *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2024, 30 June 2024, 31 December 2024, 1 January 2025 and **30 June 2025**	**100,000,000**	**1,000,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2024, 30 June 2024, 31 December 2024, 1 January 2025	5,240,344	52,403
Issue of new shares under placing *(Note (i))*	952,095	9,521
Share Consolidation *(Note (ii))*	(5,573,195)	–
Capital reduction *(Note (ii))*	–	(55,732)
At 30 June 2025	**619,244**	**6,192**

Notes:

(i) On 12 February 2025, a total of 952,095,000 placing shares have been successfully placed to not less than six independent placees at the placing price of HK$0.017 per placing share pursuant to the terms and conditions of the placing agreement dated 15 January 2025.

(ii) On 1 April 2025, the implementation of the capital reorganisation, which involves the share consolidation and capital reduction (the "**Capital Reorganisation**"), became effective. Share consolidation involved a consolidation of every ten (10) issued existing shares of par value of HK$0.01 each into one (1) consolidated share of par value of HK$0.10 each (the "**Share Consolidation**"). Upon the Share Consolidation becoming effective, the capital reduction involved a reduction of the par value of each issued consolidated share from HK$0.10 to HK$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the consolidated shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK$0.09 per issued consolidated share by way of a reduction of capital, the Company's existing issued share capital before Capital Reorganisation of HK$61,924,000 reduced to HK$6,192,000 by HK$55,732,000, which was transferred to the contributed surplus reserve.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

BUSINESS REVIEW

During the six months ended 30 June 2025 ("**HY2025**"), the Group continued to principally engage in the businesses of petroleum exploration and production, solar energy, money lending and investment in securities.

During HY2025, international oil prices were trading in a narrower range when compared with the first half of 2024. The price of West Texas Intermediate crude oil, one of the benchmarks of international oil prices, was around United States dollars ("**US$**") 70 per barrel ("**/bbl**") in December 2024, reached its peak of US$76/bbl in January 2025, and dropped back to around US$68/bbl in June 2025, compared with the US$74/bbl to US$85/bbl price range in the first half of 2024. International oil prices are expected to remain volatile in the remaining 2025, driven by continuous changes in global supply and demand forces, which are influenced by factors including the escalated tariffs levied by the United States on its trading partners, the progress in unwinding voluntary production cuts by OPEC+, the demands of advanced and developing economies, the political instability and conflict in oil-producing regions, the geopolitical tensions in the Middle East and the ongoing Russia-Ukraine war.

During HY2025, the Group continued with its petroleum exploration and production business and development plan of the oil field in Windy Lake region, located near Calgary in Alberta Province of Canada (the "**Canadian Oil Assets**"), which were acquired in July 2022. For HY2025, the Canadian Oil Assets contributed a revenue of HK$33,458,000 (30 June 2024: HK$32,605,000), earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of HK$19,215,000 (30 June 2024: HK$18,865,000) and an operating profit of HK$7,990,000 (30 June 2024: HK$7,182,000) to the Group's results.

To pursue the Group's strategic initiatives to develop a diversified and balanced energy business portfolio, the Group entered into two agreements in July and August 2021 to invest in solar energy power generation projects that are participating in the FiT Scheme, being a scheme promoted by the Hong Kong Government to incentivise the private sector to produce clean energy for sale to the two power companies in Hong Kong. As of 30 June 2025, the Group had invested a sum of HK$58,265,000 in solar energy power generation projects under the two aforementioned agreements. For HY2025, the solar energy business contributed a revenue of HK$4,343,000 (30 June 2024: HK$3,759,000), an EBITDA of HK$4,271,000 (30 June 2024: HK$3,638,000) and an operating profit of HK$1,634,000 (30 June 2024: HK$998,000) to the Group's results.

