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EPI **EPI (Holdings) Limited**
長盈集團(控股)有限公司*

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

**MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF OIL AND GAS ASSETS IN CANADA**

ACQUISITION OF THE TARGET ASSETS

The Board is pleased to announce that on 9 February 2022 (after trading hours, Hong Kong time), the Purchaser (being an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the APA, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Target Assets at the initial Consideration of C\$22,500,000 (approximately HK\$138,375,000), subject to adjustments in accordance with the APA, and will be satisfied by payment in cash.

INFORMATION ON THE TARGET ASSETS

The Target Assets are all of the Vendor's right, title, estate and interest in and to the properties and interests described in the APA, which mainly includes (i) the Petroleum and Natural Gas Rights, (ii) the Tangibles, and (iii) the Miscellaneous Interests.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Acquisition is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the APA and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition. As such, no Shareholder is required to abstain from voting on the relevant resolutions to approve the APA and the transactions contemplated thereunder.

A Circular containing, among others, (i) further details of the APA and the transactions contemplated thereunder; (ii) the Competent Person's Report and the Valuation Report in respect of the Target Assets, both in compliance with the requirements of Chapter 18 of the Listing Rules; (iii) the notice of the SGM; and (iv) other information as required under the

Listing Rules, is expected to be despatched to the Shareholders on or before 8 March 2022, as additional time is required by the Company for the preparation of certain information for inclusion in the Circular.

Shareholders and potential investors should note that the Closing is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent set out in the APA. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

1. INTRODUCTION

Reference is made to the announcements of the Company dated 27 July 2021, 27 October 2021 and 13 December 2021, in relation to, among other things, the possible acquisition of an operating oil field which comprises the petroleum and natural gas rights, the facilities and pipelines, together with all other properties and assets located in Alberta.

The Board is pleased to announce that on 9 February 2022 (after trading hours, Hong Kong time), the Purchaser and the Vendor entered into the APA, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Target Assets at the initial Consideration of C\$22,500,000 (approximately HK\$138,375,000), subject to adjustments in accordance with the APA, and will be satisfied by payment in cash.

2. THE APA

Set out below are the principal terms of the APA:

2.1. Signing date

9 February 2022 (after trading hours, Hong Kong time)

2.2. The Parties

- (i) Purchaser: EP Resources Corporation (being an indirect wholly-owned subsidiary of the Company)
- (ii) Vendor: RockEast Energy Corp.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

2.3. Assets to be acquired

Pursuant to the APA, the Vendor agreed to sell, assign, transfer and convey to the Purchaser, and the Purchaser agreed to purchase and receive from the Vendor, all of the right, title, estate and interest of the Vendor in and to the Target Assets on the Closing Date, subject to and in accordance with the terms of the APA.

The Target Assets are all of the Vendor's right, title, estate and interest in and to the properties and interests described in the APA, which mainly includes (i) the Petroleum and Natural Gas Rights, (ii) the Tangibles, and (iii) the Miscellaneous Interests.

The “**Petroleum and Natural Gas Rights**” shall mean all of Vendor’s right, title and interest in and to:

- (i) rights in, or rights to explore or drill for and/or to recover, produce, save and market, Petroleum Substances and to the Title and Operating Documents;
- (ii) rights to a share of production of Petroleum Substances therefrom;
- (iii) fee simple interests and other estates in Petroleum Substances in situ;
- (iv) royalty interests, net profit interests and similar interests in Petroleum Substances or the proceeds of the sale of Petroleum Substances or to payments calculated by reference thereto; and
- (v) rights to acquire any of the foregoing in (i), (ii), (iii) and (iv),

but, in each case, only insofar as the foregoing relate to the Lands or any lands pooled or unitized therewith.

