

# Evergreen Products Group Limited

## 訓修實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**Stock Code: 1962**

# 2025

## Interim Report

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# Corporate Information

## DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Chang Yoe Chong Felix  
*(Chairman and Chief Executive Officer)*  
Mr. Chan Kwok Keung  
Ms. Jia Ziyang  
Mr. Li Yanbo

### NON-EXECUTIVE DIRECTOR

Mr. Chan Lau Yui Kevin

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sin Hendrick *M.H.*  
Mr. Szeto Yuk Ting  
Ir. Cheung Siu Wa

## COMPANY SECRETARY

Mr. Siu Ching Hung *(ACG, HKACG)*

## AUTHORIZED REPRESENTATIVES

Mr. Chan Kwok Keung  
Mr. Siu Ching Hung *(ACG, HKACG)*

## AUDIT COMMITTEE

Mr. Sin Hendrick *M.H.* *(Chairman)*  
Mr. Szeto Yuk Ting  
Ir. Cheung Siu Wa

## REMUNERATION COMMITTEE

Mr. Szeto Yuk Ting *(Chairman)*  
Mr. Chang Yoe Chong Felix  
Mr. Sin Hendrick *M.H.*  
Ir. Cheung Siu Wa

## NOMINATION COMMITTEE

Mr. Chang Yoe Chong Felix *(Chairman)*  
Ms. Jia Ziyang  
*(appointed with effect from 5 June 2025)*  
Mr. Sin Hendrick *M.H.*  
Mr. Szeto Yuk Ting  
Ir. Cheung Siu Wa

## AUDITOR

Forvis Mazars CPA Limited  
*Registered Public Interest Entity Auditors*

## Corporate Information

### PRINCIPAL BANKS

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Fubon Bank (Hong Kong) Limited

### HONG KONG LEGAL ADVISER

Woo Kwan Lee & Lo

### REGISTERED OFFICE

P.O. Box 472, 2nd Floor  
Harbour Place, 103 South Church Street  
George Town, Grand Cayman KY1-1106  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN HONG KONG

11th Floor, Chiap Luen Industrial Building  
30–32 Kung Yip Street  
Kwai Chung, New Territories  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

International Corporation Services Ltd.  
P.O. Box 472, 2nd Floor  
Harbour Place, 103 South Church Street  
George Town, Grand Cayman KY1-1106  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PLACE OF LISTING

The Stock Exchange of Hong Kong Limited  
(stock code: 1962)

### COMPANY WEBSITE

[www.epfhk.com](http://www.epfhk.com)

# Management Discussion and Analysis

The board (the “**Board**”) of directors (the “**Directors**”) of Evergreen Products Group Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024.

## BUSINESS REVIEW

The outlook for global trade has deteriorated sharply due to a surge in tariffs and trade policy uncertainty, which has had a negative impact on customers’ sentiment and has led customers to adopt a cautious “wait-and-see” approach toward placing sales orders.

In response to the ongoing uncertainties in the evolving global trade landscape, the Group has continued to enhance its operations and strengthened the customers communication channel to gain a better understanding of customer needs. In the meantime, the Group actively explored new markets and accelerated the development of additional e-commerce platforms to mitigate the impact on the Group caused by the global trade volatilities.

The revenue of the Group amounted to HK\$465.7 million for the Period, representing a decrease of approximately 11.3% as compared to the corresponding period in 2024. The sales of braid and special products with lower margin remained stable while the sales of human hair extension products with higher margin declined during the Period. The gross profit margin increased to 24.2%, benefitting from the usability of raw materials, the focus on optimising the use of materials and the continuous devaluation of the Bangladeshi Taka against the United States dollar, and partially offset by the impact of rising labour costs. Net profit margin decreased to 4.0% when compared to 4.5% for the corresponding period in 2024, primarily due to the negative impact of trade policy uncertainty and increased United States (the “**US**”) tariffs on customer sentiment, which led to reduced order shipments during the Period, as well as higher distribution and selling expenses owing to the costs associated with new overseas sales offices.

## OUTLOOK

In response to the continuous uncertainty in the global trade policy environment, the Group has continuously adopted growth strategies while closely monitoring market changes and operating environment conditions to adjust its business development direction to manage any negative impact on the Group.

The Group will continue to enhance the financial performance improvement initiatives across its operations and continuously set up more online stores on some well-known cross-border e-commerce platforms and expand the sales team in its core business to drive revenue growth and cover the development of existing and new markets. The Board believes in the Group’s ability to navigate the complexities of the global trade environment and expects a gradual recovery in demand for its core products towards the end of the year. The Group will continue to focus on its core business, closely monitor the latest development in the industry and adjust its strategies in the best interest of the shareholders of the Company in the medium to long term.

# Management Discussion and Analysis

## FINANCIAL REVIEW

During the Period, the Group's financial results primarily dropped compared with the same period in 2024, mainly due to the negative impact of trade policy uncertainty and increased US tariffs on customer sentiment as well as the higher distribution and selling expenses owing to the costs associated with new overseas sales offices, which led to a decrease in revenue during the Period.

## REVENUE

Revenue of the Group is mainly generated from the manufacturing and sales of its products. Revenue represents the amount received by the Group and the receivables from the sales of its products, net of any discounts and returns. The Group derives revenue from three principal product segments: (i) wigs, hair accessories and others; (ii) high-end human hair extensions (that is, human hair goods used for adding hair length and/or hair volume with an average retail price of over US\$5 per gram); and (iii) Halloween products.

During the Period, the Group's revenue amounted to HK\$465.7 million, representing a decrease of HK\$59.5 million, or 11.3%, as compared to HK\$525.2 million for the corresponding period in 2024. The decrease was primarily due to the fact that the market demand of the braid products with lower margin remained stable while the sales of human hair extension products with higher margin dropped. During the Period, the revenue generated from hair goods made at the Bangladesh factory accounted for 99.2% of the Group's total revenue as compared to 98.9% for the corresponding period in 2024.

The US remained as the Group's principal market during the Period with revenue contribution accounting for 90.5% of the Group's total revenue during the Period as compared to 92.1% for the corresponding period in 2024. In terms of product segment, wigs, hair accessories and others remained as the Group's key product segment accounting for 90.9% of its total revenue during the Period as compared to 84.1% for the corresponding period in 2024.

*Wigs, hair accessories and others.* Revenue from wigs, hair accessories and others dropped by HK\$18.5 million, or 4.2%, from HK\$441.8 million for the six months ended 30 June 2024 to HK\$423.3 million for the Period. The decrease was primarily due to a decrease in sales of lace wig item but offset by an increase in sales of weaving item.

*High-end human hair extensions.* Revenue from high-end human hair extensions decreased by HK\$43.3 million, or 66.6%, from HK\$65.1 million for the six months ended 30 June 2024 to HK\$21.8 million for the Period, primarily due to a decrease in orders from customers as a result of re-branding, product updates and inventory clearance, which led to a decrease in the sale volume of the human hair extension products.

*Halloween products.* Revenue from Halloween products increased by HK\$2.4 million, or 12.9%, from HK\$18.3 million for the six months ended 30 June 2024 to HK\$20.6 million for the Period, primarily due to a gradual pick-up in the sales volume from customer.