Overall speaking, for HY2025, the Group recorded an increase in revenue by 4% to HK$38,158,000 (30 June 2024: HK$36,841,000) and recorded a substantial increase in profit attributable to owners of the Company to HK$11,117,000 (30 June 2024: HK$1,034,000), which was mainly the combined effect of (i) the recognition of exchange gain of HK$8,136,000 as a result of the appreciation of the Canadian dollar ("**C$**") and the New Zealand dollar ("**NZD**") against the Hong Kong dollar during HY2025 (30 June 2024: exchange loss of HK$3,753,000); (ii) the increase in income tax expense, mainly related to petroleum exploration and production business, to HK$1,495,000 (30 June 2024: HK$412,000); and (iii) the recognition of professional fee in relation to the capital reorganisation of the Company and the participation and operating agreement of petroleum exploration and production business of HK$321,000 (30 June 2024: nil). Earnings per share was HK1.86 cent (30 June 2024: HK0.20 cent, restated upon Share Consolidation being effective on 1 April 2025).

Petroleum Exploration and Production

The Canadian Oil Assets represent an operating oil field comprising petroleum and natural gas rights, facilities and pipelines, together with other properties and assets located in Windy Lake region, near Calgary in Alberta Province of Canada. The Canadian Oil Assets are managed under EP Resources Corporation ("**EPR**"), a Canadian incorporated wholly-owned subsidiary of the Company, by a team of local management with extensive experience in the oil and gas industry in Calgary, Canada.

For HY2025, the Group's petroleum exploration and production business (constituted by the Canadian Oil Assets) generated a revenue of HK$33,458,000 (30 June 2024: HK$32,605,000), an EBITDA of HK$19,215,000 (30 June 2024: HK$18,865,000), and an operating profit of HK$7,990,000 (30 June 2024: HK$7,182,000).

For HY2025, the Canadian Oil Assets produced approximately 84,500 barrel ("**bbl**") and sold approximately 84,500 bbl of crude oil, and generated a revenue (before royalties payment) of approximately C$6,731,000 (equivalent to HK$37,211,000) at an average selling price of C$79.7/bbl, whilst during the six months ended 30 June 2024 ("**HY2024**"), the Canadian Oil Assets produced and sold approximately 76,600 bbl and 75,800 bbl of crude oil respectively, and generated a revenue (before royalties payment) of approximately C$6,520,000 (equivalent to HK$37,516,000) at an average selling price of C$86.1/bbl. The crude oil produced from the Canadian Oil Assets were trucked and sold to the independent oil distributors located in the nearby regions who would largely resell the same to the American importers.

On 30 June 2025, EPR entered into a participation and operating agreement with BRW Petroleum Corp. ("**BRW**"), a company incorporated in Alberta Province of Canada with its principal business in exploration and production of oil and gas, to participate and farm-in to the interest of BRW in the lands to earn an interest in the well and shall pay to BRW the well costs. The drilling work of the well commenced in July 2025. Further details of the participation and operating agreement were set out in the announcements of the Company dated 30 June 2025 and 21 July 2025.

Solar Energy

In recent years, major countries in the world are actively formulating their energy policies to curb carbon emissions and it is the Group's business strategy to expand its footprints in the energy sector through investing in renewable energy assets, including solar energy projects, which could support the Group's healthy and sustainable business development. On 23 July 2021, in order to capture the business opportunities in decarbonisation, the Group entered into a cooperation agreement with a specialist solar energy total solution and services provider to invest in solar energy power generation projects, from which the electricity generated can be sold to the two power companies and thereby earning the feed-in tariff income under the FiT Scheme. Moreover, for further development of the solar energy business, on 30 August 2021, the Group entered into an acquisition agreement to acquire a portfolio of existing and to-be-completed solar energy power generation projects which are participating in the FiT Scheme. By March 2023, all the solar energy power generation projects had been completed and the Group currently has 50 solar photovoltaic systems in operation.