The “**Tangibles**” shall mean all of Vendor’s right, title and interest in and to the Facilities and Pipelines, and all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities used or intended for use in, or otherwise useful in exploiting any Petroleum Substances from or within the Lands and located within, upon or in the vicinity of the Lands (or any lands pooled or unitized therewith), including all gas plants, oil batteries, buildings, production equipment, vehicle leases, to the extent assignable, and rolling stock, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, separators, pumps, tanks, boilers, communication equipment, all salvageable equipment pertaining to any Wells and other appurtenances, improvements and facilities.

The “**Miscellaneous Interests**” shall mean all of Vendor’s right, title and interest in and to all property and rights that pertain directly to the Petroleum and Natural Gas Rights or the Tangibles (excluding the Petroleum and Natural Gas Rights or the Tangibles themselves), which consist of:

- (i) the Title and Operating Documents and all other contracts and agreements and all rights in relation thereto;
- (ii) all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands (a) upon which the Tangibles are situated, (b) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (c) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells;
- (iii) the Wells, including the wellbores and casing;
- (iv) Permits;
- (v) all records, files, reports, data, correspondence and other information, relating to the Petroleum and Natural Gas Rights and/or the Tangibles, and

- (vi) all extensions, renewals, replacements, substitutions or amendments of or to any of the agreements and instruments described in (i), (ii) and (iv) above,

provided however, the Miscellaneous Interests do not include any of the foregoing property or rights to the extent that they (a) include or pertain to any seismic data or rights; (b) include or pertain to the Vendor's proprietary technology, evaluations, forecasts or interpretations; (c) are legal opinions; or (d) are owned or licensed by Independent Third Parties with restrictions that prohibit the sale, transfer or disclosure thereof to the Purchaser; or any deposits or other security related to Permits or any operations or royalties pre-paid by the Vendor that accrue prior to the Closing Date and pertaining to the Target Assets.

2.4. Consideration

The initial Consideration to be paid by the Purchaser to the Vendor for the Target Assets shall be C\$22,500,000 (approximately HK\$138,375,000) (the "**Base Price**"), which was determined based on primarily the preliminary net present value of the Target Assets of approximately C\$62,200,000 (approximately HK\$382,530,000), the estimated capital expenditure to implement the Purchaser's proposed development plan and the reserve volume and quality of the Target Assets, to be paid in cash subject to adjustments in accordance with the APA. The amount to be paid by the Purchaser to the Vendor at Closing shall be determined as follows:

- (i) the Base Price;
- (ii) plus or minus the net amount of adjustments as set out in the Closing Statement (as detailed below);
- (iii) plus GST/HST and other sales taxes, if applicable; and
- (iv) minus the Deposit (as defined below) paid.

The Deposit

Within two (2) Business Days from the signing of the APA, the Purchaser shall pay, or cause to be paid, to the Vendor a sum of C\$2,250,000 (approximately HK\$13,838,000) (the "**Deposit**"), which is equivalent to 10% of the Base Price. Within three (3) Business Days of the occurrence of any one of the following events, the Vendor shall return and pay (or cause to be returned and paid) to the Purchaser, the full Deposit (in C\$) already paid by the Purchaser:

- (i) the Purchaser failing to obtain all consents and approvals required from the Stock Exchange, the SFC (if any), in relation to the Acquisition and the performance of its obligation under the APA, either unconditionally or subject to such conditions to which both the Purchaser and the Vendor shall reasonably accept; or
- (ii) the Shareholders do not pass the necessary resolutions approving the Acquisition contemplated thereunder at the SGM; or
- (iii) the shareholders of the Vendor do not pass the necessary resolutions approving the Acquisition contemplated thereunder either at a special general meeting of the Vendor or by written resolution, at the Vendor's discretion; or
- (iv) the Vendor failing to obtain all necessary approvals, consents and/or waivers from the relevant governmental authorities in Alberta for the transfer of legal and beneficial title and ownership in the Target Assets including but not limited to mineral rights, wells and facilities etc.; or

- (v) the Purchaser failing to obtain all necessary approvals, consents and/or waivers from the relevant governmental authorities in Alberta for the transfer of legal and beneficial title and ownership in the Target Assets including but not limited to mineral rights, wells, facilities etc.; or
- (vi) if the Closing does not occur on or before the Long Stop Date, unless the Vendor and Purchaser postpone the Closing to such other time and date as may be agreed between them.