## Management Discussion and Analysis

### COST OF GOODS SOLD

The Group's cost of goods sold decreased by HK\$54.6 million, or 13.4%, from HK\$407.6 million for the six months ended 30 June 2024 to HK\$353.0 million for the Period. The decrease was in line with the decrease in revenue during the Period.

*Wigs, hair accessories and others.* Cost of goods sold for wigs, hair accessories and others decreased by HK\$25.5 million, or 7.3%, from HK\$351.2 million for the six months ended 30 June 2024 to HK\$325.8 million for the Period. The decrease was in line with the decrease in revenue from wigs, hair accessories and others during the Period.

*High-end human hair extensions.* Cost of goods sold for high-end human hair extensions decreased by HK\$30.0 million, or 68.0%, from HK\$44.2 million for the six months ended 30 June 2024 to HK\$14.1 million for the Period. The decrease was in line with the decrease in revenue from high-end human hair extensions products during the Period.

*Halloween products.* Cost of goods sold for Halloween products increased by HK\$1.0 million, or 7.7%, from HK\$12.1 million for the six months ended 30 June 2024 to HK\$13.1 million for the Period. The increase was in line with the increase in revenue from Halloween products during the Period.

### GROSS PROFIT

During the Period, the Group's gross profit amounted to HK\$112.7 million, representing a decrease of HK\$4.9 million, or 4.2%, as compared to HK\$117.6 million for the corresponding period in 2024. The gross profit dropped primarily due to a decrease in the revenue for the Period due to the negative impact of trade policy uncertainty and increased US tariffs on customer sentiment. During the Period, the Group's gross profit margin was 24.2%, representing an increase of 1.8% from 22.4% for the corresponding period in 2024.

*Wigs, hair accessories and others.* Gross profit for wigs, hair accessories and others increased by HK\$6.9 million, or 7.7%, from HK\$90.6 million for the six months ended 30 June 2024 to HK\$97.5 million for the Period. Gross profit margin for wigs, hair accessories and others increased from 20.5% for the six months ended 30 June 2024 to 23.0% for the Period, primarily due to a decrease in total production overheads for the Period.

*High-end human hair extensions.* Gross profit for high-end human hair extensions decreased by HK\$13.3 million, or 63.5%, from HK\$20.9 million for the six months ended 30 June 2024 to HK\$7.6 million for the Period. Gross profit margin for high-end human hair extensions increased from 32.1% for the six months ended 30 June 2024 to 35.1% for the Period, primarily due to a decrease in total production costs of human hair extension products during the Period.

*Halloween products.* Gross profit for Halloween products increased by HK\$1.4 million, or 23.3%, from HK\$6.1 million for the six months ended 30 June 2024 to HK\$7.6 million for the Period. Gross profit margin for Halloween products increased from 33.5% for the six months ended 30 June 2024 to 36.6% for the Period, primarily due to a decrease in total production costs of Halloween products during the Period.



## Management Discussion and Analysis

### OTHER INCOME

Other income decreased by HK\$0.4 million, or 9.1%, from HK\$4.1 million for the six months ended 30 June 2024 to HK\$3.7 million for the Period, primarily due to a decrease in bank interest income and rental income during the Period.

### OTHER GAINS AND LOSSES

Other gains and losses increased by HK\$1.6 million, or 55.6%, from gains of HK\$2.9 million for the six months ended 30 June 2024 to HK\$4.5 million for the Period. The other gains and losses primarily comprised a gain amounting to HK\$0.4 million from the fair value change of the financial assets at FVTPL and a gain amounting to HK\$4.1 million from the foreign currency conversion during the Period.

### IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

During the Period, the Group did not provide any impairment allowance in respect of trade receivables (2024: The Group provided HK\$0.1 million).

### DISTRIBUTION AND SELLING EXPENSES

Distribution and selling expenses increased by HK\$0.7 million, or 5.3%, from HK\$13.2 million for the six months ended 30 June 2024 to HK\$13.9 million for the Period, primarily due to an increase in advertisement and transportation expenses during the Period.

### ADMINISTRATIVE EXPENSES

Administrative expenses increased by HK\$2.6 million, or 4.3%, from HK\$61.5 million for the six months ended 30 June 2024 to HK\$64.2 million for the Period, primarily due to an increase in salaries and staff benefit due to an increase in manpower within a core business of the Group.

### OTHER EXPENSES

Other expenses increased by HK\$0.2 million, or 129.9%, from HK\$0.2 million for the six months ended 30 June 2024 to HK\$0.4 million for the Period, primarily due to an increase in donation made during the Period.

### FINANCE COSTS

Finance costs decreased by HK\$4.0 million, or 18.4%, from HK\$21.5 million for the six months ended 30 June 2024 to HK\$17.6 million during the Period, it was mainly due to a slowdown in interest rate.



## Management Discussion and Analysis

### TAXATION

Income tax expenses of the Group increased by approximately HK\$1.8 million, or 41.9%, from a taxation of HK\$4.3 million for the six months ended 30 June 2024 to a taxation of approximately HK\$6.2 million for the Period, primarily due to the expiring tax holiday for income tax in Bangladesh. Income tax expense included deferred taxation in the amount of HK\$1.5 million for the Period (2024: included deferred taxation in the amount of HK\$1.6 million).

### NET PROFIT

The Group's net profit for the Period was HK\$18.8 million, representing a decrease of HK\$5.1 million, or 21.1%, as compared to HK\$23.9 million for the corresponding period in 2024, which was primarily attributable to the negative impact of trade policy uncertainty and increased US tariffs on customer sentiment, which led to reduced order shipments during the Period, as well as higher distribution and selling expenses due to the costs associated with new overseas sales offices.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank balances increased by HK\$26.6 million or 23.0% from HK\$115.7 million as at 31 December 2024 to HK\$142.3 million as at 30 June 2025. The increase in cash and bank balances as at 30 June 2025 was primarily due to an increase in the bank borrowings during the Period. The Group's pledged bank deposits decreased by HK\$3.4 million or 5.9% from HK\$58.7 million as at 31 December 2024 to HK\$55.2 million as at 30 June 2025. The decrease in pledged bank deposits was mainly due to the repayment on bank borrowings during the Period.

The Group's trade and other receivables increased by HK\$3.8 million or 1.4% from HK\$264.8 million as at 31 December 2024 to HK\$268.6 million as at 30 June 2025. The increase was primarily due to the increase in the other receivables, prepayments and deposits.

### BORROWINGS AND GEARING RATIO

As at 30 June 2025, the total amount of the Group's borrowings amounted to HK\$645.0 million (31 December 2024: HK\$583.0 million), which comprised secured bank and other borrowings, lease liabilities, amount due to a related company, and amount due to a non-controlling shareholder of a subsidiary.

As at 30 June 2025, the Group's banking facilities amounted to HK\$869.0 million, of which HK\$192.5 million remained unutilised. The Group's bank and other borrowings are mainly denominated in Hong Kong dollars or United States dollars, of which HK\$516.6 million are repayable within one year, HK\$51.8 million are repayable within a period of more than one year but not exceeding two years, HK\$46.8 million are repayable within a period of more than two years but not exceeding five years, and HK\$9.4 million with maturity exceeding five years.

