EPS Creative Health Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3860)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2025, the operating results of the Group are as follows:

– Revenue of approximately HK$544.5 million was recorded for the year ended 31 March 2025;

– Profit after taxation for the year ended 31 March 2025 amounted to approximately HK$30.4 million;

– Basic earnings per share for the year ended 31 March 2025 based on weighted average number of 520,901,458 ordinary shares was approximately HK7.41 cents; and

– The Board has recommended a final dividend of HK1.0 cent per share for the year ended 31 March 2025, which is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of EPS Creative Health Technology Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2025 (the "**Reporting Year**"), together with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
Revenue	*3*	**544,522**	644,615
Cost of sales		**(449,944)**	(545,358)
Gross profit		**94,578**	99,257
Other income, gains and losses		**50,169**	11,883
Research and development expenses		**(18,105)**	(24,309)
Selling and distribution expenses		**(35,327)**	(48,819)
Administrative expenses		**(49,593)**	(54,994)
Profit (loss) from operations		**41,722**	(16,982)
Finance costs		**(8,306)**	(7,070)
Profit (loss) before tax	*6*	**33,416**	(24,052)
Taxation	*5*	**(3,022)**	(2,444)
Profit (loss) for the year		**30,394**	(26,496)
Attributable to:			
Owners of the Company		**38,585**	(22,066)
Non-controlling interests		**(8,191)**	(4,430)
Profit (loss) for the year		**30,394**	(26,496)
Earnings (loss) per share	*8*		
Basic and diluted (HK cents)		**7.41**	(4.41)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025	2024
	HK$'000	*HK$'000*
Profit (loss) for the year	**30,394**	(26,496)
Other comprehensive expense for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**133**	(1,456)
Release of exchange reserve upon disposal of subsidiaries	**(2,519)**	–
Other comprehensive expense for the year	**(2,386)**	(1,456)
Total comprehensive income (expense) for the year	**28,008**	(27,952)
Attributable to:		
Owners of the Company	**36,330**	(22,284)
Non-controlling interests	**(8,322)**	(5,668)
Total comprehensive income (expense) for the year	**28,008**	(27,952)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		**5,502**	5,561
Right-of-use assets		**3,576**	4,087
Other financial assets		**260**	2,977
Goodwill		**19,505**	49,040
Intangible assets		**75,207**	155,310
Refundable rental deposits	*9*	**1,038**	981
		105,088	217,956
Current assets			
Inventories		**16,648**	15,747
Contract assets		**46**	985
Trade and other receivables	*9*	**73,732**	70,657
Tax recoverable		**1,644**	–
Pledged bank deposits		**4,000**	9,000
Cash and cash equivalents		**135,691**	115,540
		231,761	211,929
Current liabilities			
Trade and other payables and accruals	*10*	**31,800**	52,084
Contract liabilities		**10,669**	3,269
Amounts due to related parties	*11*	**14,779**	78,360
Amount due to ultimate holding company	*11*	**–**	45,739
Amount due to non-controlling interests	*11*	**10,084**	11,759
Lease liabilities		**2,617**	2,606
Tax payable		**7,376**	3,878
Bank borrowings		**2,897**	7,335
		80,222	205,030
Net current assets		**151,539**	6,899
Total assets less current liabilities		**256,627**	224,855

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Non-current liabilities			
Lease liabilities		**1,168**	1,512
Amounts due to related parties	*11*	**50,540**	–
Amount due to non-controlling interests	*11*	**29,987**	50,204
Deferred tax liabilities		**12,409**	34,957
		94,104	86,673
Net assets		**162,523**	138,182
Capital and reserves			
Share capital	*12*	**5,222**	5,000
Reserves		**115,462**	60,355
Equity attributable to owners of the Company		**120,684**	65,355
Non-controlling interests		**41,839**	72,827
Total equity		**162,523**	138,182

NOTES

For the year ended 31 March 2025

1. GENERAL INFORMATION

EPS Creative Health Technology Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 November 2015.

The Company is an investment holding company. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, less discounts and sales related taxes, and leasing income during the year.

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's reportable and operating segments are therefore as follows:

(a) Trading of apparel products ("**Garment Business**")

(b) Trading of healthcare and medicated products and leasing of medical devices ("**Healthcare Products Business**")

(c) Provision of IRO and CRO services and In-house R&D Business ("**IRO with CRO and In-House R&D Business**")

The following is an analysis of the Group's revenue and results by operating and reportable segment.

	Revenue		**Segment profit (loss)**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Garment business	**329,716**	466,978	**2,190**	7,069
Healthcare Products Business	**169,592**	139,488	**18,187**	7,711
IRO with CRO and In-House R&D Business	**45,214**	38,149	**(34,232)**	(36,403)
Total	**544,522**	644,615	**(13,855)**	(21,623)
Bank interest income			**11**	39
Unallocated corporate income (expenses)			**47,300**	(2,330)
Finance costs on lease liabilities			**(40)**	(138)
Profit (loss) before tax			**33,416**	(24,052)

All of the segment revenue reported above is from external customers.

Segment profit (loss) represents the profit earned/loss incurred by each segment without allocation of bank interest income, unallocated corporate income (expenses) and finance costs on lease liabilities. This is the measure reported to the Group's management for the purpose of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 March 2025

	Garment Business	Healthcare Products business	IRO with CRO and In-House R&D Business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	**73,278**	**175,150**	**21,599**	**270,027**
Other assets				**66,822**
Consolidated assets				**336,849**
Segment liabilities	**20,662**	**77,618**	**21,465**	**119,745**
Other liabilities				**54,581**
Consolidated liabilities				**174,326**

As at 31 March 2024

	Garment Business	Healthcare Products Business	IRO with CRO and In-House R&D Business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	118,001	164,011	142,313	424,325
Other assets				5,560
Consolidated assets				429,885
Segment liabilities	88,446	99,277	100,654	288,377
Other liabilities				3,326
Consolidated liabilities				291,703

For the purpose of monitoring segment performance and allocating resources among segments:

– All assets are allocated to operating and reportable segments other than certain property, plant and equipment, right-of-use assets, other financial assets, certain other receivables and deposits and cash and cash equivalents.

