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EPS Creative Health Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3860)

CONTINUING CONNECTED TRANSACTION IN RELATION TO INCENTIVE AGREEMENT

Reference is made to the announcement of the Company dated 6 March 2024 in relation to the 2024 Incentive Agreement.

THE 2026 INCENTIVE AGREEMENT

In view of the approaching end of the 2024 Performance Period under the 2024 Incentive Agreement, on 30 January 2026 (after trading hours), the Company entered into the 2026 Incentive Agreement with Mr. Chan, a director of Speed Apparel BVI, pursuant to which Mr. Chan has undertaken to the Company to procure to meet certain performance target in respect of the profits of the Apparel Group for the 2026 Performance Period, the successful fulfillment of which would entitle Mr. Chan to certain performance bonuses.

LISTING RULES IMPLICATIONS

Mr. Chan is a director of Speed Apparel BVI, a wholly-owned subsidiary of the Company. Accordingly, Mr. Chan is a connected person of the Company at the subsidiary level, and the transactions contemplated under the 2026 Incentive Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Board (including all independent non-executive Directors) has approved the 2026 Incentive Agreement and confirmed that the terms of the 2026 Incentive Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, it is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 6 March 2024.

The Board announces that, in view of the approaching end of the 2024 Performance Period, on 30 January 2026 (after trading hours), the Company entered into the 2026 Incentive Agreement with Mr. Chan, a director of Speed Apparel BVI, pursuant to which Mr. Chan has undertaken to the Company to procure to meet certain performance target in respect of the profits of the Apparel Group for the 2026 Performance Period, the successful fulfillment of which would entitle Mr. Chan to certain performance bonuses.

The salient terms of the 2026 Incentive Agreement are as follows:

THE 2026 INCENTIVE AGREEMENT

Date: 30 January 2026

Parties: (i) The Company; and
(ii) Mr. Chan

As at the date of this announcement, Mr. Chan is a director of Speed Apparel BVI, a wholly-owned subsidiary of the Company. Accordingly, Mr. Chan is a connected person of the Company at the subsidiary level.

Performance period: The financial year commencing from 1 April 2026 and ending 31 March 2027

Principal terms: Pursuant to the terms of the 2026 Incentive Agreement, Mr. Chan undertakes to the Company to procure to meet the performance target (the “**Performance Target**”) for the 2026 Performance Period, being that the audited aggregate total profits before interest, taxes, depreciation and amortisation of the Apparel Group (the “**Total EBITDA**”) shall be positive (i.e. not less than HK\$0).

For the purpose of determining the Total EBITDA and whether the Performance Target is achieved for the 2026 Performance Period, the Company shall procure that its auditors issue a confirmation (the “**Audit Confirmation**”) within 14 working days after the publication of the audited financial statements of the Company for the year ending 31 March 2027.

If the Audit Confirmation shows that the Total EBITDA of the Apparel Group for the 2026 Performance Period is negative (i.e. the Audit Confirmation shows that the Apparel Group recorded loss of earnings before interest, taxes, depreciation and amortisation (the “**Actual Loss**”) for the 2026 Performance Period), thereby confirming that the Performance Target was not achieved, Mr. Chan shall pay to the Company an amount equal to the absolute value of such Actual Loss as compensation to the Company. For the avoidance of doubt, the Total EBITDA shall be calculated exclusive of any performance bonus payable to Mr. Chan under this 2026 Incentive Agreement.

If the Audit Confirmation shows that the Total EBITDA of the Apparel Group for the 2026 Performance Period exceeds HK\$3,000,000:

- (a) where the Total EBITDA of the Apparel Group exceeds HK\$3,000,000 but is less than HK\$5,000,000, Mr. Chan shall be entitled to a performance bonus in an amount equal to 20% of the amount of Total EBITDA of the Apparel Group in excess of HK\$3,000,000; and
- (b) where the Total EBITDA of the Apparel Group exceeds HK\$5,000,000, Mr. Chan shall be entitled to a performance bonus in an amount equal to 30% of the amount of Total EBITDA of the Apparel Group in excess of HK\$5,000,000,

subject to an annual maximum cap of HK\$5,000,000. The Company and Mr. Chan further agreed that the payment of any compensation by Mr. Chan as a result of the failure to fulfil the Performance Target may be set-off against any sums due by the Company and/or Speed Apparel BVI to Mr. Chan. The basis of the performance bonus and annual maximum cap were determined with reference to those stipulated under the 2024 Incentive Agreement, which is in substantially the same form as the 2026 Incentive Agreement.

