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EPS Creative Health Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock code: 3860)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2022, the operating results of the Group are as follows:

- Revenue of approximately HK\$424.7 million was recorded for the year ended 31 March 2022;
- Loss after taxation for the year ended 31 March 2022 amounted to approximately HK\$18.4 million;
- Basic loss per share for the year ended 31 March 2022 based on weighted average number of 500,000,000 ordinary shares was approximately HK3.5 cents; and
- The Directors do not recommend the payment of a final dividend for the year ended 31 March 2022.

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 2022, together with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3 & 4	424,656	405,445
Cost of sales		<u>(362,101)</u>	<u>(351,414)</u>
Gross profit		62,555	54,031
Other (loss)/income	5	(1,716)	1,512
Selling and distribution expenses		(31,489)	(28,260)
Administrative expenses		<u>(41,357)</u>	<u>(20,011)</u>
(Loss)/profit from operations		(12,007)	7,272
Finance costs		<u>(4,614)</u>	<u>(136)</u>
(Loss)/profit before tax		(16,621)	7,136
Income tax expense	6	<u>(1,794)</u>	<u>(631)</u>
(Loss)/profit for the year		<u>(18,415)</u>	<u>6,505</u>
Attributable to:			
Equity shareholders of the Company		(17,636)	6,505
Non-controlling interests		<u>(779)</u>	<u>—</u>
(Loss)/profit for the year		<u>(18,415)</u>	<u>6,505</u>
(Loss)/earnings per share	8		
Basic and diluted (HK cents)		<u>(3.5)</u>	<u>1.3</u>

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss)/profit for the year	(18,415)	6,505
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	<u>(77)</u>	<u>110</u>
Other comprehensive income for the year	<u>(77)</u>	<u>110</u>
Total comprehensive income for the year	<u>(18,492)</u>	<u>6,615</u>
Attributable to:		
Equity shareholders of the Company	(17,766)	6,615
Non-controlling interests	<u>(726)</u>	<u>—</u>
Total comprehensive income for the year	<u>(18,492)</u>	<u>6,615</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,454	2,386
Right-of-use assets		4,763	1,826
Other financial assets		2,977	–
Refundable rental deposits		994	–
		<u>10,188</u>	<u>4,212</u>
Current assets			
Inventories		9,406	5,957
Trade and other receivables	9	30,316	44,369
Tax recoverable		1,060	3,257
Pledged bank deposit		–	8,137
Cash and cash equivalents		197,950	85,235
		<u>238,732</u>	<u>146,955</u>
Current liabilities			
Trade and other payables	10	22,673	15,496
Amount due to a related party	11	21,432	–
Bank borrowings		–	508
Lease liabilities		2,679	1,888
Tax payable		1,024	–
		<u>47,808</u>	<u>17,892</u>
Net current assets		<u>190,924</u>	<u>129,063</u>
Total assets less current liabilities		<u>201,112</u>	<u>133,275</u>
Non-current liabilities			
Lease liabilities		2,099	–
Amount due to a related party	11	72,271	–
Deferred tax liabilities		38	130
		<u>74,408</u>	<u>130</u>
NET ASSETS		<u>126,704</u>	<u>133,145</u>
Capital and reserves			
Share capital		5,000	5,000
Reserves		120,372	128,145
Equity attributable to owners of the company		<u>125,372</u>	<u>113,145</u>
Non-controlling interests		1,332	–
TOTAL EQUITY		<u>126,704</u>	<u>133,145</u>

NOTES

For the year ended 31 March 2022

1. GENERAL INFORMATION

EPS Creative Health Technology Group Limited (formerly known as Speed Apparel Holding 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 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 November 2015. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Flat A, 17/F., Gemstar Tower, 23 Man Lok Street, Hung Hom, Kowloon, Hong Kong.

The issued shares of the Company were listed on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 31 May 2017 (stock code: 8183) and subsequently transferred to Main Board of the Stock Exchange on 12 December 2019 (stock code: 3860).

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of apparel supply chain management service for knitwear apparel products and healthcare services.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of preparation

The annual results set out in the announcement do not constitute the Group’s financial statements for the year ended 31 March 2022 but are extracted from those financial statements. These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

(b) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform – phase 2

The adoption of these amendments does not have a material impact on the Group's results and financial positions for the current or prior periods. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

3. REVENUE

The principal activity of the Group is engaged in provision of apparel supply chain management service for knitwear apparel products and healthcare services. Further details regarding the Group's principal activities are disclosed in note 4.

