EPS Creative Health Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3860)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 16.23% OF ISSUED SHARES IN CHINA GENETIC LIMITED

THE AGREEMENT

On 12 February 2026 (after trading hours), the Company as purchaser and the Vendor as vendor, entered into the Agreement pursuant to which the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, at a total cash consideration of HK$43,000,000. Immediately after the Completion, the Group's investment in CG will be recognised as an investment in an associate in the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Acquisition exceed 5% but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor is beneficially owned by Mr. Yan Ping, a non-executive Director and Mr. Chiu Chun Tak, an executive Director. Accordingly, the Vendor is a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios for the Acquisition exceed 5%, and the total consideration for the Acquisition exceeds HK$10,000,000, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date	:	12 February 2026 (after trading hours)
Parties	:	(a) the Company as purchaser; and
		(b) the Vendor as vendor.

Subject matter

Pursuant to the Agreement, the Company as purchaser has conditionally agreed to acquire, and the Vendor as vendor has conditionally agreed to sell, the Sale Shares, representing 16.23% of the issued share capital of CG as at the date of this announcement.

Consideration

The consideration for the Acquisition shall be the sum of HK$43,000,000, which shall be payable by the Company to the Vendor (or its nominee(s)) in the following manner:

(a) as to HK$25,000,000 shall be payable in cash within three (3) Business Days after the date of Completion; and

(b) as to the remaining balance in the amount of HK$18,000,000 shall be payable in cash within one (1) month after the date of Completion.

The consideration was determined based on arm's length negotiations between the Vendor and the Company on normal commercial terms after taking into account, among other things, the preliminary valuation of the Sale Shares of HK$43,700,000 conducted by the Valuer as at 31 December 2025 using market approach. Further details of the valuation of the Sale Shares are set out in the section headed "Valuation of the Sale Shares" in this announcement.

The Group intends to satisfy the cash consideration by internal resources and/or if suitable opportunity arises, the funds to be raised from certain fundraising activities including but not limited to the issue of convertible securities.

Conditions

Completion shall be conditional upon and subject to the following conditions:

(1) the Company being satisfied with the results of the due diligence review to be conducted on the CG Group;

(2) the approval by the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder (as required to be obtained under the Listing Rules) having been obtained;

(3) there being no material adverse change to the assets, liabilities, financial and trading position of the CG Group from the date of the Agreement until Completion;

(4) all other necessary consents, approvals, authorisations and licences (whether under the requirements under the Stock Exchange or not) in relation to the Agreement and the transactions contemplated thereunder having been obtained by the Vendor;

(5) all other necessary consents, approvals, authorisations and licences (whether under the requirements under the Stock Exchange or not) in relation to this Agreement and the transactions contemplated thereunder having been obtained by the Company; and

(6) the representation and warranties given by the Vendor remaining true and accurate in all material respects.

The Company may at any time waive the conditions precedent set out in (1), (3) and (6) above. If the conditions set out above have not been satisfied (or as the case may be, waived by the Company) at or before 12:00 noon on 31 March 2026 (or such other date and time as the Vendor and the Company may agree), the Agreement shall cease and determine and neither party to the Agreement shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms of the Agreement.

As at the date of this announcement, none of the above conditions have been fulfilled.

Completion

Completion shall take place on the second Business Day after the fulfilment (or waiver, where applicable) of the conditions precedent (or such other date as the parties to the Agreement may agree).

Immediately after the Completion, the Group's investment in CG will be recognised as an investment in an associate in the consolidated financial statements of the Group.

INFORMATION ON THE CG GROUP

CG is a company incorporated in Hong Kong primarily engaged in investment holding. As at the date of this announcement, CG beneficially owns approximately 67.68% of the equity interests in HX.

HX, being the principal operating subsidiary of CG, is a company incorporated in the PRC principally engaged in the in-house research and development (R&D), manufacturing and sale of biopharmaceutical products. Its products focus is in the fields of gynecological biopharmaceuticals and gene cell therapy involving the application of interferon and interleukin. In recent years, the CG Group focused on the manufacturing and sales of “Xinfuning”* (辛復寧) which has become the preferred medication for gynecologists.

Business model of the CG Group

HX manufactures the products via its own production lines and engages sales agents for marketing-related services including product promotion, market analytics, monitoring of adverse reactions and facilitating the sales and distribution of the products in the PRC. HX then distributes the products to enterprises including pharmaceutical wholesalers and drug trading companies for further supply to public hospitals or other public medical institutions in the PRC, and HX pays service fees to the sales agents for their marketing-related services.