## Management Discussion and Analysis

The Group's bank borrowings arranged at floating rates are with average effective interest rates ranging from 1.98% to 8.37% (31 December 2024: 2.90% to 7.59%) per annum. The bank borrowings arranged at fixed rate are with average effective interest rates ranging from 0.90% to 4.25% (31 December 2024: 0.90% to 4.25%) per annum.

The other borrowings carry interest at Hong Kong Interbank Offered Rate ("**HIBOR**") plus 1.5% (31 December 2024: HIBOR plus 1.5%) per annum and were secured by the Group's bank deposits of approximately HK\$3,200,000 (31 December 2024: HK\$7,700,000).

The amount due to a related company is unsecured, interest bearing at HIBOR plus 3.5% and repayable on demand. The amount due to a non-controlling shareholder of a subsidiary is unsecured, interest-free and repayable on demand. As at 30 June 2025, the gearing ratio of the Group, which is equivalent to total interest-bearing debt (including secured bank borrowings and lease liabilities) divided by total equity, was 81.1% as compared to 72.1% as at 31 December 2024. The Group considered that it has sufficient financial resources to meet its commitments and working capital requirements.

### CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

During the Period, the Group spent approximately HK\$16.6 million on additions to fixed assets as compared to HK\$13.3 million for the corresponding period in 2024, mainly for the purpose of maintaining its manufacturing capabilities in Bangladesh. As at 30 June 2025, the Group had capital commitments of HK\$3.2 million in respect of property, plant and equipment (31 December 2024: HK\$6.6 million).

### FOREIGN EXCHANGE RISK

The Group has sales and purchases denominated in foreign currencies, such as the United States dollars and Renminbi, which expose the Group to foreign currency risk. The Group mainly operates in the People's Republic of China ("**PRC**") and Bangladesh where its operating expenses are denominated in Renminbi and Bangladeshi Taka, respectively, while the majority of the Group's sales are settled in the United States dollars. With the increase of the production of the Group in Bangladesh (revenue contributed by the Bangladesh factory having slightly rose to 99.2% during the Period (30 June 2024: 98.9%)) and the United States dollars being the main foreign currency used in the operations in Bangladesh and Hong Kong, the use of the United States dollars by the Group has increased as a whole. However, the Board considers that the Group is exposed to minimal currency risk as Hong Kong dollars are pegged to the United States dollars. The Group estimated that any 1% appreciation of Bangladeshi Taka or Renminbi is not expected to have a material impact on the Group's gross profit margin.

As at 30 June 2025, the Group did not have any outstanding foreign currency forward contracts to buy the United States dollars to hedge against any fluctuation in the exchange rate of the United States dollars.

## Management Discussion and Analysis

### CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

### PLEDGE OF ASSETS

As at 30 June 2025, the Group's banking borrowing facilities were secured by:

- (a) pledge of the Group's bank deposits of approximately HK\$52.0 million (31 December 2024: HK\$51.0 million);
- (b) the Group's land and buildings and car parks located in Hong Kong of approximately HK\$69.3 million (31 December 2024: HK\$70.5 million);
- (c) the Group's land and buildings located in the United States and the PRC of approximately HK\$26.4 million (31 December 2024: HK\$26.0 million);
- (d) investment properties located in the PRC of approximately HK\$4.8 million (31 December 2024: HK\$4.7 million);
- (e) negative pledge on the assets of certain subsidiaries in the PRC and Bangladesh; and
- (f) certain life insurance contracts classified as financial assets at fair value through profit and loss of the Group.

As at 30 June 2025, the Group's other borrowings were secured by the Group's bank deposits of approximately HK\$3.2 million (31 December 2024: HK\$7.7 million).

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed a total of 23,692 employees, as compared to 23,851 employees as at 30 June 2024.

Total employee expenditures during the Period amounted to HK\$184.2 million as compared to HK\$182.1 million for the corresponding period in 2024. The Group's remuneration policy has remained unchanged since the date of the Company's annual report for the year ended 31 December 2024. The Group operates a defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all qualified employees. Employees of the Group's factories in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. For employees in Bangladesh, the Group is currently not subject to any compulsory social insurance contribution, but they are covered by a self-managed provident fund operated by respective subsidiaries of the Group in Bangladesh.

## Management Discussion and Analysis

### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this Management Discussion and Analysis and in the condensed consolidated financial statements, (i) there were no significant investments held, nor were there any material acquisitions or disposals during the Period; and (ii) no plans have been authorised by the Board for any material investments or additions of capital assets as at 30 June 2025.

### **IMPORTANT EVENTS AFFECTING THE GROUP SINCE 30 JUNE 2025**

There were no important events affecting the Group which occurred after 30 June 2025 and up to the date of this report.

### **INTERIM DIVIDEND**

The Board has declared the payment of an interim dividend of HK\$2.0 cent per ordinary share of the Company (the “**Share**”) for the Period (30 June 2024: declared an interim dividend of HK\$3.0 cent per Share), totalling approximately HK\$12.7 million based on a total of 636,182,000 Shares in issue as at the date of this report.

The interim dividend payout ratio is 67.6% for the Period (2024: interim dividend payout ratio: 82.4%).

The interim dividend will be payable on Friday, 28 November 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 12 September 2025.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining shareholders’ entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 10 September 2025 to Friday, 12 September 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 9 September 2025.

# Corporate Governance and Other Information

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Board is of the view that, the Company has complied with all code provisions as set out in the CG Code throughout the Period, save and except for code provision C.2.1, which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual, details of which are set out below:

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, Mr. Chang Yoe Chong Felix, an executive Director, currently performs these two roles in the Company. Given the current scale of the Company's operations and management structure, the Company considers that entrusting Mr. Chang, who has been the Company's key leadership figure chiefly responsible for the business strategy, decisions and operations, to perform both the functions of the chairman and the chief executive officer of the Company is appropriate. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of the Directors and the number of independent non-executive Directors on the Board and this structure will enable the Company to make and implement decisions promptly and effectively.

## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they had complied with the required standards as set out in the Model Code throughout the Period.

## Corporate Governance and Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### (I) LONG POSITION IN THE SHARES OF THE COMPANY

Name of Director/chief executive	Capacity/nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company <sup>(7)</sup>
Mr. Chang Yoe Chong Felix	(i) Beneficiary of a trust/ Founder of a discretionary trust	343,369,803 <sup>(1)</sup>	53.97%
	(ii) Beneficial owner	12,790,000 <sup>(2)</sup>	2.01%
Mr. Chan Kwok Keung	Beneficial owner	1,000,000 <sup>(3)</sup>	0.16%
Ms. Jia Ziyang	(i) Beneficial owner	394,000 <sup>(4)</sup>	0.06%
	(ii) Interest of spouse	100,000 <sup>(6)</sup>	0.02%
Mr. Li Yanbo	(i) Beneficial owner	100,000 <sup>(5)</sup>	0.02%
	(ii) Interest of spouse	394,000 <sup>(6)</sup>	0.06%