– All liabilities are allocated to operating and reportable segments other than certain other payables and amounts due to related parties.

Other Segment information

As at 31 March 2025

	Garment Business *HK$'000*	Healthcare Products business *HK$'000*	IRO with CRO and In-House R&D Business *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit (loss) or segment assets						
Results or segment assets:						
Interest income	**440**	**70**	**17**	**527**	**11**	**538**
Interest expenses	**3,276**	**–**	**414**	**3,690**	**4,616**	**8,306**
Depreciation of property, plant and equipment	**203**	**2,576**	**152**	**2,931**	**7**	**2,938**
Depreciation of right-of-use assets	**1,751**	**–**	**680**	**2,431**	**543**	**2,974**
Amortisation of intangible assets	**–**	**9,544**	**356**	**9,900**	**–**	**9,900**
Additions to property, plant and equipment	**54**	**5,619**	**34**	**5,707**	**–**	**5,707**
Additions to right-of-use assets	**–**	**–**	**1,684**	**1,684**	**1,086**	**2,770**

As at 31 March 2024

	Garment Business *HK$'000*	Healthcare Products Business *HK$'000*	IRO with CRO and In-House R&D Business *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit (loss) or segment assets						
Results or segment assets:						
Interest income	966	70	15	1,051	39	1,090
Interest expenses	6,932	–	–	6,932	138	7,070
Depreciation of property, plant and equipment	512	1,920	148	2,580	5	2,585
Depreciation of right-of-use assets	2,258	–	649	2,907	543	3,450
Amortisation of intangible assets	–	7,984	–	7,984	–	7,984
Additions to property, plant and equipment	143	4,887	–	5,030	7	5,037
Additions to right-of-use assets	3,545	–	1,436	4,981	–	4,981
Additions to intangible assets	–	94,497	71,869	166,366	–	166,366
Additions to goodwill	–	19,919	30,148	50,067	–	50,067

Geographic information

The Group's operation of Garment Business, Healthcare Products Business and IRO with CRO and In-House R&D Business are located in Hong Kong, Japan and the People's Republic of China ("**PRC**").

The Group's revenue from external customers and information about non-current assets by geographical location of the customers and assets respectively are set out below:

	Revenues from external customers		**Non-current assets**	
	2025 *HK$'000*	2024 *HK$'000*	**2025** *HK$'000*	2024 *HK$'000*
Hong Kong	**29,444**	30,602	**96,486**	107,338
Japan	**186,662**	214,703	**5,478**	105,376
The PRC	**151,171**	134,383	**1,826**	1,284
Europe	**90,498**	71,688	**–**	–
United States	**84,535**	191,125	**–**	–
Other countries	**2,212**	2,114	**–**	–
	544,522	644,615	**103,790**	213,998

Note: Non-current assets exclude financial assets.

5. TAXATION

Taxation in the consolidated statement of profit or loss represents:

	2025	2024
	HK$'000	*HK$'000*
The taxation comprises:		
Current tax:		
Hong Kong Profits Tax		
Charge for the year	**3,218**	4,964
Overprovision in respect of prior years	**(5)**	(36)
PRC Enterprise Income Tax		
Charge for the year	**157**	23
Overprovision in respect of prior years	**(160)**	(105)
Japan Corporate Income Tax		
Charge for the year	**1,498**	67
Overprovision in respect of prior years	**(111)**	(1,152)
	4,597	3,761
Deferred tax credit for the year	**(1,575)**	(1,317)
	3,022	2,444

For the years ended 31 March 2025 and 2024, Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK$2 million under the two-tiered profits tax rates regime. The assessable profits of group entities not qualified for the two-tier profit tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the rule of Japan Corporate Income Tax, the tax rate of the Japan subsidiaries is 34.59% for both years.

6. PROFIT (LOSS) BEFORE TAX

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration	**1,400**	2,000
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	**42,500**	52,252
– Contributions to retirement benefits schemes	**2,695**	2,088
– Share-based payment expenses	**266**	–
Total staff costs	**45,461**	54,340
Cost of inventories recognised as an expense	**412,106**	508,455
Gain on disposals of subsidiaries *(note 13)*	**(43,247)**	–
Depreciation of property, plant and equipment	**2,938**	2,585
Depreciation of right-of-use assets	**2,974**	3,450
Amortisation of intangible assets	**9,900**	7,984

7. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2025 of HK1.0 cent per ordinary share, in an aggregate amount of HK$5,221,774 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting. The proposed final dividend have not been recognised as dividend payables in the consolidated financial statements.

No dividend was paid or proposed for the year ended 31 March 2024.

8. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share is based on the profit for the year attributable to owners of the Company of approximately HK$38,585,000 (2024: loss for the year attributable to owners of the Company HK$22,066,000) and the weighted average number of ordinary shares of 520,901,458 (2024: 500,000,000) in issue during the year.

Diluted earnings (loss) per share

The computation of diluted earnings per share for the year ended 31 March 2025 did not assume the exercise of certain of share options granted by the Company since the exercise price of those share options was higher than the average market price of the shares for the period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share outstanding during the year ended 31 March 2024.

9. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade debtors, net of loss allowance	**29,984**	46,835
Bills receivable	**2,242**	947
Deposits and other receivables	**12,979**	16,948
Prepayments	**29,565**	6,908
	74,770	71,638
Analysed for reporting purpose as:		
Current assets	**73,732**	70,657
Non-current assets	**1,038**	981
	74,770	71,638

As at 1 April 2023, the carrying amount of trade receivables from contracts with customers was HK$34,593,000.

As at 31 March 2025, trade debtors of HK$29,984,000 (2024: HK$46,835,000) comprised receivables from contracts with customers and lease receivables of HK$28,248,000 (2024: HK$46,325,000) and HK$1,736,000 (2024: HK$510,000) respectively.