As of 30 June 2025, the Group had 50 solar photovoltaic systems in operation with a total on-grid power generation capacity of approximately 3,200-kilowatt, total investment in these solar energy power generation projects amounted to HK$58,265,000. For HY2025, the operation recorded an increase in revenue by 16% to HK$4,343,000 (HY2024: HK$3,759,000), which was mainly due to the increase in bright sunshine duration (as published by the Hong Kong Observatory) by 29% to about 900 hours as compared with about 700 hours in HY2024. Accordingly, the operation recorded an increase in EBITDA by 17% to HK$4,271,000 (HY2024: HK$3,638,000).

Money Lending

For HY2025, the Group continued to conduct its money lending business through Have Result Finance Limited, a wholly-owned subsidiary of the Company, and is licenced to conduct money lending activities under the Money Lenders Ordinance. The Group's money lending business reported a decrease in revenue by 34% to HK$315,000 (HY2024: HK$477,000) and operating profit (before provision of ECL) by 17% to HK$318,000 (HY2024: HK$381,000), which were mainly due to the lower average amount of performing loans advanced to borrowers during HY2025 (before the commencement of money lending business in New Zealand in June 2025) as compared with HY2024. A provision of ECL of HK$527,000 (HY2024: HK$395,000) was recognised which mainly represented the decrease in market value of a property pledged by the borrower to the Group in Hong Kong.

During June 2025, the Group commenced its money lending business in New Zealand, through EPI ESG Investment (New Zealand) Limited ("**EPINZ**"), a wholly-owned New Zealand subsidiary of the Company. The Group intends to develop a stable source of loan deals from its business network and expand the source of income from the money lending business. At 30 June 2025, the carrying amount of the loan portfolio of EPINZ was NZD800,000 (equivalent to HK$3,840,000), which was granted to a corporate borrower incorporated in New Zealand with local residential properties pledged as collateral.

Overall, the size of the Group's loan portfolio increased by 22% to HK$18,528,000 (31 December 2024: HK$15,216,000) (on a net of impairment allowance basis) mainly the result of a new loan granted by EPINZ in June 2025. The Group aims to make loans that could be covered by sufficient collateral, preferably properties and assets with good quality, and to borrowers with good credit history. The target customer groups of the business are individuals and corporate entities that have short-term funding needs for business purpose and could provide sufficient collateral for their borrowings. The Group has a stable source of loan deals from its own business network and sales agents.

Investment in Securities

The Group generally acquires securities listed on the Hong Kong Stock Exchange or other recognised stock exchanges and over-the-counter markets with good liquidity that can facilitate swift execution of securities transactions. For making investment or divestment decision on securities of individual target company, references will usually be made to the latest financial information, news and announcements issued by the target company, investment analysis reports that the Company has access to, as well as industry or macroeconomic news. When deciding on acquiring securities to be held for long-term purpose, particular emphasis will be placed on the past financial performance of the target company including its sales and profit growth, financial healthiness, dividend policy, business prospects, and industry and macroeconomic outlook. When deciding on acquiring securities to be held other than for long-term purpose, in addition to the factors mentioned, references will also be made to prevailing market sentiments on different sectors of the investment markets. In terms of return, for long-term securities investments, the Company mainly emphasises on return of investment in form of capital appreciation and dividend/interest income. For securities investment other than for long-term holding, the Company mainly emphasises on return of investment in form of trading gains.

At 30 June 2025, the Group's securities investments comprised a financial asset at FVTPL portfolio valued at HK$1,518,000 (31 December 2024: HK$1,999,000), comprising equity securities listed in Hong Kong, and a debt instrument at FVTOCI portfolio valued at HK$3,039,000 (31 December 2024: HK$3,347,000), comprising debt securities listed in Singapore. As a whole, the Group's securities investments recorded a revenue of HK$42,000 (HY2024: nil) and a loss, after provision of ECL, of HK$285,000 (HY2024: HK$532,000).