## Corporate Governance and Other Information

### Notes:

- (1) These Shares are held directly by Evergreen Enterprise Holdings Limited ("**Evergreen Holdings**"), a direct wholly-owned subsidiary of Golden Evergreen Limited ("**Golden Evergreen**"). 49% and 51% of the issued share capital of Golden Evergreen are owned by FC Investment Worldwide Limited ("**FC Investment**") (a direct wholly-owned subsidiary of FC Management Limited ("**FC Management**") and CLC Investment Worldwide Limited ("**CLC Investment**") (a direct wholly-owned subsidiary of CLC Management Limited ("**CLC Management**")), respectively. FC Management is directly and wholly-owned by HSBC International Trustee Limited as the trustee of a discretionary trust established on 17 February 2010 by Mr. Chang Yoe Chong Felix as the settlor for the benefit of the late Mr. Chang Chih Lung (who passed away in March 2022), Mr. Chang Ka Wai Aidan and Mr. Chang Yoe Chong Felix's issue (the "**Felix Family Trust**"). CLC Management is directly and wholly-owned by HSBC International Trustee Limited as the trustee of a discretionary trust established on 9 July 2013 by the late Mr. Chang Chih Lung as the settlor for the benefit of Mr. Chang Yoe Chong Felix and his issue (the "**CLC Family Trust**"). Accordingly, the late Mr. Chang Chih Lung ceased to be interested in the Shares and Mr. Chang Yoe Chong Felix is deemed to be interested in the Shares which are indirectly held by HSBC International Trustee Limited under the SFO.
- (2) These Shares are beneficially owned by Mr. Chang Yoe Chong Felix.
- (3) These Shares were granted by the Company to Mr. Chan Kwok Keung on 16 January 2018 pursuant to a share award scheme of the Company which was adopted on 11 December 2017 and terminated on 30 November 2021 (the "**Share Award Scheme**").
- (4) These Shares were granted by the Company to Ms. Jia Ziying on 16 January 2018 pursuant to the Share Award Scheme.
- (5) These Shares were granted by the Company to Mr. Li Yanbo on 16 January 2018 pursuant to the Share Award Scheme.
- (6) Ms. Jia Ziying is the spouse of Mr. Li Yanbo. As such, Ms. Jia Ziying and Mr. Li Yanbo are deemed to be interested in each other's interest.
- (7) Based on a total of 636,182,000 issued Shares as at 30 June 2025.



## Corporate Governance and Other Information

### (II) LONG POSITION IN THE SHARES OF THE ASSOCIATED CORPORATIONS OF THE COMPANY

Name of Director/ chief executive	Name of our associated corporations	Capacity/nature of interest	Number of shares interested	Approximate percentage of shareholding
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Evergreen Holdings <sup>(1)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	20,000	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Golden Evergreen <sup>(1)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	100	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	CLC Investment <sup>(1)</sup>	Beneficiary of a trust	2	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	CLC Management <sup>(1)</sup>	Beneficiary of a trust	2	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Evergreen Group Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	100,000,000	73.04%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Ventures Day Investments Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	100	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Acemaster Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Cowden Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%

## Corporate Governance and Other Information

Name of Director/ chief executive	Name of our associated corporations	Capacity/nature of interest	Number of shares interested	Approximate percentage of shareholding
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Fast Track Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Golden Image Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Market Focus Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Punchline Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Smart Plus Ventures Limited <sup>(2)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Eastern Earnings (China) Company Limited <sup>(4)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	1,000,000	100%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Sunleaf Holdings Limited <sup>(4)</sup>	Beneficiary of a trust/ Founder of a discretionary trust	7,000	70%
		Interest of controlled corporation <sup>(5)</sup>	3,000	30%
Mr. Chang Yoe Chong Felix <sup>(3)</sup>	Evergreen Housekeepers Training Center Limited <sup>(4)</sup>	Founder of a discretionary trust	999	99%

## Corporate Governance and Other Information

### Notes:

- (1) Evergreen Holdings, a direct wholly-owned subsidiary of Golden Evergreen, holds approximately 53.97% of the issued share capital of the Company. 49% and 51% of the issued share capital of Golden Evergreen are owned by FC Investment (a direct wholly-owned subsidiary of FC Management) and CLC Investment (a direct wholly-owned subsidiary of CLC Management), respectively. Accordingly, each of Evergreen Holdings, Golden Evergreen, CLC Investment and CLC Management is a holding company and an associated corporation of the Company.
- (2) Approximately 73.04% of the issued share capital of Evergreen Group Limited is owned by Evergreen Holdings. Evergreen Group Limited holds the entire issued share capital of Ventures Day Investments Limited. Ventures Day Investments Limited holds the entire issued share capital of each of Acemaster Ventures Limited, Cowden Ventures Limited, Fast Track Ventures Limited, Golden Image Ventures Limited, Market Focus Ventures Limited, Punchline Ventures Limited and Smart Plus Ventures Limited. Accordingly, each of Evergreen Group Limited, Ventures Day Investments Limited, Acemaster Ventures Limited, Cowden Ventures Limited, Fast Track Ventures Limited, Golden Image Ventures Limited, Market Focus Ventures Limited, Punchline Ventures Limited and Smart Plus Ventures Limited is a subsidiary of Evergreen Holdings and an associated corporation of the Company.
- (3) Each of FC Management and CLC Management is directly and wholly owned by HSBC International Trustee Limited, the trustee of the Felix Family Trust and the CLC Family Trust. The CLC Family Trust is a discretionary trust established by the late Mr. Chang Chih Lung (who passed away in March 2022) (the father of Mr. Chang Yoe Chong Felix) as the settlor, with Mr. Chang Yoe Chong Felix and his issue being the beneficiaries. The Felix Family Trust is a discretionary trust established by Mr. Chang Yoe Chong Felix as the settlor, with the late Mr. Chang Chih Lung, Mr. Chang Ka Wai Aidan (the son of Mr. Chang Yoe Chong Felix and a minor) and Mr. Chang Yoe Chong Felix's issues being the beneficiaries. Accordingly, Mr. Chang Yoe Chong Felix is deemed to be interested in the above associated corporations of the Company under the SFO.
- (4) Evergreen Housekeepers Training Center Limited is 100% owned by Sunleaf Holdings Limited, which is 70% owned by Eastern Earnings (China) Company Limited. Eastern Earnings (China) Company Limited is 51% owned by FC Investment, which is 100% held by FC Management. Accordingly, Mr. Chang Yoe Chong Felix is deemed to be interested in the above associated corporations of the Company under the SFO.
- (5) Such shares are held by Prince Orchid Limited, which is 100% owned by Mr. Chang Yoe Chong Felix.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2025, none of the Directors or the chief executives of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2025, the following corporations/persons had interests of 5% or more in the issued Shares which shall be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO:

## Corporate Governance and Other Information

### INTEREST IN THE SHARES OF THE COMPANY

Name of shareholder	Capacity/nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company <sup>(3)</sup>
Evergreen Holdings <sup>(1)</sup>	Beneficial owner	343,369,803 (Long position)	53.97%
Golden Evergreen <sup>(1)</sup>	Interest of controlled corporation	343,369,803 (Long position)	53.97%
FC Investment <sup>(1)</sup>	Interest of controlled corporation	343,369,803 (Long position)	53.97%
FC Management <sup>(1)</sup>	Interest of controlled corporation	343,369,803 (Long position)	53.97%
CLC Investment <sup>(1)</sup>	Interest of controlled corporation	343,369,803 (Long position)	53.97%
CLC Management <sup>(1)</sup>	Interest of controlled corporation	343,369,803 (Long position)	53.97%
HSBC International Trustee Limited <sup>(1)</sup>	Trustee of a trust	343,369,803 (Long position)	53.97%
Ms. Wong Hor Yan <sup>(2)</sup>	Interest of spouse	356,159,803 (Long position)	55.98%
Precision Global Capital Management LLC	Investment Manager	58,236,000 (Long position)	9.15%