The Group's credit terms on Garment Business and Healthcare Products Business generally range from 30 to 90 days, while allows an average credit period of 60 to 120 days to its customers of the provision of IRO and CRO services. Credit period of 180 days is granted to a customer for the IRO and CRO services with whom the Group has a good business relationship and who is in sound financial condition.

Included in prepayments, prepayment of inventories of approximately HK$18,674,000 (2024: Nil) is related to Healthcare Products Business, which are expected to be realised within one year as at 31 March 2025.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	HK$'000	*HK$'000*
1 – 30 days	**14,194**	21,858
31 – 60 days	**2,697**	5,749
61 – 90 days	**11,985**	7,254
Over 90 days	**1,108**	11,974
	29,984	46,835

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**17,451**	32,880
Accrued staff costs	**1,152**	1,163
Accrued expenses	**8,645**	9,020
Other payables	**4,552**	9,021
	31,800	52,084

The following is an aging analysis of trade payables presented based on the invoice date at the end of reporting period.

	2025	2024
	HK$'000	*HK$'000*
1 – 30 days	**5,590**	17,957
31 – 60 days	**1,303**	10,619
61 – 90 days	**5,313**	1,190
Over 90 days	**5,245**	3,114
	17,451	32,880

11. AMOUNTS DUE TO RELATED PARTIES/ULTIMATE HOLDING COMPANY/NON-CONTROLLING INTEREST

(a) Amounts due to related parties

Except from the amounts due to related parties of HK$51,281,000 (2024: HK$56,434,000) are related to the subscription agreement and incentive agreement entered with Mr. Chan Wing Kai, a director of subsidiaries, the remaining balances due to related parties (which are fellow subsidiaries of the Group) are unsecured, interest free and repayable on demand.

(b) Amount due to ultimate holding company

At 31 March 2024, amount due to ultimate holding company of HK$40,471,000 is unsecured, carried at fixed interest rate of 1.4% per annum and repayable on 30 September 2024. The remaining balance is unsecured, interest free and repayable on demand.

(c) Amount due to non-controlling interests

At 31 March 2025, except for HK$29,987,000 (2024: HK$50,204,000) of amount due to non-controlling interests that is carried at FVTPL in relation to contingent consideration for acquisition of R&E Corporation Limited and its subsidiary ("**Taiga Group**"), the remaining balance is unsecured, interest free and repayable on demand.

12. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,000,000,000	10,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024 and 1 April 2024	500,000,000	5,000
Issue of new shares under subscription agreement *(note)*	22,177,419	222
At 31 March 2025	522,177,419	5,222

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Note:

On 22 April 2024, 22,177,419 new ordinary shares were allotted and issued to the subscribers at a subscription price of HK$0.992 per share. Details of which are set out in the Company's announcements dated 9 April 2024 and 22 April 2024.

13. DISPOSAL OF SUBSIDIARIES

(a) Disposal of EPS Innovative Medicine (Hong Kong) Limited ("EPS Innovative") and its subsidiaries ("Disposal Group")

On 19 February 2025, (i) the Company conditionally agreed to sell, and EPS Holdings, Inc., the controlling shareholder of the Company, conditionally agreed to acquire the entire issued share capital of EPS Innovative, at a consideration of JPY1.00; and (ii) the Company also conditionally agreed to sell or procure to sell, and EPS Holdings, Inc. conditionally agreed to purchase the sale loans for a consideration of JPY1,250,000,000. The transaction was completed on 31 March 2025.

The respective amounts of assets and liabilities of the Disposal Group on the relevant dates of disposal were as follows:

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	33
Other financial assets	2,977
Intangible assets	70,204
Goodwill	11,549
Trade and other receivables	6,839
Amounts due from related parties	6,759
Cash and cash equivalents	7,516
Trade and other payables and accruals	(2,068)
Amounts due to related parties	(362)
Amount due to ultimate holding company	(87,699)
Tax payables	(286)
Deferred tax liabilities	(21,033)
Net liabilities disposed of	(5,571)
Gain on disposal of subsidiaries	
Consideration received	63,958
Net liabilities disposed of	5,571
Sale loans disposed of	(63,980)
Non-controlling interests	22,666
Reclassification of cumulative exchange reserve	1,822
Reclassification of other reserve	3,267
	33,304
Net cash inflow arising on disposal of subsidiaries:	
Cash consideration received	63,958
Less: cash and cash equivalents disposed of	(7,516)
	56,442

(b) Disposal of EPS Medical Consultancy (Japan) Limited ("Disposal Company")

On 2 October 2024, the Group entered into the sale and purchase agreement with EPS Holdings, Inc., a controlling shareholder of the Company, to dispose of all its 100% equity interest of the Disposal Company, a wholly-owned subsidiary of the Group which is principally engaged in the provision of IRO (Innovative Research Organisation) services. The consideration in respect of the disposal is JPY1.00 in cash.

The respective amounts of assets and liabilities of the Disposal Company on the relevant dates of disposal were as follows:

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Contract assets	1,674
Trade and other receivables	4,273
Amounts due from related parties	949
Cash and cash equivalents	1,637
Trade and other payables and accruals	(1,103)
Contract liabilities	(217)
Amounts due to related parties	(14,019)
Amount due to ultimate holding company	(2,431)
Tax payable	(9)
Net liabilities disposed of	(9,246)
Gain on disposal of a subsidiary	
Consideration received	–
Net liabilities disposed of	9,246
Reclassification of cumulative exchange reserve	697
	9,943
Net cash outflow arising on disposal of a subsidiary:	
Cash consideration received	–
Less: cash and cash equivalents disposed of	(1,637)
	(1,637)

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

In pursuit of our vision to become a specialised trading company connecting Japan, China, and Asia through the healthcare industry as a Business Development Partner, our Group is currently engaged in three core business segments: the Healthcare Products Business, the Innovative Research Organisation (IRO) Business with Specialised Contract Research Organisation (CRO) Services and In-house R&D Business ("**IRO with CRO Services and In-house R&D Business**"), and the Garment Business.

The Healthcare Products Business encompasses two main areas: the Health Food Distribution Business and the Laboratory Supply Distribution Business.