Payment of the Consideration

Upon the Purchaser obtaining all consents and approvals required from the Stock Exchange, the SFC (if any), in relation to the Acquisition and the performance of its obligations under the APA, either unconditionally or subject to such conditions to which both the Purchaser and the Vendor shall reasonably accept and upon the conclusion of the SGM being convened by the Purchaser's parent company, the remaining balance of the Consideration shall be deposited in escrow by the Purchaser within two (2) Business Days to the Escrow Agent and such amount shall be held on trust by the Escrow Agent until the Closing Date.

On the Closing Date, the Escrow Agent shall release the remaining balance of the Consideration to the Vendor. If the Closing is unable to take place as a result of the Parties failing to obtain the AER's approval in relation to the LTAs by the Long Stop Date, the Escrow Agent shall return the remaining balance of the Consideration held on trust to the Purchaser within two (2) Business Days from the Long Stop Date, unless the Vendor and Purchaser extend the Long Stop Date to such other time and date as may be agreed between them.

The Closing Statement

The Vendor shall prepare a statement based on Vendor's good faith estimate of any and all adjustments to be made between the Parties (the "**Closing Statement**") and deliver a copy of such statement, together with reasonable supporting documentation, to Purchaser no later than the second (2nd) Business Day immediately prior to the Closing Date or such other date as may be agreed upon by the Parties.

Basis of the Consideration

The Consideration (including the applicable adjustments) was determined after arm's length negotiation between the Purchaser and the Vendor on normal commercial terms after taking into account, among other things, the following factors:

- (i) the preliminary net present value of the Target Assets as indicated by Trimble Engineering Associates Ltd, the Competent Person, of approximately C\$62,200,000 (approximately HK\$382,530,000) as at 31 December 2021. Further information on the detailed basis and methodology of the valuation will be disclosed in the Valuation Report to be contained in the Circular;
- (ii) the estimated capital expenditure to implement the Company's proposed development plan on the drilling of new wells to increase oil production, workovers on producing wells to enhance oil production, upgrading and maintenance works on non-producing wells to resume oil production, and the infrastructure and facilities to optimize the field operation

of the Target Assets as set out in more details in the Competent Person's Report to be contained in the Circular; and

- (iii) the reserve volume and quality of the Target Assets.

In view of the above, the Directors consider that the Consideration (including the applicable adjustments) is fair and reasonable and on normal commercial terms and the entering into of the APA is in the interests of the Company and the Shareholders as a whole. The payment by the Purchaser under the APA (including payment of the Consideration and any actual upward adjustment thereto (if applicable)) will be fully satisfied by the Group's internal resources; the Group has no intention/plan to carry out any equity fund raising for settlement of the Consideration.

2.5. Conditions Precedent

The Acquisition is conditional upon satisfaction or waiver of the following conditions:

- (i) the Purchaser being satisfied in all respects with the results of its due diligence into the Target Assets;
- (ii) the representations and warranties of the Vendor set forth in the APA shall be true and correct in all material respects, and all obligations and covenants as specified in the APA shall have been performed or complied with in all material respects;
- (iii) the representations and warranties of the Purchaser set forth in the APA shall be true and correct in all material respects, and all obligations and covenants as specified in the APA shall have been performed or complied with in all material respects;
- (iv) the Target Assets shall have suffered no material adverse effect as specified in the APA;
- (v) the Purchaser shall have taken all steps as are necessary for the Purchaser to be able to, and to be eligible under applicable law to, receive and be specifically conveyed the Target Assets;
- (vi) the Vendor shall have taken all steps as are necessary to assist the Purchaser with assembling and preparing all materials required to submit the applicable Wells, Facilities and Pipelines license transfer application to the AER;
- (vii) the Vendor shall have delivered to the Purchaser an undertaking stating that it shall obtain all discharges, releases or no interest letters of any security held by any third party encumbering the Vendor's interest in and to the Target Assets or any part or portion thereof, within thirty (30) days of receipt of AER's approval in relation to the LTAs as set forth in clause (x) below which shall be in a form satisfactory to the Purchaser;
- (viii) the Purchaser shall have obtained all consents and approvals required in relation to the Acquisition and the performance of its obligation under the APA (including the consents and approvals required from the Stock Exchange, the SFC (if any) and the Shareholders);