Disaggregation of revenue from contracts with customers by major products is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Womenswear	323,635	314,901
Menswear	61,875	64,418
Kidswear	39,128	21,893
Others	–	4,233
	<hr/>	<hr/>
	424,638	405,445
Healthcare	18	–
	<hr/>	<hr/>
Total	<u>424,656</u>	<u>405,445</u>

Revenue from major customers:

Revenue from customers individually contributed over 10% of the total revenue of the Group for each of the two years ended 31 March 2022 are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	184,980	176,555
Customer B	74,530	94,456
Customer C	N/A	51,795
	<hr/>	<hr/>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4.

4. SEGMENT REPORTING

The Group manages its businesses by business line (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Garment: provision of apparel supply chain management service for knitwear apparel products
- Healthcare: provision of development of new drugs, IRO (Innovative Research Organization) and medical consultancy services

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets and liabilities include all non-current and current assets and liabilities with the exception of other financial assets and other corporate assets and liabilities as these assets and liabilities are managed on a group basis.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”, where “interest” is regarded as including investment income and “depreciation and amortisation” is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ and auditors’ remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

There are no sales between the reportable segments.

The Group manages its business by geographical areas for the year ended 31 March 2021. During the year ended 31 March 2022, management has revisited the reportable segments and the Group’s internal reporting. After taking into account the future strategic plan, it is determined that healthcare business is presented under the Healthcare segment, while the apparel supply chain management business is presented under the Garment segment. The corresponding segment information for the year ended 31 March 2021 has been restated.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2022 and 2021 is set out below.

	Garment		Healthcare		Total	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Disaggregated by timing of revenue recognition						
Point in time	<u>424,638</u>	<u>405,445</u>	<u>18</u>	<u>-</u>	<u>424,656</u>	<u>405,445</u>
Revenue from external customers	<u>424,638</u>	<u>405,445</u>	<u>18</u>	<u>-</u>	<u>424,656</u>	<u>405,445</u>
Reportable segment revenue	<u>424,638</u>	<u>405,445</u>	<u>18</u>	<u>-</u>	<u>424,656</u>	<u>405,445</u>
Reportable segment profit/(loss) (adjusted EBITDA)	<u>15,602</u>	<u>10,122</u>	<u>(11,548)</u>	<u>-</u>	<u>4,054</u>	<u>10,122</u>
Interest income from bank deposits	5	188	-	-	5	188
Interest expense	(918)	(136)	(102)	-	(1,020)	(136)
Depreciation and amortisation for the year	(3,463)	(3,038)	-	-	(3,463)	(3,038)
Reportable segment profit/(loss) after tax	9,457	6,505	(11,675)	-	(2,218)	6,505
Reportable segment assets	287,698	151,167	2,448	-	290,146	151,167
Additions to non-current segment assets during the year	54	525	-	-	54	525
Reportable segment liabilities	<u>(117,691)</u>	<u>(18,022)</u>	<u>(2,778)</u>	<u>-</u>	<u>(120,469)</u>	<u>(18,022)</u>

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	<u>424,656</u>	<u>405,445</u>
Consolidated revenue (<i>note 3</i>)	<u><u>424,656</u></u>	<u><u>405,445</u></u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss)/profit		
Reportable segment (loss)/profit	(424)	7,136
Other loss	(523)	–
Finance costs	(3,594)	–
Impairment losses on non-current assets	(563)	–
Unallocated head office and corporate expenses	<u>(11,517)</u>	<u>–</u>
Consolidated (loss)/profit before taxation	<u><u>(16,621)</u></u>	<u><u>7,136</u></u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Assets		
Reportable segment assets	290,146	151,167
Elimination of inter-segment receivables	<u>(57,749)</u>	<u>–</u>
	232,397	151,167
Financial assets measured at FVPL	2,977	–
Unallocated head office and corporate assets	<u>13,546</u>	<u>–</u>
Consolidated total assets	<u><u>248,920</u></u>	<u><u>151,167</u></u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Liabilities		
Reportable segment liabilities	120,469	18,022
Unallocated head office and corporate liabilities	<u>1,747</u>	<u>–</u>
Consolidated total liabilities	<u><u>122,216</u></u>	<u><u>18,022</u></u>