The IRO with CRO Services and In-house R&D Business is further categorised into three divisions: the Japan-IRO Business, the China-IRO Business, and the In-house R&D Business.

BUSINESS REVIEW

Healthcare Products Business (the "HCP Business")

Health food distribution business:

In March 2023, we acquired 65% equity interest in R&E Corporation Limited ("**R&E**"). Through R&E and its subsidiaries, we have been engaged in the import and distribution of Japanese food products in the Chinese market.

Our strengths in this business lie in our ability to identify Japanese health food products with strong latent demand, as well as our extensive distribution network across the Chinese market.

During the Reporting Year, despite facing challenges including regulatory constraints and an economic slowdown in the market, we had an improvement in business performance as a result of our strategic initiatives such as the development of new sales channels which helped sustain our growth.

Laboratory supply distribution business:

In December 2022, we acquired 100% of the shares of EP Trading Co., Ltd. ("**EPTR**"). Through EPTR and its subsidiaries, we have long been engaged in the import and distribution of non-clinical research materials and equipment—primarily manufactured in the USA—to both the Japanese and Chinese markets.

Our key strength in this business lies in our extensive customer network, which covers nearly 100% of pharmaceutical companies and academic research institutions across Japan.

During the Reporting Year, despite facing headwinds from the continued depreciation of the Japanese yen against the U.S. dollar, the successful outcome of our large-scale projects—part of our medium-term initiatives—contributed to a notable improvement in business performance.

HCP Business recorded revenue of approximately HK$169.6 million for the Reporting Year, representing an increase of approximately 21.6% as compared to approximately HK$139.5 million for the year ended 31 March 2024. The Group's gross profit for the Reporting Year in this segment amounted to approximately HK$38.1 million (for the year ended 31 March 2024: approximately HK$29.6 million). The increase in revenue mainly arose as a result of the growth in the laboratory supply distribution business. The increase in gross profit mainly arose as a result of our cost control in the health food distribution business.

IRO with CRO Service and In-house R&D Business

IRO Business

The Group has been aiming to provide one stop solution to academia, biotech-ventures and pharmaceutical companies in Japan and the PRC, based on our knowledge and experiences of drug development support businesses that we have cultivated over many years in Japan and the PRC.

We have called it "IRO Business" (Innovative Research Organisation Business) which is quite a new business model to provide services for business development and commercialisation support including the entry of the PRC companies into the Japanese market and the entry of the biotech-ventures in Japan into the PRC. This business is also characterised by the fact that most of the business development clients are mainly in the early stage which require consultation and there shall be long-term benefits once these clients' business proceed.

Japan-IRO Business:

With a review of the roadmap towards our target vision, and guided by a policy to shift our business portfolio from a "hybrid of prior investment-driven businesses and profit-generating businesses" to a "consolidation into profit-generating businesses", and having considered the time required for this business to become profitable and achieve business synergy with other businesses of the Group, we determined that the disposal (the "**Disposal**") of EPS Medical Consultancy (Japan) Limited, which is principally engaged in the provision of IRO services, represents a good opportunity to divert our investment to other business segments of the Group and completion of the Disposal has taken place in October 2024.

China-IRO Business with CRO Service:

The China-IRO business, which was acquired by the Group in September 2022, achieved certain improvement in terms of business performance by strategically narrowing down service areas and controlling costs, especially in CRO services.

In-house R&D Business

In relation to the In-house R&D Business, it has been focusing and making steady progress on the initiatives of (i) exploring the potential for anti-obesity and anti-diabetes using the brown fat cell induction technology; (ii) creating a new treatment option so that EIM-001 becomes an alternative to highly invasive surgical bypass surgery in peripheral artery diseases; (iii) pursuing the possibility of sublingual vaccines, focusing on the importance of secretory IgA, which is considered to have influenced defense against allergic diseases as well as against new coronaviruses; and (iv) developing medical devices specialised in iBTA technology.

As with the Japan-IRO Business, we have reviewed the roadmap towards our target vision and, in line with our strategic policy to shift the business portfolio from a "hybrid of prior investment-driven businesses and profit-generating businesses" to a "consolidation into profit-generating businesses," we have taken into consideration the current development progress of each pipeline, as well as the time and capital required to realise our market entry in China. Based on this assessment, it was considered that the Disposal represents a good opportunity to divert our investment to other business segments of the Group and completion of the Disposal has taken place in March 2025.

IRO with CRO Service and In-house R&D Business

IRO Business with CRO Services and In-house R&D Business Unit recorded revenue of approximately HK$45.2 million for the Reporting Year, representing an increase of approximately 18.5% as compared to approximately HK$38.1 million for the year ended 31 March 2024. The gross profit for the Reporting Year in this segment amounted to approximately HK$10.5 million (for the year ended 31 March 2024: gross loss approximately HK$0.08 million). The increase in revenue and gross profit was mainly attributed to the ongoing efforts of the Group in optimising industry resources in the competitive PRC specialised CRO service business, which contributed to the improvement in margin.

Garment Business

The Group is engaged in the Garment Business, providing apparel supply chain management service for knitwear products. The Group provides one-stop apparel supply chain management solutions for its clients ranging from fashion trend analysis, product design and development, sourcing and procurement of materials, production management, quality control to logistics services. The Group does not possess its own labels. All the Group's knitwear products are manufactured in accordance with the specifications and requirements set out by the Group's clients in the sales orders, some designs of which are recommended or inspired by the Group. Since the Group does not own or operate any manufacturing operations, the Group outsources the whole manufacturing process to third-party manufacturers with manufacturing operations located in the PRC, Thailand and/or Cambodia.

During the Reporting Year, the Group recorded revenue of approximately HK$329.7 million in this segment, representing a decrease of approximately 29.4% as compared to approximately HK$467.0 million for the year ended 31 March 2024. The Group's gross profit for the Reporting Year in this segment amounted to approximately HK$46.0 million (for the year ended 31 March 2024: approximately HK$69.7 million). The decrease in gross profit of the Group in this segment was primarily attributable to the decrease in the overall sales volume of the major customers headquartered in the USA.