- (ix) the shareholders of Vendor shall have passed the necessary resolutions approving the Acquisition and the transactions contemplated thereunder either at a special general meeting of the Vendor or by written resolution, at the Vendor's discretion;
- (x) the approval from the AER in respect of the LTAs having been duly obtained;
- (xi) the Purchaser shall have obtained the clearance in respect of the Investment Canada Act for an investment by a non-Canadian to acquire assets in Canada used in carrying on a business;
- (xii) the Vendor shall have obtained and produced to the Purchaser the written consent to the Acquisition, if any, of each third party whose consent is required under the terms of the APA and any other agreements and documents to which the Target Assets are subject and which are customarily obtained prior to closing in oil and gas transactions in Canada; and
- (xiii) no governmental authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the completion of the Acquisition which has not been vacated or dismissed.

The Purchaser may waive the Conditions Precedent referred to in paragraphs (i), (ii) and (iv) above at any time on or before the Long Stop Date by notice to the Vendor while the Vendor may waive the Conditions Precedent referred to in paragraphs (iii) and (v) above at any time on or before the Long Stop Date by notice to the Purchaser. Save as aforesaid, none of the other Conditions Precedent above is capable of being waived.

If any of the aforementioned conditions has not been satisfied or waived by the Purchaser or the Vendor (as the case may be) at or before the Long Stop Date to the extent permitted under the applicable law, the Parties may terminate the APA by written notice to the other party (unless the Vendor and Purchaser extend the Long Stop Date to such other time and date as maybe agreed between them). Following such termination of the APA by either party, the Parties shall be released and discharged from all liabilities and obligations under the APA and the further performance of any duties or obligations under the APA.

2.6. License Transfer Applications

Within two (2) Business Days from the conclusion of the SGM (if the Acquisition and the transactions contemplated thereunder have been approved by the Shareholders), the Parties shall submit the LTAs to the AER for approval, and the Purchaser shall accept such LTAs. The Parties shall cooperate and make all commercially reasonable efforts to facilitate the approvals of the LTAs.

2.7. Closing

Subject to the Conditions Precedent being satisfied or waived (as the case may be), Closing shall take place within two (2) Business Days from the date of the approval from the AER in respect of the LTAs having been duly obtained, provided that all of the Conditions Precedent are satisfied and/or waived.

3. INFORMATION ON THE TARGET ASSETS

3.1. Reserves of the Target Assets

The Target Assets are located in Alberta, including lands with a total area of approximately 35.2 km² in the Windy Lake region of Alberta. Based on the latest reserve report prepared by Trimble Engineering Associates Ltd, a qualified professional in Canada engaged by the Company, the Target Assets have net proved plus probable reserves of about 3.7 mmbob as of 31 December 2021 with a net present value of approximately C\$62,200,000 (approximately HK\$382,530,000).

The Vendor acquired and has been operating the Target Assets since 2018. Based on the information provided by the Vendor, there are currently 32 oil wells in production, and 30 oil wells are temporarily closed for various reasons including pending upgrading and maintenance works for resumption of production. The 32 producing wells of the Target Assets have an average remaining reserve life of more than 10 years. During the years ended 31 December 2019, 2020 and the ten months ended 31 October 2021, the gross production attributable to the Target Assets was approximately 494 boe/d, 491 boe/d and 484 boe/d, respectively. In 2021, drilling works of three new wells and one new well were completed in July 2021 and November 2021, respectively, and re-perforation work of two wells were completed in January 2021. The Company expects that the oil production of the Target Assets will increase to approximately 640 boe/d starting from January 2022 when all new wells drilled in 2021 are in production.