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and right-of-use assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenues from external customers		Specified non-current assets	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>32,315</u>	<u>27,244</u>	<u>3,596</u>	<u>3,322</u>
Mainland China	18,698	6,597	1,579	443
United States	130,090	119,129	–	–
Japan	194,288	201,395	5,013	447
Europe	46,695	50,140	–	–
Other countries	<u>2,570</u>	<u>940</u>	<u>–</u>	<u>–</u>
	<u>392,341</u>	<u>378,201</u>	<u>6,592</u>	<u>890</u>
	<u>424,656</u>	<u>405,445</u>	<u>10,188</u>	<u>4,212</u>

5. OTHER (LOSS)/INCOME

	2022 HK\$'000	2021 HK\$'000
Interest income	23	188
Sample sales income	1,100	597
Government grant (<i>note (i)</i>)	–	2,732
(Loss)/gain on disposal of property, plant and equipment	(4)	180
Fair value loss on financial assets at fair value through profit or loss	(563)	–
Loss on exchange difference, net	(2,272)	(2,185)
Total	<u>(1,716)</u>	<u>1,512</u>

- (i) In 2020, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

6. INCOME TAX EXPENSE

Taxation in the consolidated statement of profit or loss represents:

	2022 HK\$'000	2021 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	1,409	574
Under-provision in respect of prior years	–	55
Current tax – Overseas		
Provision for the year	538	63
Over-provision in respect of prior year	(61)	(31)
	<u>1,886</u>	<u>661</u>
Deferred tax credit		
Origination and reversal of temporary differences	(92)	(30)
	<u>1,794</u>	<u>631</u>

The provision for Hong Kong Profits Tax for the year ended 31 March 2022 is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in 2021.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDEND

(i) Dividend payable to equity shareholders of the Company attributable to the year

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of Nil HK cents per ordinary share (2021: Nil HK cents per ordinary share)	<u> -</u>	<u> -</u>

(ii) No final dividend in respect of the financial year ended 31 March 2022 approved and paid during the year (2021: HK\$Nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$17,636,000 (2021: profit of approximately HK\$6,505,000) and the weighted average number of ordinary shares of 500,000,000 (2021: 500,000,000) in issue during the year.

(b) Diluted (loss)/earnings per share

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary share outstanding during the years ended 31 March 2022 and 2021.

9. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade debtors and bill receivables, net of loss allowance	12,212	38,536
Deposits and other receivables	6,081	873
Prepayments	<u>12,023</u>	<u>4,960</u>
	<u>30,316</u>	<u>44,369</u>

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
1 – 30 days	11,052	17,105
31 – 60 days	862	8,449
61 – 90 days	165	12,893
Over 90 days	<u>133</u>	<u>49</u>
	<u>12,212</u>	<u>38,536</u>

Trade debtors and bills receivables are due within 30 to 90 days from the date of billing.

10. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	12,371	9,598
Accrued subcontracting charges	2,482	2,528
Accrued staff costs	861	99
Accrued expenses	5,828	2,424
Other payables	<u>1,131</u>	<u>847</u>
	<u><u>22,673</u></u>	<u><u>15,496</u></u>

All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The credit period on purchase of goods is ranging from 30 to 45 days. As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
1 – 30 days	6,867	9,064
31 – 60 days	1,485	483
61 – 90 days	3,040	40
Over 90 days	<u>979</u>	<u>11</u>
	<u><u>12,371</u></u>	<u><u>9,598</u></u>

11. AMOUNT DUE TO A RELATED PARTY

On 26 April 2021, the controlling interest in the Group was disposed to EPS Holdings, Inc. by Speed Development Co. Ltd, the preceding controlling shareholder of the Company which was controlled by Mr. Chan Wing Kai (the “**Disposal**”). Pursuant to the sale and purchase agreement, Speed Development Co. Ltd provided profit and revenue guarantees in favour of EPS Holdings, Inc. up to 31 March 2024. Mr. Chan retains as a management of the garment business of the Group after the Disposal and Speed Development Co. Ltd is considered to be a related party of the Group.

Pursuant to the sale and purchase agreement, Speed Apparel (BVI) Limited, a subsidiary of the Company, issued to Speed Development Co. Ltd three interest free notes (the “Notes”) with a total principal amount of HK\$65 million in relation to the profit and revenue guarantees for the years ended or ending 31 March 2022, 31 March 2023 and 31 March 2024. If the profit or the revenue is lower than the guaranteed profit or guaranteed revenue, part or the entire Notes of the year will be waived and Speed Development Co. Ltd will be obliged to pay the amount equal to the audited loss after tax of garment business for the year to the Company. Speed Development Co. Ltd has also provided a HK\$35 million interest-free revolving facility to the Company which is due for repayment on 31 March 2024.