During the year under review, the overall market recovery progressed at a more moderate pace than expected, weighed down by rising protectionism and simmering geopolitical tensions. While certain macroeconomic indicators showed consecutive improvements, consumer confidence remained fragile amid this complex environment. To navigate these challenges, our sales teams focused on expanding our client base, diversifying manufacturing sources, and accelerating product development. These efforts are aimed at sustaining our Garment Business with a profitable margin while positioning the Group for resilient growth in the evolving market landscape.

Performance Review

The Group's total comprehensive income attributable to owners of the Company was approximately HK$36.3 million for the Reporting Year (for the year ended 31 March 2024, the total comprehensive expense attributable to owners of the Company was approximately HK$22.3 million). The increase of the total comprehensive income attributable to owners of the Company is mainly attributable to (i) the increase in other gain of approximately HK$43.2 million inclusive of the gain on disposal of the Japan-IRO business and In-house R&D businesses; and (ii) the decrease in administrative expenses of approximately HK$14.4 million in relation to the delay in development progress of the In-house R&D business.

FINANCIAL REVIEW

Revenue from Healthcare Products Business

Revenue derived from the Healthcare Products Business (HCP Business) of the Group increased by approximately HK$30.1 million or 21.6% to approximately HK$169.6 million for the year ended 31 March 2025 from approximately HK$139.5 million for the year ended 31 March 2024. The increase in revenue mainly arose as a result of the realisation of expansion in sales. As for the sale in health food distribution business, the development of new sales channels contributed to the increase in revenue. As for the sales in the laboratory supply distribution business, the successful outcome of large-scale projects largely contributed to the increase in revenue.

	Revenue		
	Year ended 31 March		Rate of
	2025	2024	Change
	HK$'000	*HK$'000*	*%*
Health food distribution business	**101,682**	91,681	10.9
Laboratory supply distribution business	**67,910**	47,807	42.1
Total	**169,592**	139,488	21.6

Revenue from IRO with CRO and In-house R&D Business

Revenue derived from the IRO with CRO Services and In-house R&D Business of the Group increased by approximately HK$7.1 million or 18.5% to HK$45.2 million for the year ended 31 March 2025 from approximately HK$38.1 million for the year ended 31 March 2024.

	Revenue Year ended 31 March		Rate of
	2025	2024	Change
	HK$'000	*HK$'000*	%
IRO with CRO	**45,102**	38,143	18.2
In-house R&D	**112**	6	1,766.7
Total	**45,214**	38,149	18.5

Revenue from Garment Business

The Group's knitwear products are divided into three categories, namely womenswear products, menswear products and kidswear products. During the Reporting Year, the Group's revenue was mainly derived from the sales of womenswear products, which accounted for approximately 86.8% (for the year ended 31 March 2024: approximately 72.5%) of the Group's total revenue for the Reporting Year. The following table sets out a breakdown of the Group's revenue by product category for each of the two years ended 31 March 2025:

	Year ended 31 March				Rate of
	2025		2024		Change
	HK'000	***%***	*HK'000*	*%*	%
Womenswear	**286,080**	**86.8**	338,604	72.5	(15.5)
Menswear	**39,320**	**11.9**	117,833	25.2	(66.6)
Kidswear	**4,316**	**1.3**	10,541	2.3	(59.1)
Total	**329,716**	**100.0**	466,978	100.0	(29.4)

During the Reporting Year, the sales volume of the Group amounted to approximately 3.6 million pieces (for the year ended 31 March 2024: approximately 5.7 million pieces) of finished knitwear products. Set out below are the total sales quantity of each product category for each of the two years ended 31 March 2025:

	Year ended 31 March				Rate of
	2025		2024		Change
	Pieces '000	***%***	*Pieces '000*	*%*	*%*
Womenswear	**3,214**	**89.0**	3,993	70.5	(19.5)
Menswear	**318**	**8.8**	1,476	26.0	(78.5)
Kidswear	**81**	**2.2**	200	3.5	(59.5)
Total	**3,613**	**100.0**	5,669	100.0	(36.3)

The selling price of each of the product category depends primarily on, among other things, (i) the complexity of the product design; (ii) the size of an order; (iii) the delivery schedule set out by customers; (iv) the costs of raw materials; and (v) the production costs as quoted by the third-party manufacturers. Accordingly, the selling price of the Group's products may differ considerably in different purchase orders by different customers. Set out below are the average selling prices per piece of finished product sold by the Group by product category for each of the two years ended 31 March 2025:

	Year ended 31 March		
	2025	2024	
	Average selling price (Note)	Average selling price (Note)	Rate of Change
	HK$	*HK$*	*%*
Womenswear	**89.0**	84.8	5.0
Menswear	**123.6**	79.8	54.9
Kidswear	**53.3**	52.7	1.1
Overall average selling price per piece	**91.3**	82.4	10.8

Note: The average selling price per piece represents the revenue for the year divided by the total sales quantity for the year.

The Group's revenue from the garment segment decreased by approximately 29.4%, or approximately HK$137.3 million, from approximately HK$467.0 million for the year ended 31 March 2024 to approximately HK$329.7 million for the Reporting Year. The decrease in revenue was primarily attributable to the decrease in purchase orders of the Group from the major customers headquartered in USA and Japan.

Womenswear

During the Reporting Year, the Group's revenue from the garment segment mainly derived from the sales of womenswear products. Revenue derived from the sales of womenswear products decreased by approximately HK$52.5 million or 15.5%, from approximately HK$338.6 million for the year ended 31 March 2024 to approximately HK$286.1 million for the Reporting Year. Such decrease was mainly attributable to the decrease in sales quantity from approximately 4.0 million pieces for the year ended 31 March 2024 to approximately 3.2 million pieces for the Reporting Year, which outweighed the increase in average selling price per piece of womenswear products from approximately HK$84.8 for the year ended 31 March 2024 to approximately HK$89.0 for the Reporting Year.