Besides, HX also conducts in-house R&D to explore the effectiveness of certain therapeutics or treatments, develop new formulation of biopharmaceutical products, and extend the application of its technologies and products.

Financial Information of the CG Group

Set out below is the key unaudited consolidated financial information of the CG Group for the three financial years ended 31 December 2025:

	For the year ended/As at 31 December		
	2025	**2024**	**2023**
	(unaudited)	*(unaudited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*
Revenue	277,079	246,165	287,937
Profit before taxation	32,938	12,915 *(Note 2)*	23,082 *(Note 1)*
Profit after taxation	31,707	6,589	13,735
Total assets	451,822	405,459	471,598
Net assets	297,248	256,891	258,679

Notes:

1. The net profit of the CG Group for the year ended 31 December 2023 has accounted for a one-off impairment adjustment of approximately HK$17.34 million for the investment in a non-operating company in Japan.

2. The net profit of the CG Group for the year ended 31 December 2024 has accounted for a one-off impairment adjustment of approximately HK$11.40 million for the investment in a non-operating company in Japan.

The original acquisition cost of the Sale Shares to the Vendor was approximately HK$33,239,345.

VALUATION OF THE SALE SHARES

The Valuer has conducted the valuation of the Sale Shares based on market approach and the application of the enterprise value (EV) to earnings before interest and taxes (EBIT) ratio (the "**EV/EBIT Ratio**"). The Valuer has chosen the market approach because it captures market sentiment and produces a less biased valuation of CG, requiring fewer subjective inputs compared to the income approach. The asset approach was also not applied as it ignores future economic benefits of CG. Under the market approach, EV/EBIT Ratio was adopted as it excludes the distorting effects of the comparables companies' capital/asset levels and accounts for the entire capital structure but not just the equity portion. The Valuer has adopted major assumptions, including the going concern and liquidity of CG, and there being no major changes to the regulatory and market environment, in their valuation.

Further details of the valuation of the Sale Shares will be set out in the circular in relation to the Acquisition to be despatched to the Shareholders.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong principally engaged in investment holding which is beneficially owned by Mr. Yan Ping, a non-executive Director and Mr. Chiu Chun Tak, an executive Director. Accordingly, the Vendor is a connected person of the Company within the meanings of the Listing Rules.

As at the date of this announcement, the Vendor owns 16.23% of the issued share capital of CG.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in (i) trading of healthcare and medicated products and leasing of medical devices (the "**HCP Business**"); (ii) trading of apparel products; and (iii) provision of innovation research organisation (IRO) business with specialised contract research organisation (CRO) services.

The principal businesses of the CG Group are similar to and aligns with the Group's existing principal businesses in healthcare product trading and medical device leasing, and provision of CRO services. The Board considers that the Acquisition represents a good opportunity for the Group to invest in the operations of the CG Group, which is a growing and profitable business with strong growth prospects under the favourable outlook of the healthcare and biopharmaceutical sectors in the PRC, and to further explore any possible potential business collaboration between the Group and the CG Group. In particular, the Group may assist in distributing the market-ready biopharmaceutical products of the CG Group via its extensive sales network under its healthcare product trading business at a fee, thereby enhancing the Group's revenue. The complementary strengths of the CG Group could possibly create synergies with the HCP Business and the CRO business through integrated value chains in the healthcare and biopharmaceutical ecosystem – from supply and leasing of laboratory consumables and equipment for R&D and provision of research support through CRO services, to sale and distribution of biopharmaceutical products. The Board considers the Acquisition to be a strategic investment that enables the Group to expand its market participation and exposure in the healthcare and biopharmaceutical industry in the PRC and is in line with the Group's business strategy, that is, to create potential long-term value for the Group and to facilitate the Group's business growth in the broad healthcare industry.

Upon Completion, CG will adopt a dividend policy under which it targets to distribute at least one-third of its profits after taxation for each financial year after making all necessary, reasonable and prudent provisions and reserves for taxation, repayment of borrowings by the Company (if any) and the working capital and cash flow requirements of the Company. The Board considers that, in light of CG's profitable track record in the past three financial years and its dividend policy, the investment in CG is expected to provide the Group with a positive financial return and a good business opportunity for the Group's future growth.