The amount due to Speed Development Co. Ltd is initially measured at fair value and subsequently measured at amortised cost. The amount due to Speed Development Co. Ltd is HK\$93,703,000 at 31 March 2022 (2021: HK\$Nil). The profit guarantee adjustment will be recorded by the Group after the contractual right to receive the related benefit is established. The Group did not record any profit guarantee adjustment during the year ended 31 March 2022 (2021: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Group is an apparel supply chain management services provider. Headquartered in Hong Kong, the Group principally sells knitwear products. The Group provides one-stop apparel supply chain management solutions for its customers ranging from fashion trend analysis, product design and development, sourcing and procurement of materials, production management, quality control and logistics services. The Group's customers are mainly owners or sourcing agents of apparel retail brands based in Japan and the United States of America (the "USA"), which market and sell their products under their own brands. 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 customers 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 outsource the whole manufacturing process to third-party manufacturers with manufacturing operations located in the People's Republic of China (the "PRC"), Thailand and/or Cambodia.

The Group has set up three Japan subsidiaries (namely, EPD株式會社, FEF創藥株式會社 and EPS創藥株式會社) during the year, which are principally engaged in providing the development of new drugs services and IRO and medical consultancy services accordingly.

BUSINESS REVIEW

Apparel supply chain management services

During the reporting year, having faced the complex and adverse trading environment and the widespread impact of COVID-19 pandemic, the retail markets for apparel including the USA and Japan where the major customers of the Group are located continue to be affected. However, the Group's products have recorded an increase in revenue for the reporting year, which was mainly attributable to the increase in purchase orders from a major customer headquartered in the USA. Further, the Group plans to expand its sales office in Japan in order to better serve its existing Japanese customers and solicit potential new middle to high end fashion brands customers.

The Group recorded revenue of approximately HK\$424.6 million for the reporting year, representing an increase of approximately 4.7% as compared to approximately HK\$405.4 million for the year ended 31 March 2021. The Group's gross profit for the reporting year amounted to approximately HK\$62.5 million (for the year ended 31 March 2021: approximately HK\$54.0 million). The increase in gross profit of the Group was primarily attributable to the increase in the purchase orders from a major customer headquartered in the USA.

Healthcare services

The Group has established a drug discovery company in October 2021. Since November 2021, the Group has been preparing for the full operation such preparation work included rental of offices, hiring of relevant personnels and organisation of events and trainings. Another subsidiary of the Company has received licensing rights to begin developing new drugs as a new initiative and thus incurred certain labor costs and licence acquisition costs. The Group has been focusing on the initiatives of (i) clinical application of brown adipose cells in regenerative medicine (such as obesity and beauty treatments); (ii) exploration of brown adipocyte induction technology to promote browning components i.e. screening technology (prevention of diseases such as obesity and diabetes and development of functional foods); and (iii) research and development of treatment drugs for Parkinson's disease (such as development and sales of cannabidiol and cannabigerol related products) and exploring collaboration opportunities with other research institutions.

During the reporting year, the Group commenced the establishment of a new cross-border pharmaceutical research and development trustee organization (referred to as IRO, Innovative Research Organization) which focuses on IRO between China and Japan (including traditional contract research organization (CRO) business) and Chemistry, Manufacturing and Controls (CMC) Drug Affairs Application. In addition, the Group has entered into a basic agreement on business alliance with Immunomedicine, Inc. to obtain exclusive licence to its drug-resistant tuberculosis patents in the future and the Group has promoted the research and development of drugs for the treatment of peripheral arterial diseases and obtain exclusive rights to implement patents related to this research and development.

Performance review

The Group's total comprehensive income attributable to owners of the Company was approximately HK\$(17.8) million for the reporting year (for the year ended 31 March 2021, the total comprehensive income attributable to owners of the Company was approximately HK\$6.6 million). The loss is mainly attributable to (i) the research and related administrative expenses incurred in relation to the new drug development projects of approximately HK\$13.6 million; and (ii) the expenses incurred by the Company of approximately HK\$1.4 million in response to the unconditional mandatory cash offer as a result of the change of control of the Company disclosed in the Company's announcement dated 5 May 2021.