Menswear

The Group's revenue derived from the sales of menswear products decreased by approximately HK$78.5 million or 66.6% from approximately HK$117.8 million for the year ended 31 March 2024 to approximately HK$39.3 million for the Reporting Year. Such decrease was mainly attributable to the decrease in sales quantity from approximately 1.5 million pieces for the year ended 31 March 2024 to approximately 0.3 million pieces for the Reporting Year, which outweighed the increase in average selling price per piece of menswear products from approximately HK$79.8 for the year ended 31 March 2024 to approximately HK$123.6 for the Reporting Year.

Kidswear

Revenue derived from the sales of kidswear products of the Group decreased by approximately HK$6.2 million or 59.1% to approximately HK$4.3 million for the Reporting Year from approximately HK$10.5 million for the year ended 31 March 2024. The decrease in the revenue of the Group's kidswear products was mainly attributable to the decrease in sales volume of the Group's kidswear products from approximately 0.2 million pieces for the year ended 31 March 2024 to less than 0.1 million pieces for the Reporting Year, which outweighed the increase in average selling price per piece of the kidswear products from approximately HK$52.7 for the year ended 31 March 2024 to approximately HK$53.3 for the Reporting Year.

Gross profit and gross profit margins

Healthcare Products Business (HCP Business)

The Group's gross profit in this business segment increased to approximately HK$38.1 million for the year ended 31 March 2025 from approximately HK$29.6 million for the year ended 31 March 2024, representing an increase of approximately 28.7%. The increase in gross profit mainly arose as a result of expansion in sales. As for the health food distribution business, the improved cost control contributed to the increase in gross profit.

IRO with CRO Services and In-house R&D Business

The Group's gross profit increased to approximately HK$10.5 million for the year ended 31 March 2025 from gross loss of approximately HK$0.08 million for the year ended 31 March 2024. The increase in gross profit was mainly attributed to the ongoing efforts of the Group in optimising industry resources in the competitive PRC specialised CRO service business, which contributed to the improvement in margin.

Garment Business

The Group's gross profit declined to approximately HK$46.0 million for the Reporting Year as compared with approximately HK$69.7 million for the year ended 31 March 2024, representing a decrease of approximately 34.0%. The Group's gross profit margin decreased to approximately 14.0% for the Reporting Year from approximately 14.9% for the year ended 31 March 2024. Such decrease in the Group's gross profit margin was mainly attributable to the increase in average production cost per piece of womenswear products for the Reporting Year.

Other income, gains and losses

Other income, gains and losses mainly consists of sample sales income, exchange loss and fair value gain on promissory note due to non-controlling interests. Other income, gains and losses increased by approximately HK$38.3 million for the year ended 31 March 2025 to HK$50.2 million from approximately HK$11.9 million for the year ended 31 March 2024. The increase in other income, gains and losses of the Group was attributable to the gain on disposals of the entire issued share capital of EPS Medical Consultancy (Japan) Co., Ltd. and EPS Innovative Medicine (Hong Kong) Limited which were wholly-owned subsidiaries of the Company immediately prior to completion of the disposals in October 2024 and in March 2025 respectively, during the Reporting Year. Details of the disposals are set out in the Company's announcements dated 2 October 2024, 19 February 2025 and 31 March 2025 and the Company's circular dated 14 March 2025.

Research and development expenses

Research and development expenses mainly consist of research and development cost and related administrative expenses in In-House R&D Business. Such expenses have decreased to approximately HK$18.1 million for the year ended 31 March 2025 from approximately HK$24.3 million for the year ended 31 March 2024, representing a decrease of approximately 25.5%. Such decrease was mainly attributable to the decrease of expenses in research and development trials during the year.

Selling and distribution expenses

Selling and distribution expenses mainly consist of advertising expenses, commission expenses, logistic expenses, sample costs and staff costs and benefits of merchandising staff. Selling and distribution expenses decreased to approximately HK$35.3 million for the year ended 31 March 2025 from approximately HK$48.8 million for the year ended 31 March 2024, representing a decrease of approximately 27.7%. Such decrease was mainly attributable to the overall decrease in the selling expenses of the Garment Business.

Administrative expenses

Administrative expenses primarily consist of audit fees, legal and professional fees, overseas and local travelling and general administrative expenses. Administrative expenses decreased to approximately HK$49.6 million for the year ended 31 March 2025 from approximately HK$55.0 million for the year ended 31 March 2024, representing a decrease of approximately 9.8%. Such decrease was mainly attributable to the decrease of general administrative expenses in Japan-IRO business which was disposed in October 2024 and the decrease of legal and professional fees and audit fees during the year.

Finance costs

Finance costs increased to approximately HK$8.3 million for the year ended 31 March 2025 from approximately HK$7.1 million for the year ended 31 March 2024. Such increase was mainly attributable to the increase in the finance costs arisen from the promissory note due to a related party.

Total comprehensive income (expense) attributable to owners of the Company

Total comprehensive income attributable to owners of the Company amounted to approximately HK$36.3 million for the year ended 31 March 2025 compared with the total comprehensive expense attributable to owners of the Company of approximately HK$22.3 million for the year ended 31 March 2024, representing an increase of total comprehensive income of approximately HK$58.6 million. The turnaround from the total comprehensive expense to income attributable to owners of the Company was mainly attributable to (i) the increase in other gain of approximately HK$43.2 million inclusive of the gain on disposals of the Japan-IRO business and In-house R&D businesses; and (ii) the decrease in administrative expenses of HK$14.4 million in relation to the delay in development progress of the In-house R&D business.

BASIC EARNINGS (LOSS) PER SHARE

The Company's basic earnings per share for the year ended 31 March 2025 was approximately HK7.41 cents, as compared to the basic loss per share of approximately HK4.41 cents for the year ended 31 March 2024. The turnaround from basic loss per share to basic earnings per share for the year ended 31 March 2025 was due to increase in profit attributable to the owners of the Company as a result of (i) the increase in revenue generated in the Healthcare Products Business; and (ii) increase in other incomes, gains and losses as mentioned above, for the year ended 31 March 2025.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK1.0 cent per share for the year ended 31 March 2025 (for the year ended 31 March 2024: Nil) which is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

The payment of the final dividend will be made to the Shareholders whose names appear on the register of members of the Company on a record date which, together with the relevant book closure period and the payment date of the final dividend, will be announced by the Company in due course.