*Notes:*

- (1) Evergreen Holdings is a direct wholly-owned subsidiary of Golden Evergreen. 49% and 51% of issued share capital of Golden Evergreen are owned by FC Investment (a direct wholly owned subsidiary of FC Management) and CLC Investment (a direct wholly-owned subsidiary of CLC Management), respectively. Each of FC Management and CLC Management is directly and wholly-owned by HSBC International Trustee Limited, the trustee of the Felix Family Trust and the CLC Family Trust. The late Mr. Chang Chih Lung ceased to be interested in the CLC Family Trust and the Felix Family Trust on 20 November 2023. Accordingly, each of Golden Evergreen, FC Investment, FC Management, CLC Investment, CLC Management and HSBC International Trustee Limited is deemed to be interested in the Shares held by Evergreen Holdings under the SFO.
- (2) Ms. Wong Hor Yan is the spouse of Mr. Chang Yoe Chong Felix, and is deemed to be interested in the Shares which Mr. Chang Yoe Chong Felix is deemed to be interested under the SFO.
- (3) Based on a total of 636,182,000 issued Shares as at 30 June 2025.

## Corporate Governance and Other Information

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2025, the Directors have not been notified by any person who had interests or short position in Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### SHARE OPTION SCHEME

On 19 June 2017, a share option scheme was adopted by the Company, whereby the Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for the Shares.

As at 30 June 2025, no option has been granted or agreed to be granted under the share option scheme.

As at 1 January 2025 and 30 June 2025, the total number of options available for grant under the share option scheme was 61,500,000.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company repurchased an aggregate of 10,492,000 Shares for an aggregate consideration of approximately HK\$6.5 million (before expenses) on the Stock Exchange. The repurchased Shares were subsequently cancelled. As at 30 June 2025, the total number of Shares in issue was 636,182,000. Details of the Shares repurchased are as follows:

Month of repurchase	Number of ordinary shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration paid HK\$ in million
May 2025	10,492,000	0.62	0.60	6.5

The Directors were of the view that the above Shares repurchase would lead to an enhancement of the net assets and/or earnings per Share and benefit the Company and the shareholders. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

The Company did not hold or sell any treasury shares during the Period.

## Corporate Governance and Other Information

### CHANGES IN INFORMATION OF DIRECTORS

Changes in information of the Directors since the publication of the annual report of the Company for the year ended 31 December 2024, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

- Ms. Jia Ziyang, an executive Director of the Company, has been appointed as a member of the nomination committee of the Company with effect from 5 June 2025.

### REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed together with the Board and Forvis Mazars CPA Limited, the Company’s external auditor, the unaudited condensed consolidated financial statements of the Group for the Period. The Audit Committee is satisfied that the unaudited condensed consolidated financial statements of the Group for the Period were prepared in accordance with the applicable accounting standards and fairly present the Group’s financial position and results for the Period.

By Order of the Board

**Evergreen Products Group Limited**

**Chang Yoe Chong Felix**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 22 August 2025

# Report on Review of Interim Financial Information



**FORVIS MAZARS CPA LIMITED**  
**富睿瑪澤會計師事務所有限公司**

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**Review Report to the Board of Directors of  
Evergreen Products Group Limited**

訓修實業集團有限公司

(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 22 to 44, which comprises the condensed consolidated statement of financial position of Evergreen Products Group Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) at 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	3	465,699	525,178
Cost of sales		(352,955)	(407,551)
Gross profit		112,744	117,627
Other income		3,709	4,080
Other gains and losses	4	4,546	2,922
Impairment losses recognised on trade receivables under expected credit loss model, net of reversal	5	–	(7)
Distribution and selling expenses		(13,897)	(13,194)
Administrative expenses		(64,153)	(61,508)
Other expenses	6	(377)	(164)
Finance costs	7	(17,574)	(21,528)
Profit before tax	8	24,998	28,228
Income tax expenses	9	(6,167)	(4,346)
Profit for the period		18,831	23,882
<b>Other comprehensive expense:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Deficit on revaluation of properties	12	–	(2,731)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		(3,895)	(21,347)
Other comprehensive expense for the period		(3,895)	(24,078)
Total comprehensive income (expense) for the period		14,936	(196)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited)
<b>Profit (Loss) for the period attributable to:</b>			
Owners of the Company		15,505	24,882
Non-controlling interests		3,326	(1,000)
		<b>18,831</b>	23,882
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of the Company		11,775	1,058
Non-controlling interests		3,161	(1,254)
		<b>14,936</b>	(196)
Earnings per share attributable to owners of the Company	11		
– basic and diluted (HK\$)		<b>0.02</b>	0.04

# Condensed Consolidated Statement of Financial Position

At 30 June 2025

		30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	12	526,795	532,459
Investment properties		15,132	14,564
Goodwill		575	575
Customer relationship		310	310
Financial assets at fair value through profit or loss ("FVTPL")		45,744	44,766
Non-current deposits	14	15,394	10,238
		603,950	602,912
CURRENT ASSETS			
Inventories	13	523,194	488,501
Trade and other receivables	14	268,590	264,769
Tax recoverable		7,012	4,360
Pledged bank deposits	15	55,247	58,685
Cash and cash equivalents		142,269	115,712
		996,312	932,027
CURRENT LIABILITIES			
Trade and other payables	16	138,143	135,328
Contract liabilities		7,287	2,958
Amount due to a related company		3,984	8,184
Amount due to a non-controlling shareholder of a subsidiary		2,716	2,471
Tax payables		15,905	11,502
Secured bank and other borrowings	17	578,232	507,156
Lease liabilities		1,614	1,318
		747,881	668,917
NET CURRENT ASSETS		248,431	263,110
TOTAL ASSETS LESS CURRENT LIABILITIES		852,381	866,022

# Condensed Consolidated Statement of Financial Position

At 30 June 2025

		30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
	Notes		
CAPITAL AND RESERVES			
Share capital	18	49,495	50,311
Reserves		737,775	749,828
Equity attributable to owners of the Company		787,270	800,139
Non-controlling interests		(1,748)	(4,909)
TOTAL EQUITY		785,522	795,230
NON-CURRENT LIABILITIES			
Deferred tax liabilities		8,351	6,905
Secured bank and other borrowings	17	46,610	55,176
Lease liabilities		11,898	8,711
		66,859	70,792
		852,381	866,022