FINANCIAL REVIEW

Revenue from Garment segment

The Group's knitwear products are divided into four categories, namely womenswear products, menswear products, kidswear products and other products including but not limited to knitted facial masks, hats and mufflers. During the year ended 31 March 2022, the Group's revenue was mainly derived from the sales of womenswear products, which accounted for approximately 76.2% (for the year ended 31 March 2021: approximately 77.7%) of the Group's total revenue for the year ended 31 March 2022. The following table sets out a breakdown of the Group's revenue by product category for each of the two years ended 31 March 2022:

	Year ended 31 March				Rate of change %
	2022		2021		
	HK\$'000	%	HK\$'000	%	
Womenswear	323,635	76.2	314,901	77.7	2.8
Menswear	61,875	14.6	64,418	15.9	(3.9)
Kidswear	39,128	9.2	21,893	5.4	78.7
Others	<u>—</u>	<u>—</u>	<u>4,233</u>	<u>1.0</u>	(100)
Total revenue	<u>424,638</u>	<u>100</u>	<u>405,445</u>	<u>100</u>	4.7

During the year ended 31 March 2022, the sales volume of the Group amounted to approximately 5.8 million pieces (for the year ended 31 March 2021: approximately 6.5 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 2022:

	Year ended 31 March				Rate of change %
	2022		2021		
	Pieces ('000)	%	Pieces ('000)	%	
Womenswear	4,132	71.6	4,896	74.9	(15.6)
Menswear	964	16.7	1,113	17.0	(13.4)
Kidswear	673	11.7	393	6.0	71.2
Others	<u>—</u>	<u>—</u>	<u>139</u>	<u>2.1</u>	(100)
Total sales quantity	<u>5,769</u>	<u>100</u>	<u>6,541</u>	<u>100</u>	(11.8)

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 2022:

	Year ended 31 March		Rate of change %
	2022 Average selling price (Note) HK\$	2021 Average selling Price (Note) HK\$	
Womenswear	78.3	64.3	21.8
Menswear	64.2	57.9	10.9
Kidswear	58.1	55.7	4.3
Others	—	30.5	(100)
Overall average selling price per piece	<u>73.6</u>	<u>62.0</u>	<u>18.7</u>

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 increased by approximately 4.7%, or approximately HK\$19.2 million, from approximately HK\$405.4 million for the year ended 31 March 2021 to approximately HK\$424.6 million for the year ended 31 March 2022. The increase in revenue was primarily attributable to the substantial increase in purchase orders of the Group from a major customer headquartered in the USA.

Womenswear

During the year ended 31 March 2022, the Group's revenue from the garment segment was mainly derived from the sales of womenswear products. Revenue derived from the sales of womenswear products increased by approximately HK\$8.7 million or 2.8%, from approximately HK\$314.9 million for the year ended 31 March 2021 to approximately HK\$323.6 million for the year ended 31 March 2022. Such increase was mainly attributable to the increase in average selling price per piece of womenswear products from approximately HK\$64.3 for the year ended 31 March 2021 to approximately HK\$78.3 for the year ended 31 March 2022, which outweighed the decrease in sales quantity from approximately 4.9 million pieces for the year ended 31 March 2021 to approximately 4.1 million pieces for the year ended 31 March 2022.

Menswear

The Group's revenue derived from the sales of menswear products decreased by approximately HK\$2.5 million or 3.9% from approximately HK\$64.4 million for the year ended 31 March 2021 to approximately HK\$61.9 million for the year ended 31 March 2022. Such decrease was mainly attributable to the decrease in sales quantity from approximately 1.1 million pieces for the year ended 31 March 2021 to approximately 1.0 million pieces for the year ended 31 March 2022, which outweighed an increase in average selling price per piece of menswear products from approximately HK\$57.9 for the year ended 31 March 2021 to approximately HK\$64.2 for the year ended 31 March 2022.

Kidswear

Revenue derived from the sales of kidswear products of the Group increased significantly by approximately HK\$17.2 million or 78.7% to approximately HK\$39.1 million for the year ended 31 March 2022 from approximately HK\$21.9 million for the year ended 31 March 2021. The significant increase in the revenue of the Group's kidswear products was mainly attributable to the increase in sales volume of the Group's kidswear products from approximately 0.4 million pieces for the year ended 31 March 2021 to approximately 0.7 million pieces for the year ended 31 March 2022 coupled with the increase in average selling price per piece of the kidswear products from approximately HK\$55.7 for the year ended 31 March 2021 to approximately HK\$58.1 for the year ended 31 March 2022.