Financial assets at FVTPL

At 30 June 2025, the Group held a financial asset at FVTPL portfolio amounting to HK$1,518,000 (31 December 2024: HK$1,999,000) measured at market/fair value. For HY2025, the portfolio did not generate any revenue (HY2024: nil). The Group recognised a net loss on financial assets at FVTPL of HK$3,000 (HY2024: HK$181,000) for the period, which comprised realised loss and unrealised gain of HK$25,000 and HK$22,000 respectively (HY2024: unrealised loss of HK$181,000).

The realised loss recorded during the period represented the loss on disposal of equity securities in open market and the unrealised gain represented the increase in market value of the listed equity securities held by the Group at the period end. The Group continued to adopt a prudent and disciplined approach in managing its financial asset at FVTPL portfolio and had not made any new investment during the period.

At 30 June 2025, the Group's financial asset at FVTPL portfolio of HK$1,518,000 comprised the equity securities of a property company listed on the Hong Kong Stock Exchange.

Debt instruments at FVTOCI

At 30 June 2025, the Group's debt instrument at FVTOCI portfolio of HK$3,039,000 (31 December 2024: HK$3,347,000) was measured at market/fair value. During HY2025, the Group's debt instrument at FVTOCI portfolio generated revenue of HK$42,000 (HY2024: nil) representing interest income from debt securities. According to the contractual maturity profile of the debt instruments, all the debt instruments at FVTOCI of HK$3,039,000 (after impairment allowance) were classified as current assets.

During HY2025, the Group invested HK$4,508,000 for acquiring an unlisted asset-backed debt securities, which had been matured and redeemed in May 2025 and generated an interest income of HK$42,000.

For HY2025, a fair value loss on debt instruments at FVTOCI of HK$308,000 (HY2024: HK$350,000) was recognised as other comprehensive expense primarily due to the fall in market value of the debt securities and downward adjustment on fair values of certain debt instruments due to their increased credit risks.

For HY2025, a provision of ECL on debt instruments at FVTOCI of HK$308,000 (HY2024: HK$350,000) was recognised in profit or loss (with a corresponding adjustment to other comprehensive income) as the credit risks of the debt instruments held by the Group had further increased since initial recognition. During HY2025, the expected loss given default of these debt instruments, which were corporate bonds issued by property companies based in the Mainland, had increased due to the continued defaults of the bond issuers in making payments of interest and principal for their indebtednesses. As the Group expected the financial uncertainties of these bond issuers would ultimately affect the collection of contractual cash flows of these bonds, a provision of ECL on debt instruments at FVTOCI of HK$308,000 was recognised. There was no change in the method used in determining the ECL on debt instruments at FVTOCI from the prior financial year.

At 30 June 2025, the Group's debt instrument at FVTOCI portfolio of HK$3,039,000 comprised the debt securities of five Mainland based property companies. The yield to maturity upon initial acquisition of these debt securities ranged from 6.01% to 12.50% per annum.

Overall Results

For HY2025, the Group's petroleum exploration and production business contributed a profit of HK$7,990,000 (HY2024: HK$7,182,000), the solar energy business recorded a profit of HK$1,634,000 (HY2024: HK$998,000), while the money lending business recorded a loss of HK$209,000 (HY2024: HK$14,000), and the Group's investment in securities recorded a loss of HK$285,000 (HY2024: HK$532,000). Overall speaking, the Group reported a profit attributable to owners of the Company of HK$11,117,000 (HY2024: HK$1,034,000), and a total comprehensive income attributable to owners of the Company of HK$15,907,000 (HY2024: total comprehensive expense of HK$1,389,000) which included a fair value loss on debt instruments at FVTOCI of HK$308,000 (HY2024: HK$350,000), and exchange gain arising on translation of financial statements of foreign operations of HK$4,790,000 (HY2024: exchange loss of HK$2,423,000).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