The Circular including, among other things, a report on the reserves of the Target Assets, prepared by the Competent Person qualified under Chapter 18 of the Listing Rules engaged by the Company, will be despatched to the Shareholders. Such report will be prepared in accordance with the requirements of Chapter 18 of the Listing Rules. Shareholders and potential investors should note that the estimate of the reserves of the Target Assets as set out in such report may differ from those referred to above, and should therefore exercise caution in relying on the information referred to above.

3.2. Financial information relating to the Target Assets

The summary of the key financial information of the Target Assets derived from the unaudited financial information for the Target Assets for the two years ended 31 December 2020 and for the ten months ended 31 October 2021 provided by the Vendor, prepared in accordance with the IFRSs, are as follows:

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the ten months ended 31 October 2021
	(‘000)	(‘000)	(‘000)
Revenue attributable to the Target Assets	C\$9,620 (approximately HK\$59,163)	C\$6,605 (approximately HK\$40,621)	C\$9,818 (approximately HK\$60,381)
Net income attributable to the Target Assets before taxation	C\$2,550 (approximately HK\$15,683)	C\$64 (approximately HK\$394)	C\$4,237 (approximately HK\$26,058)

Note: The net income attributable to the Target Assets after taxation is not applicable for this case.

As at 31 October 2021, the book value of the Target Assets amounted to approximately C\$22,635,000 (approximately HK\$139,205,000). Based on the preliminary valuation prepared by Trimble Engineering Associates Ltd, the Competent Person, the net present value of the Target Assets was approximately C\$62,200,000 (approximately HK\$382,530,000) as at 31 December 2021.

The Company will prepare and disclose the profit and loss statement on the identifiable net income stream of the Target Assets and the pro forma financial information of the enlarged group prepared in accordance with the Company's accounting policies under the HKFRS in the Circular as required under the Listing Rules.

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the business of petroleum exploration and production, solar energy, money lending and investment in securities. Having considered the Group's past experience in the petroleum operation in Argentina and with the view of continuing its petroleum exploration and production business, the Group considers the Acquisition a valuable and attractive investment opportunity to continue and expand its petroleum business. As mentioned in the annual report of the Company for the year ended 31 December 2020, the Group has been actively exploring investment opportunities in natural resources exploration and production, including an oilfield project in Canada.

The Directors regard Canada as one of the ideal geographical locations for developing petroleum exploration and production business because it not only possesses stable political environment with established oil regulations and industrial policies, but also implements an open and transparent PNG Licence and Crown Lease bidding process, comprehensive infrastructure network, world class safety and environmental standards, as well as favourable investment conditions in the oil sector.

The Directors (including the independent non-executive Directors) believe that the Acquisition, if materializes, will be a valuable and attractive opportunity to effectively facilitate the development of the Group's petroleum exploration and production business, as the Group, upon completion of the Acquisition, will immediately be entitled to the oil production and cash flow generated from the 32 producing wells of the Target Assets. Moreover, it is expected that the contributions from the Target Assets to the Group in terms of revenue and EBITDA will continue to grow according to the Group's current four-year development plan in respect of the Target Assets. Under the current development plan, up to 2025, the Group intends to invest in total of approximately C\$30,200,000 (approximately HK\$185,730,000) (which is expected to be financed by the internal generated cashflow from the Target Assets) in (i) upgrading and maintenance works on 8 non-producing wells to resume their oil production; (ii) workovers on 5 producing wells to enhance their oil production; (iii) drilling works on 49 new wells to increase the overall oil production; and (iv) infrastructure and facilities to optimize the field operation of the Target Assets.