Others

During the year ended 31 March 2022, the revenue derived from other products including but not limited to knitted facial masks, hats and mufflers is HK\$Nil (for the year ended 31 March 2021: HK\$4.2 million).

Revenue from Healthcare segment

The Group recorded revenue from the provision of healthcare services of approximately HK\$18,000 for the reporting year.

Cost of sales

The Group's cost of sales primarily consists of subcontracting charges, raw materials and consumable used, inspection fee and other processing charges. The cost of sales increased to approximately HK\$362.1 million for the year ended 31 March 2022 from approximately HK\$351.4 million for the year ended 31 March 2021, representing an increase of approximately 3.0%. The increase of the Group's cost of sales was in line with the increase in the Group's revenue of approximately 4.7% for the year ended 31 March 2022.

Gross profit and gross profit margins

The Group's gross profit increased to approximately HK\$62.6 million for the year ended 31 March 2022 from approximately HK\$54.0 million for the year ended 31 March 2021, representing an increase of approximately 15.8%. The increase in gross profit of the Group was primarily attributable to the increase in purchase orders from a major customer headquartered in the USA as a result of the status of the COVID-19 pandemic being relatively stable overall in the USA. The Group's gross profit margin increased to approximately 14.7% for the year ended 31 March 2022 from approximately 13.3% for the year ended 31 March 2021. Such increase in the Group's gross profit margin was mainly attributable to the increase in average selling price per piece of the overall products for the year ended 31 March 2022.

Interest income

The Group's interest income decreased by approximately HK\$165,000 or 87.8% from approximately HK\$188,000 for the year ended 31 March 2021 to approximately HK\$23,000 for the year ended 31 March 2022.

Other (loss)/income

Other (loss)/income mainly consists of sample sales income, exchange loss and fair value loss on financial assets at fair value through profit or loss. Other income decreased by approximately HK\$3.1 million for the year ended 31 March 2022 from approximately HK\$1.3 million for the year ended 31 March 2021. The decrease in other income of the Group was primarily attributable to a non-recurring government grant of approximately HK\$2.7 million received from the Hong Kong Government under employment support scheme during the year ended 31 March 2021.

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 increased to approximately HK\$31.5 million for the year ended 31 March 2022 from approximately HK\$28.3 million for the year ended 31 March 2021, representing an increase of approximately 11.4%. Such increase was mainly attributable to the increase in (i) sample costs; (ii) commission expenses; and (iii) logistic expenses, as higher freight charges were imposed by major shipping companies due to the disruption of the normal freight schedule as a result of the COVID-19 pandemic during the year ended 31 March 2022.

Administrative expenses

Administrative expenses primarily consist of audit fees, bank charges, depreciation, directors' emoluments, entertainment, legal and professional fees, office expenses, overseas and local travelling, rent and rates, staff costs and benefits of general and administrative staff. Administrative expenses increased to approximately HK\$41.4 million for the year ended 31 March 2022 from approximately HK\$20.0 million for the year ended 31 March 2021, representing a significant increase of approximately 106.7%. Such increase was mainly attributable to the increase in (i) staff costs and benefits of general and administrative staff; (ii) overseas and local travelling; (iii) research and related administrative expenses for new drug development; and (iv) professional fees in relation to the unconditional mandatory cash offer of the Company as disclosed in the Company's announcement dated 5 May 2021.

Research and related administrative expenses for healthcare services

Research and related administrative expenses for healthcare services amounted to approximately HK\$13.6 million for the year ended 31 March 2022 and there were no such expenses for the year ended 31 March 2021. Such expenses were mainly attributable to development of the two new drug development projects.

Professional fees in relation to the unconditional mandatory cash offer

Professional fees in relation to the unconditional mandatory cash offer as disclosed in the Company's announcement dated 5 May 2021 amounted to approximately HK\$1.4 million for the year ended 31 March 2022 and there was no such expenses for the year ended 31 March 2021.

Finance costs

Finance costs increased to approximately HK\$4.6 million for the year ended 31 March 2022 from approximately HK\$136,000 for the year ended 31 March 2021. Such increase was mainly attributable to interest effect on new borrowings from a related party.

Total comprehensive income attributable to owners of the Company

Total comprehensive income attributable to owners of the Company amounted to approximately HK\$(17.8) million for the year ended 31 March 2022 and total comprehensive income attributable to owners of the Company amounted to approximately HK\$6.6 million for the year ended 31 March 2021, representing a decrease of approximately HK\$24.4 million.

