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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue for the Period amounted to HK$578.2 million, representing an increase of 24.2% from HK$465.7 million for the corresponding period in 2025.
- Gross profit for the Period amounted to HK$135.7 million, representing an increase of 20.4% from HK$112.7 million for the corresponding period in 2025.
- Net profit for the Period amounted to HK$24.6 million, representing an increase of 30.4% from HK$18.8 million for the corresponding period in 2025, primarily attributable to the increase in revenue, as the global wig market maintained its upward momentum underpinned by resilient consumer demand, successfully defying the broader deceleration in global trade caused by tariff uncertainties and escalating geopolitical tensions and the decrease in tax expenses during the Period.
- The Board has declared the payment of an interim dividend of HK$3.4 cents per Share for the Period (30 June 2025: HK$2.0 cents per Share).
- The interim dividend payout ratio is 86.3% for the Period (2025: interim dividend payout ratio: 67.6%).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Evergreen Products Group Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**") together with comparative figures for the corresponding period in 2025 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
	Notes	***(unaudited)***	*(unaudited)*
Revenue	3	**578,206**	465,699
Cost of sales		**(442,483)**	(352,955)
Gross profit		**135,723**	112,744
Other income		**2,864**	3,709
Other (losses) gains, net		**(2,659)**	4,546
Impairment losses recognised on trade receivables under expected credit loss model, net of reversal		**(108)**	–
Distribution and selling expenses		**(13,250)**	(13,897)
Administrative expenses		**(76,339)**	(64,153)
Other expenses		**(906)**	(377)
Finance costs		**(16,705)**	(17,574)
Profit before tax	4	**28,620**	24,998
Income tax expenses	5	**(4,070)**	(6,167)
Profit for the period		**24,550**	18,831
Other comprehensive income (loss):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**1,408**	(3,895)
Other comprehensive income (loss) for the period		**1,408**	(3,895)
Total comprehensive income for the period		**25,958**	14,936

	Notes	Six months ended 30 June **2026** ***HK$'000*** ***(unaudited)***	 2025 *HK$'000* *(unaudited)*
Profit (Loss) for the period attributable to:			
Owners of the Company		**27,214**	15,505
Non-controlling interests		**(2,664)**	3,326
		24,550	18,831
Total comprehensive income (loss) attributable to:			
Owners of the Company		**28,470**	11,775
Non-controlling interests		**(2,512)**	3,161
		25,958	14,936
Earnings per share attributable to owners of the Company			
– Basic and diluted (HK$)	7	**0.04**	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026** **HK$'000** **(unaudited)**	31 December 2025 *HK$'000* *(audited)*
NON-CURRENT ASSETS			
Property, plant and equipment	8	**520,752**	504,926
Investment properties		**15,437**	15,211
Financial assets at fair value through profit or loss ("**FVTPL**")		**45,408**	46,162
Non-current deposits	9	**2,727**	13,983
		584,324	580,282
CURRENT ASSETS			
Inventories		**487,180**	510,805
Trade and other receivables	9	**343,397**	321,254
Tax recoverable		**11,085**	9,471
Pledged bank deposits		**51,938**	59,298
Cash and cash equivalents		**129,254**	98,385
		1,022,854	999,213
CURRENT LIABILITIES			
Trade and other payables	10	**121,813**	155,514
Contract liabilities		**14,268**	6,122
Amount due to a related company		**9,722**	16,043
Amount due to a non-controlling shareholder of a subsidiary		**2,473**	2,473
Tax payables		**13,096**	14,460
Secured bank and other borrowings	11	**603,911**	551,036
Lease liabilities		**6,196**	2,356
		771,479	748,004
NET CURRENT ASSETS		**251,375**	251,209
TOTAL ASSETS LESS CURRENT LIABILITIES		**835,699**	831,491

	Notes	**30 June 2026** *HK$'000* ***(unaudited)***	31 December 2025 *HK$'000* *(audited)*
CAPITAL AND RESERVES			
Share capital		**48,862**	49,495
Reserves		**735,456**	729,821
Equity attributable to owners of the Company		**784,318**	779,316
Non-controlling interests		**(7,914)**	(5,402)
TOTAL EQUITY		**776,404**	773,914
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**8,747**	8,686
Secured bank and other borrowings	11	**38,542**	38,961
Lease liabilities		**12,006**	9,930
		59,295	57,577
		835,699	831,491

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

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 liability, and its ultimate holding company is Golden Evergreen Limited ("**GEL**"), a company incorporated in the BVI with limited liability. 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, among others, Chang Yoe Chong Felix and his family members, are considered as the controlling shareholders of the Company.