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 March 2025, the Group's operations were generally financed through its internally generated cash flows, borrowings from banks and equity financing. The Directors believe that in the long term, the Group's operations will be funded by a combination of internally generated cash flows and bank borrowings and, if necessary, additional equity financing.

As at 31 March 2025 and 2024, the Group had net current assets of approximately HK$151.5 million and HK$6.9 million, respectively, including cash and cash equivalents of approximately HK$135.7 million and HK$115.5 million, respectively. The Group's current ratio increased from approximately 1.0 as at 31 March 2024 to approximately 2.9 as at 31 March 2025. Such increase was mainly due to the significant decrease in current liabilities of approximately 60.9% as compared to the balances as at 31 March 2024. They were mainly attributable to the decrease in the amounts due to related parties and ultimate holding company upon the disposal of the Company's subsidiary during the year ended 31 March 2025.

Gearing ratio is calculated based on the total loans and borrowings (including bank borrowings due within one year and lease liabilities) divided by total equity at the respective reporting date. As at 31 March 2025 and 2024, the Group's gearing ratio was 0.04 and 0.08, respectively. The Group entered into banking facility agreements with the amount in aggregate of up to approximately HK$7.8 million (at 31 March 2024: HK$20.0 million). The Group's rate of unutilised banking facilities was 63% as at 31 March 2025. With the existing available cash and cash equivalents, the Group has sufficient liquidity to satisfy its funding requirements, but the Group will continue to look for fund raising opportunities in order to further strengthen the Group financial cash position, if necessary.

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise its credit risk, the management of the Group has delegated a team to perform ongoing credit evaluation of the financial conditions of the customers including but not limited to the determination of credit limits, credit approvals and other monitoring procedures to ensure that appropriate follow-up action(s) is/are taken to recover overdue debts and reduce the Group's exposure to credit risk. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate expected loss allowance is made. The Group generally grants an average credit period of 30 to 90 days to its customers. Most of these counterparties are either owners or sourcing agents of apparel retail brands based in Japan and the USA. The management of the Group considered that the credit risk on amounts due from these customers is insignificant after considering their historical settlement records, credit qualities and financial positions of the counterparties. In management of the liquidity risk, the Board closely monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in the currency of Japanese yen ("**JPY**") and Renminbi ("**RMB**").

CAPITAL STRUCTURE

For the year ended 31 March 2025, there was no change to the authorised share capital of the Company which is HK$10,000,000 dividable into 1,000,000,000 Shares of a par value of HK$0.01 each.

On 22 April 2024, a total of 22,177,419 subscription shares were allotted and issued to two subscribers (the "**Subscription**") at the subscription price of HK$0.992 per subscription share, which were satisfied by cash.

For details of the Subscription, please refer to the announcements of the Company dated 9 April 2024 and 22 April 2024.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Disposal of EPS Medical Consultancy (Japan) Limited ("EPS Medical")

On 2 October 2024, the Group entered into a share transfer agreement with EPS Holdings, Inc., a controlling shareholder of the Company, for the disposal of the entire equity interest of EPS Medical, a wholly-owned subsidiary of the Company prior to the completion of the disposal which is principally engaged in the provision of IRO (Innovative Research Organisation) services at a consideration of JPY1.00. Completion of the disposal took place upon the signing of the share transfer agreement on 2 October 2024.

Details of the disposal are further set out in the announcements of the Company dated 2 October 2024 and 8 October 2024.

Disposal of EPS Innovative Medicine (Hong Kong) Limited ("EPS Innovative") and its subsidiaries ("EPS Innovative Group")

On 19 February 2025, (i) the Company conditionally agreed to sell, and EPS Holdings, Inc., the controlling shareholder of the Company, conditionally agreed to acquire the entire issued share capital of EPS Innovative, at a consideration of JPY1.00; and (ii) the Company also conditionally agreed to sell or procure to sell, and EPS Holdings, Inc. conditionally agreed to purchase certain intra-group loans owned by EPS Innovative Group for a consideration of JPY1,250,000,000. Completion of the disposal took place on 31 March 2025.

Details of the disposal are further set out in the announcements of the Company dated 19 February 2025 and 31 March 2025 and the circular of the Company dated 14 March 2025.

Save as disclosed above, during the year ended 31 March 2025, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the announcement of the Company dated 27 June 2025 in relation to business update on the proposed acquisition by the Group of the controlling stake in a company incorporated in the PRC principally engaged in the manufacturing and sale of pharmaceutical products, the Group currently has no other plan for material investments and capital assets.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2025 (as at 31 March 2024: HK$ Nil).

CAPITAL COMMITMENTS

The Group did not have material capital commitment as at 31 March 2025 (as at 31 March 2024: approximately HK$2.6 million).

FOREIGN EXCHANGE EXPOSURE

Certain trade and bills receivables, other receivables, bank and cash balances, trade and other payables are denominated in foreign currency of the respective group entities which are exposed to foreign currency risk. Although the Group's revenue and major expenses are mainly in US$, the functional currency of the Company is HK$, as HK$ is pegged to US$, the Group does not expect any significant movement in the US$/HK$ exchange rate. The Group has operations both in the PRC and Japan and the Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure in relation to JPY and RMB should the need arise.

PLEDGE OF ASSETS

At the end of each of the below reporting years, the following assets were pledged to banks to secure certain banking facilities granted to the Group:

	Year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Pledged bank deposit	**4,000**	9,000

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 135 full-time employees (as at 31 March 2024: 136). The Group's staff costs included Directors' emoluments, salaries, other staff benefits, contributions to retirement schemes and share-based payment. For the years ended 31 March 2025 and 2024, the Group's total staff costs (including Directors' emoluments) amounted to approximately HK$45.5 million and HK$54.3 million, respectively. Remuneration is determined with reference to market terms and the performance, qualification(s), experience, position and seniority of individual employee. In addition to the basic salary, year-end bonuses would be discretionarily offered to those employees with outstanding performance, in order to retain employees continuously contributing to the Group.