If the non-recurring government grants received from the Hong Kong Government under employment support scheme of approximately HK\$2.7 million for the year ended 31 March 2021 were excluded, the Group's adjusted total comprehensive income attributable to owners of the Company for the year ended 31 March 2021 would amount to approximately HK\$3.9 million and if the professional fee in relation to the unconditional mandatory cash offer of approximately HK\$1.4 million and research and related administrative expenses for new drug development projects amounted to approximately HK\$13.6 million for the year ended 31 March 2022 were excluded, the Group's adjusted total comprehensive income attributable to owners of the Company for the year ended 31 March 2022 would amount to approximately HK\$(2.8) million, which have been decreased significantly by approximately 171.8% as compared to the total comprehensive income attributable to owners of the Company for the year ended 31 March 2021 of approximately HK\$3.9 million.

BASIC (LOSS)/EARNINGS PER SHARE

The Company's basic loss per share for the year ended 31 March 2022 was approximately HK3.5 cents, as compared to the basic earnings per share of approximately HK1.3 cents for the year ended 31 March 2021. The significant change in the Company's basic loss per share for the year ended 31 March 2022 was a result of the loss attributable to owners of the Company for the year ended 31 March 2022.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2022 (for the year ended 31 March 2021: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 March 2022, the Group's operations were generally financed through its internally generated cash flows and borrowings from banks. 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 2022 and 2021, the Group had net current assets of approximately HK\$190.9 million and HK\$129.1 million, respectively, including cash and cash equivalents of approximately HK\$198.0 million and HK\$85.2 million, respectively. The Group's current ratio decreased from approximately 8.2 as at 31 March 2021 to approximately 5.0 as at 31 March 2022. Such decrease was mainly due to current assets increased by approximately 62.5% whilst current liabilities increased significantly by approximately 167.2% as compared to the balances as at 31 March 2021. The significant increase in current liabilities was mainly attributable to the increase in (i) trade and others payables; and (ii) amount due to a related party.

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 2022 and 2021, the Group's gearing ratio was 0.96 and 0.13, respectively. The Group did not enter into any new banking facility agreement in 2022 (2021: two banking facilities agreements with an aggregate principal amount of up to HK\$53,400,000). The Group's rate of unutilised banking facilities was 99.0% as at 31 March 2021. The Group's financial position is sound and strong. With available cash and cash equivalents, the Group has sufficient liquidity to satisfy its funding requirements.

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 cash flows.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year ended 31 March 2022. The share capital of the Company only comprises ordinary shares.

As at 31 March 2022, the Company's issued share capital was HK\$5.0 million divided by 500,000,000 ordinary shares of HK\$0.01 each.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

During the year ended 31 March 2022, the Group did not have any significant acquisitions or disposals of subsidiaries, associates or joint ventures nor had any significant investment with a value of 5% or more of the Company's total assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save for the investment in the joint development of certain biotech product as disclosed in the paragraph headed "Other Information – Events After the Reporting Period", 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 2022 (as at 31 March 2021: HK\$Nil).

CAPITAL COMMITMENT

The Group's capital commitment as at 31 March 2022 amounted to JPY50 million (equivalent to approximately HK\$3.2 million) which were mainly related to the investment in a limited partnership (as at 31 March 2021: HK\$Nil).

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 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 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:

	As at 31 March	
	2022	2021
	HK\$'000	HK\$'000
Pledged bank deposit	<u> -</u>	<u> 8,137</u>

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group employed a total of 70 full-time employees (as at 31 March 2021: 59). The Group's staff costs mainly included Directors' emoluments, salaries, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2022 and 2021, the Group's total staff costs (including Directors' emoluments) amounted to approximately HK\$27.7 million and HK\$21.2 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 a basic salary, year-end bonuses would be discretionarily offered to those employees with outstanding performance to attract and retain employees that contribute to the Group. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

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 2022, the Group mainly carried out its businesses in Hong Kong and the PRC. 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 and the PRC.

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 2022.

RELATIONSHIPS 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 had maintained business relationships with its five largest customers for a period ranging from 2 to 13 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 between the employees, the customers and the suppliers of the Group.

FUTURE PROSPECTS

With the popularisation of vaccination and the current fiscal and monetary policies in various countries, the apparel supply chain management services growth is expected to be driven by rising disposable income, growing retail value of apparel both in Japan and the USA and global economic recovery. The Group is cautiously optimistic about its prospects and invests in product design and development, including the development of healthcare apparel products in line with its commitment to promoting a healthy lifestyle.