The registered office of the Company is PO Box 472, Harbour Place, 2nd Floor, North Wing, 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 referred to 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 statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of 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 2025 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 2025 (the "**2025 Audited Financial Statements**").

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 2025 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" as 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 2026 are consistent with those followed in the preparation of the 2025 Audited Financial Statements.

The adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group and effective for the 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 Group has not early adopted new/revised HKFRS Accounting Standards that have been issued but are not yet effective. Except for HKFRS 18, the management of the Group does not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future reporting periods will have any material impact on the financial performance and financial position of the Group.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. HKFRS 18 retains numbers of requirements of HKAS 1 and introduces the following new key requirements:

a. presentation of new defined subtotals in the statement of profit or loss and statement of comprehensive income, i.e. operating profit and profit before financing and income taxes, and classifications of income and expenses into operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss and statement of comprehensive income, with some modifications for companies with specific business activities, e.g. banks, insurers and investment property companies;

b. identification of management-defined performance measures (MPMs) which are defined as subtotals of income and expenses used in public communications outside financial statements to communicate management's view of an aspect of the financial performance for the company as a whole and are not listed or required by HKFRS Accounting Standards and disclosures about MPMs in a single note to the financial statements; and

c. enhanced requirements for grouping (aggregation and disaggregation) of information in the primary financial statements and information disclosed in the notes to the financial statements.

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 within HKFRS 15

Disaggregation by major lines

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Wigs, hair accessories and others	**518,917**	423,305
High-end human hair extensions	**36,477**	21,750
Halloween products	**22,812**	20,644
	578,206	465,699

Group revenue by location of delivery to customers

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
The United States of America (the "**USA**")	**494,722**	421,506
Germany	**17,371**	10,309
The United Kingdom	**31,506**	14,746
Japan	**1,639**	2,065
The People's Republic of China (the "**PRC**")	**23,378**	8,439
Others	**9,590**	8,634
	578,206	465,699

All revenue is recognised at a point in time.

4. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Staff cost, including directors' remuneration, salaries, wages, allowance and other employee benefits	**227,231**	181,885
Retirement benefits scheme contributions	**2,265**	2,285
Total staff costs (charged to "Cost of sales", "Administrative expenses", "Distribution and selling expenses" and "Inventories", as appropriate)	**229,496**	184,170
Other items:		
Cost of inventories sold	**442,483**	352,955
Auditors' remuneration	**1,320**	1,250
Depreciation (charged to "Cost of sales", "Administrative expenses", "Distribution and selling expenses" and "Inventories", as appropriate)	**17,334**	17,288
Interest income	**(571)**	(1,205)

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
The income tax expenses comprise:		
Current tax:		
Bangladesh	**4,103**	5,339
Other jurisdictions	**27**	8
	4,130	5,347
Over-provision in prior years:		
Other jurisdictions	**(60)**	(715)
	4,070	4,632
Deferred tax:		
Origination and reversal of temporary differences	**–**	1,535
	4,070	6,167

6. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of HK$2.7 cents per share (2025: HK$2.8 cents per share in respect of the year ended 31 December 2024) in respect of the year ended 31 December 2025 was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid amounted to approximately HK$16,957,000 (2025: HK$18,107,000).

Subsequent to the end of the current interim period, the directors of the Group have determined that an interim dividend of HK$3.4 cents per share amounting to approximately HK$21,178,000 in aggregate will be paid to owners of the Company whose names appear on the register of members of the Company on 11 September 2026.

7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Profit attributable to owners of the Company:		
Profit for the purpose of calculating basic and diluted earnings per share	**27,214**	15,505

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(unaudited)	*(unaudited)*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**630,087**	644,645

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined based on the effect of shares repurchased.

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2026 and 2025, and therefore, diluted earnings per share is the same as the basic earnings per share.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired certain property, plant and equipment of approximately HK$34,078,000 (30 June 2025: HK$16,614,000) and disposed of certain property, plant and equipment with a carrying amount of approximately HK$432,000 (30 June 2025: HK$Nil).

During the six months ended 30 June 2026 and 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.

During the six months ended 30 June 2026, the Group entered into new lease agreements with lease term of 2 to 10 years (30 June 2025: entered into a new lease agreement with lease term of 2 to 5 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$8,028,000 (30 June 2025: HK$6,200,000).