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 18)	Share premium HK\$'000	Capital reserve HK\$'000 (Note (a))	Property revaluation reserve HK\$'000	Other reserve HK\$'000 (Note (b))	Translation reserve HK\$'000	Retained profits HK\$'000			
At 1 January 2025 (audited)	50,311	444,342	(53,992)	111,406	(5,364)	(162,302)	415,738	800,139	(4,909)	795,230
Profit for the period	-	-	-	-	-	-	15,505	15,505	3,326	18,831
Exchange differences arising from translation of foreign operations	-	-	-	-	-	(3,730)	-	(3,730)	(165)	(3,895)
Total comprehensive income (expense) for the period	-	-	-	-	-	(3,730)	15,505	11,775	3,161	14,936
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(18,107)	(18,107)	-	(18,107)
Share repurchases and cancellation (note 18)	(816)	(5,721)	-	-	-	-	-	(6,537)	-	(6,537)
At 30 June 2025 (unaudited)	49,495	438,621	(53,992)	111,406	(5,364)	(166,032)	413,136	787,270	(1,748)	785,522

  

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 18)	Share premium HK\$'000	Capital reserve HK\$'000 (Note (a))	Property revaluation reserve HK\$'000	Other reserve HK\$'000 (Note (b))	Translation reserve HK\$'000	Retained profits HK\$'000			
At 1 January 2024 (audited)	51,010	449,373	(53,992)	124,378	(5,364)	(128,013)	414,234	851,626	(6,526)	845,100
Profit (Loss) for the period	-	-	-	-	-	-	24,882	24,882	(1,000)	23,882
Deficit on revaluation of properties	-	-	-	(2,731)	-	-	-	(2,731)	-	(2,731)
Exchange differences arising from translation of foreign operations	-	-	-	-	-	(21,093)	-	(21,093)	(254)	(21,347)
Total comprehensive income (expense) for the period	-	-	-	(2,731)	-	(21,093)	24,882	1,058	(1,254)	(196)
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(19,014)	(19,014)	-	(19,014)
At 30 June 2024 (unaudited)	51,010	449,373	(53,992)	121,647	(5,364)	(149,106)	420,102	833,670	(7,780)	825,890

## Notes:

- (a) Capital reserve represents (i) the contribution from an intermediate holding company to Evergreen Products Factory Limited ("**Evergreen Factory**"), a wholly owned subsidiary of the Company; and (ii) the difference between the nominal value of the share capital of Evergreen Factory at the date on which it was acquired by the Group, and the deemed consideration pursuant to the group reorganisation in prior years.
- (b) Other reserve represents the effect of change in ownership in a subsidiary when there was no change in control.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
OPERATING ACTIVITIES		
Cash generated from operations	160,499	198,686
Income tax paid	(2,881)	(6,438)
Net cash from operating activities	157,618	192,248
INVESTING ACTIVITIES		
Receipt of consideration receivables from prior years disposal of subsidiaries	4,000	3,500
Withdrawal of pledged bank deposits	4,709	1,911
Interest received	1,205	1,383
Purchase of property, plant and equipment	(15,229)	(13,356)
Deposits paid for acquisition of subsidiaries	–	(10,000)
Payment for life insurance contracts	(567)	(567)
Placement of pledged bank deposits	(1,271)	–
(Payment) Refund of rental deposits	(341)	244
Net cash used in investing activities	(7,494)	(16,885)
FINANCING ACTIVITIES		
New secured bank and other borrowings raised	459,282	555,057
Drawdown of bank overdrafts	199	27,270
Advance from a related party	10,400	–
Payment for repurchase of shares	(6,537)	–
Repayment of secured bank and other borrowings	(436,912)	(512,852)
Repayment of bank borrowings under supplier financing arrangement	(106,605)	(170,480)
Dividend paid	(18,107)	(19,014)
Interest paid	(16,427)	(20,466)
Repayment to a related company	(14,600)	(3,800)
Advance from a non-controlling shareholder of a subsidiary	–	40
Repayment of bank overdrafts	–	(26,421)
Repayments of lease liabilities	(1,932)	(918)
Net cash used in financing activities	(131,239)	(171,584)
Net increase in cash and cash equivalents	18,885	3,779
Cash and cash equivalents at beginning of the period	115,712	90,583
Effect of foreign exchange rate changes	7,672	9,612
Cash and cash equivalents at end of the period, represented by bank balances and cash	142,269	103,974

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Evergreen Products Group Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In the opinion of the directors of the Company, its immediate holding company is Evergreen Enterprise Holdings Limited, a company which was incorporated in the British Virgin Islands (the “**BVI**”) with limited liabilities, and its ultimate holding company is Golden Evergreen Limited (“**GEL**”), a company incorporated in the BVI with limited liabilities. GEL is wholly owned by HSBC International Trustee Limited, the trustee of the Felix Family Trust and CLC Family Trust (collectively, the “**Trust**”). The beneficiaries and settlor of the Trust, Mr. Chang Yoe Chong Felix and their family members, are considered as the controlling shareholders of the Company.

The registered office of the Company is PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands and the principal place of business of the Company is 11th Floor, Chiap Luen Industrial Building, 30–32 Kung Yip Street, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively refer as the “**Group**”) are principally engaged in the manufacturing and trading of hair products.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), rounded to the nearest thousand except when otherwise indicated, for the convenience of the financial statements users, the consolidated financial statements are presented in HK\$ as the Company’s shares are listed on the Stock Exchange. The functional currency of the Company is the United States dollars (“**US\$**”).

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

Preparation of the condensed consolidated interim financial information requires the directors of the Company to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The condensed consolidated interim financial information includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2024 and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024 (the “**2024 Audited Financial Statements**”).



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

(continued)

In preparing the condensed consolidated interim financial information, significant judgements made by the directors of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2024 Audited Financial Statements.

The condensed consolidated interim financial information is unaudited but has been reviewed by the Company's audit committee and the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial instruments and properties, which are measured at fair value or revalued amounts, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 June 2025 are consistent with those followed in the preparation of the 2024 Audited Financial Statements.

The adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group and effective for current period does not have any significant impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

At the date of authorisation of the condensed consolidated interim financial information, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted. The directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results and the financial position of the Group.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 3. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and performance assessment focuses on revenue analysis by products including wigs, hair accessories and others, high-end human hair extensions and Halloween products. No other discrete financial information is provided other than the profit for the period of the Group as a whole. Accordingly, no further segment information is disclosed.

### DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Group revenue by products

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Wigs, hair accessories and others	423,305	441,842
High-end human hair extensions	21,750	65,055
Halloween products	20,644	18,281
	465,699	525,178

#### Group revenue by location of delivery to customers

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
The United States of America	421,506	483,924
Germany	10,309	15,215
The United Kingdom	14,746	11,046
Japan	2,065	3,342
The People's Republic of China (“the PRC”)	8,439	5,368
Others	8,634	6,283
	465,699	525,178

All revenue is recognised at a point of time.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the designated location (delivery). The normal credit periods are within 30 to 90 days upon delivery. A contract liability is recognised for receipt in advance for sales in which revenue has yet been recognised.