The Directors expect that the Acquisition will allow the Group to widen its global footprint and develop a more diversified and balanced energy business portfolio, comprising petroleum exploration and production as well as solar energy businesses, and will present the Group with favourable long term prospects, which is in line with the Group's sustainable corporate strategy to broaden its income stream with the goal of achieving stable, long-term and attractive returns for the Shareholders.

The Directors (including the independent non-executive Directors) considered that the Acquisition, which has been entered into after arm's length negotiation between the Parties, forms part of the existing ordinary and usual course of business of the Group and is on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON THE PARTIES

5.1. Information on the Group and the Purchaser

The Group is principally engaged in the business of petroleum exploration and production, solar energy, money lending and investment in securities. The Purchaser is an investment holding company incorporated in Alberta with limited liability and is an indirect wholly-owned subsidiary of the Company.

5.2. Information on the Vendor

The Vendor is principally engaged in upstream operations in the exploration, development and production of crude oil and gas in Alberta.

As informed by the Vendor, the Vendor is currently owned as to (i) approximately 29.95% by Useful Light Group Ltd, which is an indirect wholly-owned subsidiary of Silk Road Logistics Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 988); (ii) approximately 16.96% by 1328392 BC Ltd, which is wholly owned by Mr. Ningyuan Chen; (iii) approximately 12.74% by GPN Investment Inc.; and (iv) in aggregate approximately 40.35% by other 35 shareholders consisting of 8 corporations and 27 individuals.

6. THE LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Acquisition is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

7. GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the APA and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the relevant resolutions to approve the APA and the transactions contemplated thereunder.

The Circular containing, among others, (i) further details of the APA and the transactions contemplated thereunder; (ii) the Competent Person's Report and the Valuation Report in respect of the Target Assets, both in compliance with the requirements of Chapter 18 of the Listing Rules; (iii) the notice of the SGM; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 8 March 2022, as additional time is required by the Company for the preparation of certain information for inclusion in the Circular.

Shareholders and potential investors should note that the Closing is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent set out in the APA. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the Target Assets from the Vendor by the Purchaser, on behalf of the Company, pursuant to the terms and conditions of the APA
“AER”	Alberta Energy Regulator
“Alberta”	Alberta Province in Canada
“APA”	the asset purchase and sale agreement entered into by the Purchaser and the Vendor on 9 February 2022, Hong Kong time, in respect of the Acquisition
“Board”	the Board of the Directors
“boe/d”	barrels of oil equivalent per day
“Business Day”	a day (other than a Saturday, Sunday or a statutory holiday in Calgary, Alberta and Hong Kong) on which banks are open generally to conduct commercial business in Calgary, Alberta and Hong Kong
“C\$”	Canadian dollars, the lawful currency of Canada
“Circular”	the circular containing (i) further details of the APA and the transactions contemplated thereunder; (ii) the Competent Person’s Report and the Valuation Report in respect of the Target Assets, both in compliance with the requirements of Chapter 18 of the Listing Rules; (iii) the notice of SGM; and (iv) other information as required under the Listing Rules, to be despatched to the Shareholders
“Closing”	the completion of the Acquisition
“Closing Date”	the date of Closing which shall be within two (2) Business Days from the date of the approval from the AER in respect of the LTAs having been duly obtained, provided that all of the Conditions Precedent are satisfied and/or waived