The remuneration committee of the Company reviews and determines the remuneration and compensation packages of the Directors and senior management of the Company with reference to their experience, responsibilities, workload, time devoted to the Group and performance of the Group. Share options may also be granted to the Directors and senior management under the share option scheme.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2025, the Group mainly carried out its businesses in Hong Kong, the PRC and Japan. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong, the PRC and Japan.

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising environmental adverse impacts in daily operations, such as energy saving and recycling of office resources. The Group will continue to seek better environmental practices and promote the right environmental attitudes within the organisation. The Group has complied with all relevant laws, rules and regulations regarding environmental protection, health and safety, workplace conditions and employment during the year ended 31 March 2025.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws, rules and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance, birthday leave to the eligible employees, etc. The Group works closely with its customers in devising new product designs each season and delivering knitwear products according to their requirements. The Group's Garment Business had maintained business relationships with its major customers for a period ranging from 2 to 14 years. Over the years, the Directors believe that the Group has fostered a trustworthy and reliable strategic partnership with its customers built upon its proven track record of quality products, industry and product know-how, market awareness, dedicated management team and competitive pricing. The Group has also established stable, close working and long-term relationships with its suppliers. During the year, there was no material dispute or disagreement with the employees, the customers and the suppliers of the Group.

FUTURE PROSPECTS

The Group is focusing on the following three key challenges and are steadily advancing efforts to address each challenge.

1. Strengthening and expanding existing profit-generating businesses

2. Optimising the business portfolio

3. Exploring and launching new profit-generating businesses

Our future initiatives to "strengthening and expanding existing profit-generating business" include the following:

Health food distribution business

Although current market conditions remain challenging due to regulatory constraints and persistent economic slowdown in the market, in the medium term, we expect the market demand to shift from recovery to growth. In this context, we will continue to strengthen and expand this business based on our strengths in identifying Japanese health foods that have potential of high demand in the market and our extensive sales network.

Laboratory supply distribution business

Although we believe that the demand for our existing core products has matured and that significant growth is not expected in the future, we will expand this business by actively discovering new products and entering new areas in the market while firmly maintaining the business of these core products.

China-IRO business with CRO service

While we expect that demand for CRO services will increase, the competition in the market will continue in the future. We believe that the key to future growth is to optimise our own resources and strengthen cooperation with other companies to forge complementary relationship within the industry. In parallel with the enhancement of CRO services, we will also promote the IRO business to realise the provision of a wider range of services to biotech companies and pharmaceutical companies in the PRC and Japan.

Garment Business

Regarding our Garment Business, ongoing economic and global trade uncertainty, slowdown in demand as well as shifting consumer behaviour continue to pose challenges to the businesses of our customers and the fashion industry. We will keep streamlining our operations and maintaining stringent cost control in order to remain competitive and flexible. Our diversified production base together with flexible supply chain will enable us to work closely with our customers and respond to their needs. We believe our diversified production base could alleviate the pressure from the global trade conflict.

OTHER INFORMATION

Corporate Governance Practices

The Board recognises that the transparency and accountability are important to a listed company. As such, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and healthy corporate culture in return for the benefits of the Company's stakeholders as a whole.

The Company has adopted the provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules. The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of the shareholders and other stakeholders of the Company.

During the Reporting Year, the Group has complied with all the code provisions of the CG Code, save as the deviation from the code provision C.2.1 of the CG Code for the period from 1 April 2024 to 31 March 2025, where Mr. Shimada Tatsuji ("**Mr. Shimada**"), a former executive director of the Company, and following the resignation of Mr. Shimada, Mr. Washikita Kenichiro, an executive Director, took up the roles of the chairman of the Board and the chief executive officer of the Company during the periods from 1 April 2024 to 7 November 2024 and from 8 November 2024 to 31 March 2025 respectively. They have been managing the Group's business and supervising the overall operations of the Group in the respective periods. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in the same individual is beneficial to the management and the business developments of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors. Having been made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors for the year ended 31 March 2025.

Purchase, Sale or Redemption of The Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined under the Listing Rules)) for the year ended 31 March 2025. As at 31 March 2025, there were no treasury shares held by the Company.

Closure of Register of Members

The Company will make further announcement when the book closure period of the transfer books and the register of members of the Company for determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting is fixed.

Audit Committee

The Audit Committee was established with terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are to (i) assist the Board in reviewing the Company's financial information; (ii) oversee the Group's financial reporting system, risk management and internal control systems; (iii) review and monitor the effectiveness of the scope of audit; and (iv) make recommendations to the Board on the appointment of external auditors.

The Audit Committee currently consists of three members, namely Mr. Chan Cheuk Ho (the chairman of the Audit Committee), Mr. Choi Koon Ming and Mr. Uematsu Takahiro, being two independent non-executive Directors and a non-executive Director respectively. No member of the Audit Committee is a member of the former or existing independent auditor of the Company in the last two years. The Audit Committee has reviewed this annual report, including the audited consolidated results of the Group for the year ended 31 March 2025.

SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED ("CONFUCIUS INTERNATIONAL")

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Confucius International, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 June 2025. The work performed by Confucius International in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Confucius International on the preliminary announcement.

Publication of the Annual Results Announcement and Annual Report for the Year Ended 31 March 2025 on the Website

This announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the website of the Company at http://www.epshk.hk. The annual report of the Company for the year ended 31 March 2025 will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
EPS Creative Health Technology Group Limited
Washikita Kenichiro
Executive Director and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the executive Directors are Mr. Washikita Kenichiro, Mr. Miyano Tsumoru, Mr. Narumi Shoichi, Mr. Chiu Chun Tak, Ms. Du Yao and Mr. Liang Fei; the non-executive Directors are Mr. Uematsu Takahiro and Mr. Yan Ping; and the independent non-executive Directors are Mr. Chan Cheuk Ho, Mr. Choi Koon Ming, Mr. Saito Hironobu and Ms. Zhang Cuiping.