

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EPS Creative Health Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3860)

VOLUNTARY ANNOUNCEMENT

References are made to the announcements of the Company dated (i) 28 March 2023 (the “**Announcement**”); (ii) 27 April 2023; and (iii) 23 May 2023, in relation to the acquisition (the “**Acquisition**”) of 65% equity interest in R&E Corporation Limited (the “**Target Company**”, together with its subsidiary, the “**Target Group**”) by the Group. Unless otherwise stated, capitalised terms used in this announcement shall bear the same meanings as defined in the Announcement.

The Board noted that Japan started releasing treated radioactive water stored at the Fukushima nuclear power plant into the Pacific Ocean in late August 2023. Despite the Japanese government maintained that the water release is safe, and that the International Atomic Energy Agency also concluded the discharge of the treated water would have a negligible radiological impact given the dilution of the radioactive material, the water discharge has still raised public concerns over food safety of Japanese food.

As disclosed in the Announcement, the Target Group is principally engaged in, among others, the sales of Japanese health food. The Board wishes to stress that none of the Japanese health food imported by the Target Group into the PRC belongs to the category of seafood or aquatic products, or contains seafood or aquatic products, which are subject to any import ban by the PRC government. Therefore, the Japanese health food being sold by the Target Group is not materially affected by the water release.

The Board would like to emphasise that the Target Profit of the Target Group is an EBITDA (i.e. profits before interest, taxes, depreciation and amortization) of HK\$54,000,000 for the three financial years commencing from 1 April 2023 to 31 March 2026, or an average of HK\$18,000,000 per year. The Consideration for the Acquisition was determined after arm’s length negotiations with reference to (a) the Target Profit; (b) the EBITDA ratio of 4.8 times (Note); and (c) 65% equity interest of the Target Company. Based on the current situation and the performance of the Target Group since the Acquisition, this is expected to be achievable. (Note: In relation to the acquisition of 65% equity interest in the Target Company, the Target Profit shall be calculated on an EBITDA basis.)

The Group will continue to closely monitor the business performance, strengthen the quality control process of the Target Group and ensure that food safety remains as our top priority.

By order of the Board
EPS Creative Health Technology Group Limited
Mr. Okoso Satoshi
Executive Director and Chief Executive Officer

Hong Kong, 14 September 2023

As at the date of this announcement, the executive Directors are Mr. Okoso Satoshi, Mr. Miyano Tsumoru, Mr. Haribayashi Keikyo, Mr. Maezaki Masahiro and Mr. Gao Feng; the non-executive Director is Mr. Xia Xiangming; and the independent non-executive Directors are Mr. Taguchi Junichi, Mr. Choi Koon Ming and Mr. Chan Cheuk Ho.