All the Group's sales contracts are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

In the view of the Group's CODM, there is no seasonality of operations.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gain (Loss) on financial assets at FVTPL, net	411	(230)
Net foreign exchange gains	4,092	3,152
Gain on early termination of a lease	43	–
	4,546	2,922

### 5. IMPAIRMENT ASSESSMENT ON TRADE RECEIVABLES UNDER EXPECTED CREDIT LOSS MODEL

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Impairment losses recognised on trade receivables under expected credit loss model, net of reversal	–	7

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated interim financial information for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

### 6. OTHER EXPENSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Donation expenses	377	164

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Interest on bank borrowings	15,968	19,899
Interest on lease liabilities	421	336
Interest on other borrowings	325	494
Interest on amount due to a related company	134	73
Others	726	726
	<b>17,574</b>	21,528

### 8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Cost of inventories sold	352,955	407,551
Depreciation of property, plant and equipment	17,288	19,443
Interest income	(1,205)	(1,383)
Government grants (included in "Other income") (Note)	–	(205)

*Note:* During the six months ended 30 June 2024, government grants represent subsidies under the Technology Voucher Programme under the Innovation and Technology Fund provided by the Hong Kong government.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
The income tax expenses comprise:		
Current tax:		
Bangladesh	5,339	916
Other jurisdictions	8	81
	5,347	997
(Over) Under-provision in prior years:		
Other jurisdictions	(715)	1,753
	4,632	2,750
Deferred tax:		
Current period	1,535	1,596
	6,167	4,346

## 10. DIVIDENDS

During the six months ended 30 June 2025, a final dividend of HK\$2.8 cents per share (2024: HK\$2.9 cents per share in respect of the year ended 31 December 2023) in respect of the year ended 31 December 2024 was declared and paid to the owners of the Company. The aggregate amount of the such final dividend declared and paid amounted to approximately HK\$18,107,000 (2024: HK\$19,014,000).

Subsequent to the end of the current interim period, the directors of the Group have determined that an interim dividend of HK\$2.0 cents per share amounting to approximately HK\$12,724,000 in aggregate will be paid to the owners of the Company whose names appear on the register of members of the Company on 12 September 2025.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>Profit attributable to owners of the Company:</b>		
Profit for the purpose of calculating basic and diluted earnings per share	15,505	24,882
	Six months ended 30 June	
	2025 '000 (unaudited)	2024 '000 (unaudited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	644,645	655,652

There were no dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024, and therefore, diluted earnings per share is the same as the basic earnings per share.

### 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired certain property, plant and equipment of approximately HK\$16,614,000 (30 June 2024: HK\$13,260,000).

During the six months ended 30 June 2025, in the opinion of the directors of the Company, no revaluation surplus or deficit has been recognised as the revalued amounts in relation to the Group's industrial buildings, offices and car parks that are carried at revalued amount because the revalued amounts do not differ significantly from their respective estimated fair values while a revaluation deficit of HK\$2,731,000 had been recognised for the six months ended 30 June 2024.

During the six months ended 30 June 2025, the Group entered into new lease agreements with lease term of 2 to 5 years (30 June 2024: entered into a new lease agreement with lease term of 2 years). The Group is required to make fixed monthly payments during the contract period. At lease commencement date, or effective date of lease modification, the Group recognised right-of-use assets and lease liabilities of approximately HK\$6,200,000 (30 June 2024: HK\$216,000).

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 13. INVENTORIES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Raw materials	302,972	300,717
Work in progress	114,476	111,626
Finished goods	105,746	76,158
	<b>523,194</b>	488,501

## 14. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade receivables – contracts with customers	215,374	211,491
Less: Allowance for credit losses	(1,354)	(1,354)
	<b>214,020</b>	210,137
Other receivables	16,787	19,330
Consideration receivables	4,497	8,497
Other tax receivables	6,941	5,409
Prepayments	13,360	8,555
Deposits paid to suppliers	12,985	12,841
Deposits for acquisition of property, plant and equipment	14,244	9,429
Property rental deposits	1,150	809
	<b>283,984</b>	275,007
Analysis for reporting purpose as:		
Non-current assets	15,394	10,238
Current assets	268,590	264,769
	<b>283,984</b>	275,007



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 14. TRADE AND OTHER RECEIVABLES (continued)

The Group normally allows a credit period within 30 to 90 days to its customers. A longer credit period may be granted to large or long-established customers with good payment history.

The following is the ageing analysis of trade receivables (net of allowance for credit losses), presented based on the invoice date, which approximates the respective revenue recognition dates.

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0–60 days	144,771	147,064
61–90 days	42,227	37,026
91–120 days	10,878	11,632
Over 120 days	16,144	14,415
	<b>214,020</b>	210,137

### 15. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged for banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bank and other borrowings.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 16. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Trade payables	64,870	61,418
Accrued staff costs	36,141	36,162
Other employee liabilities	10,622	15,879
Accruals and other payables	26,510	21,869
	<b>138,143</b>	<b>135,328</b>

The following is the ageing analysis of trade payables presented based on invoice date.

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
0–60 days	26,183	27,304
61–120 days	1,135	2
Over 120 days (Note)	37,552	34,112
	<b>64,870</b>	<b>61,418</b>

*Note:* During the year ended 31 December 2023, certain suppliers had initiated lawsuits against Evergreen Products Factory (YZ) Co. Ltd, a wholly-owned subsidiary of the Company in the PRC (“**Evergreen (YZ)**”) to demand immediate settlement of trade payables with a carrying amount of approximately HK\$33,793,000 (equivalent to approximately RMB30,826,000) plus interest for late payment. The second-trial instance of the People’s Court in the PRC had made a decision during the year ended 31 December 2023 that Evergreen (YZ) was required to pay all the outstanding trade payables and the related interest for late payment and certain right-of-use assets and other property, plant and equipment were frozen.

At 30 June 2025, the carrying amount of trade payables and related interest for late payment are approximately HK\$28,948,000 (equivalent to approximately RMB26,395,000) and approximately HK\$3,174,000 (equivalent to approximately RMB2,917,000), respectively. The carrying amounts of the right-of-use assets and other property, plant and equipment being frozen are approximately HK\$4,381,000 (equivalent to approximately RMB4,132,000) and approximately HK\$2,070,000 (equivalent to approximately RMB1,952,000), respectively. The management are in the process of negotiation with the corresponding suppliers to settle these amounts out of court. Based on legal opinion, the directors of the Company opine that the possibility of an additional outflow of economic resources is remote. Hence, no further accrual of potential interest or other penalties after the court decision was made.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 17. SECURED BANK AND OTHER BORROWINGS

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Secured:		
Bank overdrafts	199	–
Bank borrowings	504,169	472,194
Bank borrowings under supplier financing arrangement	111,274	72,850
Other borrowings	9,200	17,288
	<b>624,842</b>	<b>562,332</b>

  

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Analysis for reporting purposes as:		
Non-current	46,610	55,176
Current	578,232	507,156
	<b>624,842</b>	<b>562,332</b>

The Group's bank borrowings arranged at floating rates are with average effective interest rates ranging from 1.98% to 8.37% (31 December 2024: 2.90% to 7.59%) per annum. The bank borrowings arranged at fixed rate are ranging from 0.90% to 4.25% (31 December 2024: 0.90% to 4.25%) per annum.

The other borrowings carry interest at Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 1.5% (31 December 2024: HIBOR plus 1.5%) per annum and were secured by the Group's bank deposits of approximately HK\$3,200,000 (31 December 2024: HK\$7,700,000).