Payment date:

Any performance bonus payable under the 2026 Incentive Agreement shall be made by the Company within 14 days after the issuance of the Audit Confirmation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 INCENTIVE AGREEMENT

The Company is principally engaged in investment holding and its subsidiaries are principally engaged in the provision of apparel supply chain management services and selling knitwear apparel products to its customers, Japan-People's Republic of China specialised contract research organisation and innovative research organisation services, licensing and financing support and distributing health foods and laboratory supplies.

The Apparel Group, which Mr. Chan oversees as senior management of the Company, comprises the subsidiaries of the Group in the garment segment principally engaged in providing apparel supply chain management services and selling knitwear apparel products to its customers. As disclosed in the interim report of the Company for the six months ended 30 September 2025, the garment segment recorded an unaudited segment loss of approximately HK\$2.5 million.

As disclosed in the announcement of the Company dated 6 March 2024 in relation to the 2024 Incentive Agreement, the Company entered into the 2024 Incentive Agreement with Mr. Chan, pursuant to which Mr. Chan had undertaken to the Company to procure to meet certain performance targets in respect of the profits and revenue of the Apparel Group for the 2024 Performance Period, the successful fulfillment of which would entitle Mr. Chan to certain performance bonuses, details of which are set out in the aforementioned announcement.

In view of the approaching end of the 2024 Performance Period and the maturity of the financial assistance provided by Mr. Chan to the Group as disclosed in the aforementioned announcement, and recognising the contributions made by Mr. Chan as a senior management member of the Apparel Group over the past 5 years, the parties have agreed to renew the incentive structure established in 2023.

The Group is hopeful that this renewed incentive arrangement would help improve the performance of this segment. Under this renewed structure, Mr. Chan will continue to provide financial assistance to strengthen the working capital of the Apparel Group, enabling the achievement of the Performance Target set out in the 2026 Incentive Agreement. Upon meeting the Performance Target, Mr. Chan may be entitled to the corresponding performance bonus.

As such, on 30 January 2026 (after trading hours), the Company and Mr. Chan entered into a subscription agreement in relation to the issuance of the 2026 Note by the Company to Mr. Chan on 30 June 2026 immediately following the maturity of the financial assistance provided by Mr. Chan to the Group as disclosed in the aforementioned announcement, in the principal amount of HK\$30,000,000 due 30 June 2027, bearing an interest of 4% per annum, payable quarterly on the last business day of every three (3) calendar months after the date of issue of the 2026 Note. This would enable the continuity of the financial assistance by Mr. Chan to the Group. The funds to be raised from the 2026 Note shall be applied solely for the general working capital of the Apparel Group, ensuring its smooth day-to-day operation.

The Directors consider that the terms of the 2026 Incentive Agreement are fair and reasonable, and although the transactions contemplated thereunder are not in the ordinary and usual course of business of the Company, they are and will be on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the 2026 Incentive Agreement and the issuance of the 2026 Note, and accordingly, none of them is required to abstain from voting on the relevant board resolutions.

IMPLICATION UNDER THE LISTING RULES

Mr. Chan is a director of Speed Apparel BVI, a wholly-owned subsidiary of the Company. Accordingly, Mr. Chan is a connected person of the Company at the subsidiary level, and the transactions contemplated under the 2026 Incentive Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Board (including all independent non-executive Directors) has approved the 2026 Incentive Agreement and confirmed that the terms of the 2026 Incentive Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, it is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As for the issuance of the 2026 Note, given that it involves financial assistance provided by a connected person to the Company which is not secured by any assets of the Company and is conducted on normal commercial terms or better, the issuance of the 2026 Note is fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2024 Incentive Agreement”	the incentive agreement dated 6 March 2024 and entered into between the Company and Mr. Chan in relation to certain performance bonus
“2024 Performance Period”	the two financial years commencing on 1 April 2024 and ending 31 March 2026
“2026 Incentive Agreement”	the incentive agreement dated 30 January 2026 and entered into between the Company and Mr. Chan in relation to certain performance bonus

“2026 Note”	the unsecured 4% note to be issued by the Company in favour of Mr. Chan in the principal amount of HK\$30,000,000 due on 30 June 2027
“2026 Performance Period”	the financial year commencing on 1 April 2026 and ending 31 March 2027
“Apparel Group”	Speed Apparel BVI and its subsidiaries
“Board”	the board of Directors
“Company”	EPS Creative Health Technology Group Limited (stock code: 3860), a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Wing Kai, a director of Speed Apparel BVI, being a connected person of the Company at the subsidiary level
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Speed Apparel BVI”	Speed Apparel (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
EPS Creative Health Technology Group Limited
Miyano Tsumoru
Executive Director

Hong Kong, 30 January 2026

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.