On 15 January 2025, the Company entered into a placing agreement with a placing agent whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, up to 1,047,000,000 new shares of the Company to not less than six independent places at the placing price of HK$0.017 per share (the "**Placing**"). The Placing was completed on 12 February 2025 and the net proceeds from the Placing, after deduction of the commission and other expenses of the Placing (including but not limited to placing commission, legal expenses and disbursements), amounted to HK$15,753,000. The Company intended to apply the net proceeds from the Placing as to approximately (i) 20% for drilling new wells and performing production enhancement works in respect of the Canadian Oil Assets; (ii) 10% as general working capital; and (iii) 70% for funding any investment opportunities which have been currently identified and/or may arise from time to time and which the Board considers to be in the interest of the Company to make such investment(s). Accordingly, the Company may reallocate the use of the net proceeds in response to changing business conditions and appropriate disclosure(s) regarding the change(s), if any, will be made in due course. Further details of the Placing were set out in the announcements of the Company dated 15 January 2025, 27 January 2025 and 12 February 2025.

At 30 June 2025, the net proceeds raised from the Placing with (i) HK$66,000 had been applied for the drilling works on 2 new wells which have been commenced in July 2025, and the Company expects that the allocated net proceeds of HK$2,887,000 will be fully utilised in the relevant works in the second half of 2025; (ii) the allocated net proceeds of HK$1,575,000 had been fully used as general working capital; and (iii) HK$3,823,000 had been applied to develop the new money lending business in New Zealand while HK$7,402,000 will be applied to the petroleum exploration and production business to participate and farm-in to the interest of BRW in the lands to earn an interest in the well under the participation and operating agreement, with the details of which were set out in the announcements of the Company dated 30 June 2025 and 21 July 2025.

On 4 February 2025, the Board proposed to implement a capital reorganisation which involved the share consolidation and the capital reduction (the "**Capital Reorganisation**"). Share consolidation involved a consolidation of every ten (10) issued existing shares of par value of HK$0.01 each into one (1) consolidated share of par value of HK$0.10 each (the "**Share Consolidation**"). Upon the Share Consolidation becoming effective, the capital reduction involved a reduction of the par value of each issued consolidated share from HK$0.10 to HK$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the consolidated shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK$0.09 per issued consolidated share by way of a reduction of capital. The Capital Reorganisation was approved by the shareholders in the special general meeting held on 28 March 2025 and became effective on 1 April 2025. The Company's existing issued share capital before Capital Reorganisation of HK$61,924,000 was reduced to HK$6,192,000 by HK$55,732,000, which was transferred to the contributed surplus reserve. Further details of the Capital Reorganisation were set out in the announcements of the Company dated 4 February 2025 and 28 March 2025 and the circular of the Company dated 3 March 2025.

During HY2025, the Group financed its operation mainly by cash generated from operations and shareholders' funds. At the period end, the Group had current assets of HK$261,698,000 (31 December 2024: HK$227,382,000) and liquid assets comprising cash and cash equivalents as well as financial assets at FVTPL totaling HK$217,391,000 (31 December 2024: HK$195,314,000). The Group's current ratio, calculated based on current assets over current liabilities of HK$10,592,000 (31 December 2024: HK$10,572,000), was at a very liquid level of about 24.7 (31 December 2024: 21.5).

At 30 June 2025, the Group's total assets amounted to HK$471,835,000 (31 December 2024: HK$436,984,000), the Group's gearing ratio, calculated on the basis of total liabilities of HK$43,328,000 (31 December 2024: HK$40,137,000) divided by total assets, was at a low level of about 9% (31 December 2024: 9%). For HY2025, finance costs represented mainly the accretion expense on decommissioning obligation of HK$772,000 (HY2024: HK$967,000).