The Group has responded to customer needs amid structural changes in the market and increasingly rigorous and complex drug development and therefore broadened the scope of services from pharmaceuticals to medical devices, diagnostic drugs, and health foods to the healthcare industry as a whole. We will build up the pharmaceutical products business with a focus on the PRC. Regarding the healthcare industry, the business environment is now undergoing major changes in step with accelerating digital transformation (DX), such as virtual clinical trials, Big Data, and the use of artificial intelligence for providing medical information. Going forward, as a result of the paradigm shift to drug discovery technologies, academic institutions and bio-ventures in the PRC, the Group looks for solution ranging from developing and manufacturing to distributing pharmaceuticals and medical devices and become a solutions company for the entire healthcare industry in the PRC.

The Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors will also continue to explore opportunities to diversify the Group's operations.

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 and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 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 period, the Group has complied with all the code provisions of the CG Code save as the deviation from the code provision A.2.1 of the CG Code for the period from 1 April 2021 to 30 June 2021, where a former executive Director was the chairman of the Board and the chief executive officer of the Company. The then Directors considered such arrangement was beneficial to the management and the business developments of the Group as he had been managing the Group's business and supervising the overall operations of the Group since 2001. After his departure from the Board, the roles of the chairman of the Board and the chief executive officer of the Company have been vested in two Directors, namely Mr. Okoso Satoshi and Mr. Gao Feng, respectively, since 30 June 2021, in compliance with code provision A.2.1.

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 10 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 2022.

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 for the year ended 31 March 2022.

Directors' Interests in Competing Businesses

During the year ended 31 March 2022, none of the Directors nor any of their respective close associates (as defined in the Listing Rules), engaged in any business that competes or was likely to compete, either directly or indirectly, with the business of the Group, or had any other conflict of interest with the Group.

Events After the Reporting Period

(a) *Equity investment*

In April 2022, the Group and Immunomedicine, Inc. (“**IM2D**”) entered into a Basic Agreement on business alliance including capital investment for joint development of certain biotech product. Pursuant to the agreement, EPS Innovative Medicine (Hong Kong) Limited, a wholly-owned subsidiary of the Company, has allotted 133 common stock shares and will allot 166 Series B third-party shares for total consideration of approximately JPY100 million.

(b) *Waiver of notes*

The revenue and profit after tax of the Group attributable to the garment business for the year ended 31 March 2022 is HK\$424,638,325 and HK\$9,457,338 respectively while current year revenue target and profit target is HK\$240,000,000 and HK\$10,000,000 respectively.

As the profit after tax is lower than the guaranteed profit pursuant to the sale and purchase agreement dated 26 April 2021 (the “**Agreement**”) and entered into among the EPS Holdings, Inc. (the “**Purchaser**”), Speed Development Co. Ltd (the “**Vendor**”) and Mr. Chan Wing Kai in relation to the sale and purchase of an aggregate of 375,000,000 ordinary shares in the share capital of the Company, details of which are set out in the composite document of the Company and the Purchaser dated 26 May 2021 (the “**Composite Document**”), the Vendor and the Guarantor were required to compensate the Company by waiving a portion of the unsecured interest-free non-transferrable notes due on 30 June 2022 issued by Speed Apparel (BVI) Limited, a wholly-owned subsidiary of the Company, in favour of the Vendor, pursuant to the terms and conditions set out in the Agreement, details of which are set out in the Composite Document. As such, HK\$542,662 out of HK\$21,666,000 of the Notes will be waived.

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 (the “**Audit Committee**”) of the Company was established with terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provision C.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. Liang Fei, 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. The Audit Committee has reviewed this announcement and the consolidated results of the Group for the year ended 31 March 2022.

Scope of Work of KPMG

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Publication of the Annual Results Announcement and Annual Report for the Year Ended 31 March 2022 on the Websites of the Stock Exchange and the Company

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 2022 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
Mr. Gao Feng
Executive Director and Chief Executive Officer

Hong Kong, 29 June 2022

As at the date of this announcement, the executive Directors are Mr. Gao Feng and Mr. Haribayashi Keikyo; the non-executive Directors are Mr. Liang Fei and Mr. Okoso Satoshi; and the independent non-executive Directors are Mr. Taguchi Junichi, Mr. Choi Koon Ming and Mr. Chan Cheuk Ho.