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## PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of EPI (Holdings) Limited (the “**Company**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available, the Company and its subsidiaries (collectively, the “**Group**”) are expected to record a considerable loss for the year ended 31 December 2012, which might be substantially higher than the loss for the year ended 31 December 2011.

A slowdown of the local economy and the European sovereign debt crisis in 2012 has affected the Argentine government to take more drastic measures to ensure growth and keep the currency stable, such as import restrictions and severe capital controls. These policies are exacerbating economic stagnation and leading to political unrest. The Board has decided to delay its Mendoza Oil Project overall drilling plan to later years until the investment climate in Argentina has been improved. In 2013 the Group’s investment in the Mendoza Oil Project will be restricted only to work over of old wells and no new wells will be drilled. The delay in the execution of the overall drilling plan would affect the discounted future cash flow under the annual impairment assessment of the exploration and evaluation assets costs previously recorded and a substantial provision for impairment might need to be made. This provision for impairment for the exploration and evaluation assets costs, which is a non-cash expense item, will be charged to the profit and loss for the year ended 31 December 2012.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the latest unaudited management accounts of the Group and the information currently available which has not been audited or reviewed by the Company’s auditors. Actual results of the Group may be different from what is disclosed herein. Shareholders and potential investors should read carefully the annual results announcement of the Company for the year ended 31 December 2012 which is expected to be published before the end of March 2013 in accordance with the Listing Rules.

**Shareholders of the Company and the potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**EPI (Holdings) Limited**  
**Hong Kin Choy**  
*Executive Director*

Hong Kong, 11 January 2013

*As at the date of this announcement, the Board comprises of two executive Directors, namely, Mr. Chu Kwok Chi, Robert and Mr. Hong Kin Choy and three independent non-executive Directors, namely Mr. Cheung Yuk Ming, Mr. Qian Zhi Hui, and Mr. Zhu Tiansheng.*

\* *for identification purpose only*