The Group's bank and other interest income decreased by 10% to HK$3,232,000 (HY2024: HK$3,610,000), was mainly due to general reduction in interest rate for time deposit. At 30 June 2025, the equity attributable to owners of the Company amounted to HK$428,509,000 (31 December 2024: HK$396,849,000). The increase in equity attributable to owners of the Company of HK$31,660,000 was mainly the combined effect of the profit recorded by the Group of HK$11,117,000, the recognition of other comprehensive income representing the exchange gain arising on translation of financial statements of foreign operations of HK$4,790,000 and the net proceed of HK$15,753,000 received upon the completion of the Placing.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

PROSPECTS

It is the Group's business strategy to continue developing its petroleum exploration and production business while diversifying its business into energy sector by operating renewable energy projects, which offer sustainable business development to the Group and create new value to shareholders. In pursuance of these strategic initiatives, the Group has successfully acquired the Canadian Oil Assets and developed solar energy business.

The Canadian Oil Assets are located near Calgary City, Alberta Province in Canada which has a stable political environment, a well-established system of oil regulations and industrial policies, a well-developed business infrastructure for the oil industry, and the fourth largest oil reserves in the world. The Group considers that there are still enormous business opportunities available in Canada for developing its petroleum business.

The solar energy power generation projects the Group operating are participating in the FiT Scheme, a policy initiative introduced by the Hong Kong Government encouraging private sectors to participate in producing cleaner fuel and develop renewable energy technologies. Under the FiT Scheme, scheme participants who install solar or wind power generation system can sell the renewable energy generated to the two power companies in Hong Kong at a rate considerably higher than the normal electricity tariff rate until the end of 2033. Through investing in the aforementioned solar energy power generation projects, the Group is able to secure a long-term and stable stream of revenue from the tariff income earning projects.

Overall speaking, the Group's business strategy to build a diversified and balanced energy business portfolio, comprising petroleum and solar energy assets, will present the Group with favourable long-term prospects. This aligns with the Group's sustainable corporate strategy of broadening its income stream to achieve a sustainable and attractive return to shareholders.

Looking forward, the Group will continue to actively pursue its interests in the petroleum and solar energy businesses, and will manage its businesses in a prudent and disciplined approach in view of the business uncertainties brought by the volatilities of international oil prices arising from the escalated tariffs levied by the United States on its trading partners, the progress in unwinding voluntary production cuts by OPEC+, the demands of advanced and developing economies, the political instability and conflict in oil-producing regions, the geopolitical tensions in the Middle East and the ongoing Russia-Ukraine war.

CORPORATE GOVERNANCE

The Company had complied with all the applicable provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025, except for the following deviations with reasons as explained:

Chairman and chief executive

Code Provision C.2.1

Code Provision C.2.1 of the CG Code requires the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Deviation

The Company had deviated from Code Provision C.2.1 of the CG Code during the six months ended 30 June 2025 due to the positions of Chairman of the Board and Chief Executive Officer had been left vacant. The Company is still looking for suitable candidates to fill the vacancies of the Chairman of the Board and the Chief Executive Officer of the Company. The day-to-day management responsibilities are taken up by the Executive Directors of the Company; and the overall direction and strategy of the businesses of the Group are decided by the agreement of the Board. There are three Independent Non-executive Directors on the Board offering independent and differing perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

Shareholders meetings

Code Provision F.2.2

Code Provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

As the position of Chairman of the Board had been left vacant, Mr. Chan Shui Yuen, Executive Director of the Company, was elected and acted as chairman of the annual general meeting of the Company held on 27 June 2025 in accordance with Bye-law 70 of the Company's Bye-laws.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 June 2025 have not been audited, but have been reviewed by the Audit Committee and are duly approved by the Board under the recommendation of the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
EPI (Holdings) Limited
Bai Zhifeng
Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Chan Shui Yuen, Mr. Bai Zhifeng and Mr. Wang Jinglu; and three Independent Non-executive Directors, namely Mr. Pun Chi Ping, Mr. Khoo Wun Fat, William and Ms. Jiao Jie.