“Company”	EPI (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 689)
“Competent Person”	has the meaning ascribed to it under the Listing Rules
“Competent Person’s Report”	the competent person’s report to be issued by Trimble Engineering Associates Ltd, in compliance with the requirements of Chapter 18 of the Listing Rules
“Conditions Precedent”	conditions to obligations of the Purchaser and the Vendor to complete the Acquisition
“Consideration”	the consideration of C\$22,500,000 (approximately HK\$138,375,000), subject to adjustments as set forth in the APA, payable by the Purchaser to the Vendor for the Acquisition pursuant to the APA
“Crown Lease”	a lease of rights to crude oil or natural gas or both, issued by the Government of Alberta pursuant to applicable legislations
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Escrow Agent”	McLeod Law LLP mutually appointed by the Parties to act as an escrow agent for the purposes of the Acquisition
“Facilities and Pipelines”	plant, machinery, equipment, facilities, pipelines and other tangible depreciable property and assets used primarily in connection with the ownership or operation of the Target Assets
“Group”	the Company and its subsidiaries
“GST/HST”	the goods and services tax and harmonized sales tax payable under the Excise Tax Act (Canada) or under any provincial legislation in Canada imposing a similar value added or multi-staged tax
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“IFRSs”	International Financial Reporting Standards issued by the International Accounting Standards Board

“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
“Lands”	all lands within the area outlined in red on the map attached to the APA, including the lands identified in the schedule of the APA and, to the extent Vendor has any interest therein, including the Petroleum Substances within, upon or under those identified lands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or as otherwise modified from time to time
“Long Stop Date”	the latest of 30 September 2022, Canadian time and any other Business Day as the Vendor and the Purchaser may agree
“LTAs”	the applicable Wells, Facilities and Pipelines license transfer applications
“mmboe”	million barrels of oil equivalent
“Parties”	the Purchaser and the Vendor
“Permits”	all licences (including well and facility licences), permits, approvals and authorizations granted or issued by any governmental authorities and relating to the construction, installation, ownership, use or operation of the Target Assets, including all applications and pending applications
“Petroleum Substances”	crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids and all other related hydrocarbons and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and coalbed methane
“PNG Licence”	a petroleum and natural gas licence pursuant to which the Crown (Her Majesty in right of Alberta) grants the holder the right to explore for and recover petroleum or natural gas resources, or both, pursuant to applicable legislations in Canada
“Purchaser”	EP Resources Corporation, a company incorporated in Alberta with limited liability and an indirect wholly-owned subsidiary of the Company

“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	a special general meeting of the Company to be convened and held for the Shareholders, to consider and, if thought fit, approve, among others, the Acquisition and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	all of the Vendor’s right, title, estate and interest in and to the properties and interests described in the APA, which mainly includes (i) the Petroleum and Natural Gas Rights, (ii) the Tangibles, and (iii) the Miscellaneous Interests
“Title and Operating Documents”	(i) all leases, subleases, permits and licences (and any replacements, renewals or extensions thereof or leases or other instruments derived therefrom) pertaining to the Lands by virtue of which the holder thereof is granted certain rights with respect to Petroleum Substances within, upon or under the Lands or any lands pooled or unitized therewith (including the right to explore for, drill for, produce, take use or market Petroleum Substances), or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Lands or any lands pooled or unitized therewith; (ii) agreements relating to the acquisition, ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles or the Wells and any other documents and agreements granting, reserving or otherwise conferring rights to (a) explore for, drill for, produce, take use or market Petroleum Substances; (b) share in the production of Petroleum Substances; (c) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances; and (d) rights to acquire any of the rights described in (a) to (c) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands
“Wells”	all wells which have been, are or may be used in connection with the Petroleum and Natural Gas Rights, including without limitation all wells located in or under the Lands
“Valuation Report”	the valuation report to be issued by Trimble Engineering Associates Ltd on the Target Assets, in compliance with the requirements of Chapter 18 of the Listing Rules

“Vendor” RockEast Energy Corp., a company incorporated in Alberta with limited liability and an Independent Third Party

“%” per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of C\$1.00 = HK\$6.15 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.

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

Hong Kong, 9 February 2022

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Sue Ka Lok, Mr. Yiu Chun Kong and Mr. Chan Shui Yuen; and three Independent Non-executive Directors, namely Mr. Pun Chi Ping, Ms. Leung Pik Har, Christine and Mr. Kwong Tin Lap.

**For identification purpose only.*