At 30 June 2025 and 31 December 2024, the Group's banking facilities were secured by:

- (a) pledge of the Group's bank deposits of approximately HK\$52,047,000 (31 December 2024: HK\$50,985,000);
- (b) the Group's land and buildings and carparks located in Hong Kong of approximately HK\$69,332,000 (31 December 2024: HK\$70,513,000);
- (c) the Group's land and buildings located in the United States and the PRC of approximately HK\$26,353,000 (31 December 2024: HK\$25,999,000);
- (d) investment properties located in the PRC of approximately HK\$4,825,000 (31 December 2024: HK\$4,664,000);
- (e) negative pledge on the assets of certain subsidiaries in the PRC and Bangladesh; and
- (f) certain life insurance contracts classified as financial assets at FVTPL of the Group.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 17. SECURED BANK AND OTHER BORROWINGS (continued)

### LOAN COVENANTS

In respect of the bank and other borrowings with carrying amount of approximately HK\$168,783,000 at 30 June 2025 (2024: HK\$146,300,000), the Group is required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- (i) the consolidated tangible net worth at any time shall not be less than HK\$500,000,000;
- (ii) the consolidated bank borrowings less pledged bank deposits and bank balances and cash shall not be more than HK\$650,000,000; and
- (iii) the ratio of the consolidated net profits before interest, taxation, depreciation and amortisation and bank balances and cash in respect of any relevant period to the interests and principal repayment of bank borrowings of that relevant period shall not be less than 1:1.

In the opinion of the directors of the Company, the Group has complied with these covenants at 30 June 2025 and 31 December 2024.

## 18. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital US\$'000
Authorised:		
At 1 January 2024 (audited), 31 December 2024 (audited), 30 June 2024, 1 January 2025 and 30 June 2025 (unaudited)	1,000,000,000	10,000
Issued and fully paid:		
At 1 January 2024 and 30 June 2024	655,652,000	6,557
Shares repurchased and cancelled ( <i>Note (i)</i> )	(8,978,000)	(90)
At 31 December 2024 (audited) and 1 January 2025 (audited)	646,674,000	6,467
Shares repurchased and cancelled ( <i>Note (ii)</i> )	(10,492,000)	(105)
At 30 June 2025 (unaudited)	636,182,000	6,362

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 18. SHARE CAPITAL OF THE COMPANY (continued)

Shown in the condensed consolidated statement of financial position:

	Amount HK\$'000
At 30 June 2025 (unaudited)	49,495
At 31 December 2024 (audited)	50,311

Note:

- (i) During the year ended 31 December 2024, the Company repurchased and cancelled 8,978,000 of its own ordinary shares through the Stock Exchange, and the total amount paid of approximately HK\$5,730,000 to acquire the cancelled shares of approximately HK\$699,000 was deducted from equity.

Month of repurchase	Number of ordinary shares repurchased '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
September 2024	8,978	0.64	0.62	5,730

- (ii) During the six months ended 30 June 2025, the Company repurchased and cancelled 10,492,000 of its own ordinary shares through the Stock Exchange, and the total amount paid of HK\$6,537,000 to acquire the cancelled shares of HK\$816,000 was deducted from equity.

Month of repurchase	Number of ordinary shares repurchased '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
May 2025	10,492	0.62	0.60	6,537

## 19. SHARE OPTION SCHEME

The Group adopted a share option scheme on 19 June 2017 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide any directors and full-time employees of the Group who have contributed or will contribute to the Group (the “**Participants**”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 19. SHARE OPTION SCHEME (continued)

Pursuant to the Share Option Scheme, the directors of the Company may invite the Participants to take up options at a price determined by the board of directors provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made by the Company to the grantee (which must be a business day, "**Offer Date**"); (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (c) the nominal value of a share of the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue at 12 July 2017 unless the Company obtains a fresh approval from the shareholders to refresh the limit.

At 1 January 2025 and 30 June 2025, the total number of shares available for issue under the Share Option Scheme was 61,500,000 shares, respectively.

The maximum entitlement for any one Participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which would be determined and notified by the board of directors to the grantee at the time of making an offer.

No share options have been granted by the Group up to the date of authorisation of these condensed consolidated interim financial information.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

## 20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES

In estimating the fair value, the Group uses market-observable data to the extent it is available. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets that are increased at recurring basis	Fair value		Fair value hierarchy	Valuation technique and key inputs
	30 June 2025	31 December 2024		
	HK\$'000 (unaudited)	HK\$'000 (audited)		
Investment funds classified as financial assets at FVTPL	888	977	Level 3	Based on the net asset values at the investment fund
Life insurance contracts classified as financial assets at FVTPL (Note)	44,856	43,789	Level 3	Account values quoted by insurance companies
	<b>45,744</b>	<b>44,766</b>		

*Note:* The returns of these financial assets represent the guaranteed interest plus a premium determined by the insurance companies minus the related surrender charge for termination of the life insurance contracts including the investment component. The directors of the Company consider the account values, which represents the surrender rate, quoted by the insurance companies at 30 June 2025 and 31 December 2024 approximate the fair value.

During the six months ended 30 June 2025 and year ended 31 December 2024, there were no transfers between Level 1 and Level 2.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

**20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS** (continued)**FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES**

(continued)

**Reconciliation of Level 3 fair value measurements**

	Investment funds HK\$'000	Life insurance contracts HK\$'000	Total HK\$'000
At 1 January 2025 (audited)	977	43,789	44,766
Purchased	–	567	567
Change in fair value (charged) credited to profit or loss	(89)	500	411
At 30 June 2025 (unaudited)	888	44,856	45,744

**FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS**

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial information approximate their fair values.

**21. MAJOR NON-CASH TRANSACTION**

The following set out the major non-cash transactions during the six months ended 30 June 2025:

- (i) During the six months ended 30 June 2025, the Group entered into new lease agreements for the use of leasehold lands, leased properties and factory buildings for 2 to 5 years (six months ended 30 June 2024: leasehold lands and factory buildings for 2 years). At the lease commencement date, the Group recognised HK\$6,200,000 of right-of-use assets under property, plant and equipment and of approximately HK\$6,200,000 lease liabilities (30 June 2024: HK\$216,000 of right-of-use assets under property, plant and equipment and of HK\$216,000 lease liabilities).
- (ii) During the six months ended 30 June 2025, bank borrowings under supply chain financing arrangements of approximately HK\$145,029,000 (30 June 2024: HK\$129,913,000) represent the payments to the suppliers by the relevant banks directly.



## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

### 22. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the condensed consolidated interim financial information, the Group had the following transactions with related parties.

(a)	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Computer product and service expenses (Note)	540	540

*Note:* During the six months ended 30 June 2025 and 30 June 2024, the Group entered into transactions with Hopcom Software Company Limited which is controlled by Mr. Chang Yoe Chong, Felix, who is also the director and controlling shareholder of the Company.

#### (b) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management for the six months ended 30 June 2025 and 30 June 2024 were as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term benefits	3,188	2,905
Post-employment benefits	41	33
	3,229	2,938

The remuneration of the directors of the Company and other members of key management is determined having regard to the performance of individuals and market trends.

### 23. CAPITAL COMMITMENT

	30 June 2025	31 December 2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Contracted but not provided in the condensed consolidated financial information in respect of the acquisition of land for construction	3,185	6,566