In view of (i) the possible business synergies achievable with the CG Group across the value chain in the healthcare and biopharmaceutical ecosystem; (ii) the strategic opportunity that the Acquisition presents for the Group's expansion of its participation and exposure in the healthcare and biopharmaceutical market in the PRC; and (iii) the profitable track record of the CG Group with growth opportunities presented by the favourable development of the healthcare and biopharmaceutical sectors in the PRC, together with its dividend policy, which is expected to bring positive contribution to the Group's overall financial performance and long-term development following the Completion, the Board (excluding the independent non-executive Directors who will express their view after considering the advice from the independent financial adviser) considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Group has no plan or intention to acquire further equity interest in the CG Group in the foreseeable future.

Mr. Yan Ping and Mr. Chiu Chun Tak, being the beneficial owners of the Vendor, are considered to have a material interest in the Agreement and the transactions contemplated thereunder, and accordingly, have abstained from voting on the relevant resolution(s) of the Board to approve the entering into of the Agreement and the transactions contemplated thereunder.

Save as disclosed above, none of the other Directors have a material interest in the Agreement and the transactions contemplated thereunder and therefore no other Director was required to abstain from voting on the relevant resolution(s) of the Board approving the entering into of the Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Acquisition exceed 5% but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor is beneficially owned by Mr. Yan Ping, a non-executive Director and Mr. Chiu Chun Tak, an executive Director. Accordingly, the Vendor is a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios for the Acquisition exceed 5%, and the total consideration for the Acquisition exceeds HK$10,000,000, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An independent board committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Agreement and the transactions contemplated thereunder, although the entering into of the Agreement is not in the ordinary and usual course of business of the Group, are fair and reasonable; on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole, and on how to vote. Veda Capital Limited has been appointed as the independent financial adviser to provide advice and recommendation to the independent board committee and the Independent Shareholders in the same regard.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the entering into of the Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions contemplated under the Agreement is required to abstain from voting on the relevant resolution at the EGM. Mr. Yan Ping, a non-executive Director and a shareholder of the Vendor, is the brother of Mr. Yan Hao. As at the date of this announcement, Mr. Yan Hao wholly owns Y&G Limited, a company incorporated in Japan, which owns approximately 67.26% of the equity interest of EPS HD, the controlling shareholder of the Company which beneficially holds 375,000,000 Shares, representing approximately 71.8% of the existing issued share capital of the Company. Although EPS HD is not materially interested in the transactions contemplated under the Agreement, given the relationship between Mr. Yan Hao and Mr. Yan Ping, EPS HD will voluntarily abstain from voting on the resolution to approve the entering into of the Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholders have any material interest in the Agreement and the transactions contemplated thereunder and are required to abstain from voting on the relevant resolution(s) at the EGM.

A circular containing, amongst other things, further details of the Acquisition, a letter from the independent board committee, a letter of the independent financial adviser, the valuation report on the Sale Shares together with a notice to convene the EGM to approve the entering into of the Agreement and the transactions contemplated thereunder is expected to be despatched to the Shareholders on or before 10 March 2026.

Completion is subject to the fulfillment (or waiver, where applicable) of the conditions precedent set out in the Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares by the Company pursuant to the terms and conditions of Agreement
"Agreement"	the sale and purchase agreement dated 12 February 2026 and entered into between the Company and the Vendor in relation to the Acquisition
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"CG"	China Genetic Limited (中國基因工程有限公司), a company incorporated in Hong Kong with limited liability
"CG Group"	CG and its subsidiaries, including HX
"Company"	EPS Creative Health Technology Group Limited, a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 3860)
"Completion"	the completion of the Acquisition
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the entering into of the Agreement and the transactions contemplated thereunder
"EPS HD"	EPS Holdings, Inc., the controlling shareholder of the Company who beneficially holds 375,000,000 Shares representing approximately 71.8% of the issued share capital of the Company as at the date of this announcement
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HX"	Shanghai Huaxin Biotechnology Co., Ltd* (上海華新生物高技術有限公司), a company incorporated in the PRC with limited liability
"Independent Shareholders"	the Shareholders who are not required to abstain from voting at the EGM to approve the entering into of the Agreement and the transactions contemplated thereunder
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Sale Shares"	1,623 ordinary shares of CG, representing 16.23% of the issued share capital of CG
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuer"	Peak Vision Appraisals Limited, an independent professional valuer

"Vendor"	Honestar Medical Limited (鴻事達醫療有限公司), a company incorporated in Hong Kong with limited liability, being a connected person of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

The English transliteration of the Chinese name(s) in this announcement, where indicated with "", is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 12 February 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.