9. TRADE AND OTHER RECEIVABLES

	30 June 2026 *HK$'000* ***(unaudited)***	31 December 2025 *HK$'000* *(audited)*
Trade receivables from third parties	**269,937**	249,240
Less: Loss allowance	**(2,141)**	(2,033)
	267,796	247,207
Other receivables	**17,229**	15,737
Other tax receivables	**1,921**	1,359
Prepayments	**23,869**	24,730
Deposits paid to suppliers	**32,582**	32,221
Deposits for acquisition of property, plant and equipment	**1,434**	13,015
Property rental deposits	**1,293**	968
	346,124	335,237
Analysis for reporting purpose as:		
Non-current assets	**2,727**	13,983
Current assets	**343,397**	321,254
	346,124	335,237

The Group normally allows a credit period of 30 to 90 days (31 December 2025: 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 loss allowance, presented based on the invoice date, which approximates the respective revenue recognition dates.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
0 – 60 days	**193,112**	172,372
61 – 90 days	**45,735**	38,865
91 – 120 days	**4,781**	11,757
Over 120 days	**24,168**	24,213
	267,796	247,207

10. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
Trade payables	**59,337**	73,552
Accrued staff costs	**23,071**	41,781
Other employee liabilities	**10,911**	13,622
Accruals and other payables	**28,494**	26,559
	121,813	155,514

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
0–60 days	**36,916**	30,291
61–120 days	**142**	830
Over 120 days *(Note)*	**22,279**	42,431
	59,337	73,552

Note: During the year ended 31 December 2023, certain suppliers had initiated lawsuits against Evergreen Products Factory (YZ) Co. Ltd ("**Evergreen (YZ)**"), a wholly-owned subsidiary of the Company in the PRC to demand immediate settlement of trade payables with a carrying amount of approximately RMB30,826,000 (equivalent to approximately HK$33,495,000) plus interest for late payment. The People's Court in the PRC, at second-trial instance, ruled that Evergreen (YZ) was required to pay all outstanding trade payables and related interest for late payment, and certain right-of-use assets and property, plant and equipment were frozen (the "**2023 Judgement**").

At 31 December 2025, the carrying amount of trade payables and related interest for late payment amounted to approximately RMB26,395,000 (equivalent to approximately HK$28,681,000) and RMB3,611,000 (equivalent to approximately HK$3,923,000), respectively.

At 31 December 2025, the carrying amounts of the right-of-use assets and other property, plant and equipment being frozen amounted to approximately RMB4,132,000 (equivalent to approximately HK$4,381,000) and approximately RMB1,952,000 (equivalent to approximately HK$2,070,000) respectively.

During the six months ended 30 June 2026, the People's Court in the PRC accepted newly discovered evidence in relation to claims brought by three suppliers (the "**Three Suppliers**") and determined that the 2023 Judgement in respect of the Three Suppliers should be subject to retrial. Accordingly, the People's Court in the PRC issued a retrial ruling and suspended the enforcement of the original judgments pending the outcome of the retrial proceedings. As a result, the enforcement actions previously commenced against certain assets of Evergreen (YZ) were suspended during the retrial process.

The management of the Group, after consideration of the grounds set out in the retrial ruling, the newly discovered evidence and the legal opinion obtained from the Group's PRC legal advisor, is of the view that the Group has valid and reasonable grounds to defend the claims brought by the Three Suppliers and that the likelihood of an outflow of economic benefits to settle the related obligations is remote.

Accordingly, the Group reversed the trade payables and accrued interest relating to the Three Suppliers, and recognised other receivables for seeking the recovery of assets realised through enforcement proceedings under 2023 Judgement in prior years, amounting to approximately RMB11,059,000 (equivalent to approximately HK$11,926,000), RMB1,992,000 (equivalent to approximately HK$2,220,000), and RMB2,697,000 (equivalent to approximately HK$2,908,000), respectively, at 30 June 2026 and credited the corresponding amounts to "Cost of sales", during the six months ended 30 June 2026.

At 30 June 2026, the carrying amounts of trade payables and related interest for late payment were approximately RMB15,336,000 (equivalent to approximately HK$16,755,000) and approximately RMB2,021,000 (equivalent to approximately HK$2,151,000), respectively. The carrying amounts of the right-of-use assets and other property, plant and equipment being frozen were approximately RMB4,127,000 (equivalent to approximately HK$4,762,000) and approximately RMB1,855,000 (equivalent to approximately HK$2,141,000), respectively.

11. SECURED BANK AND OTHER BORROWINGS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
Secured:		
Bank borrowings	**522,166**	488,277
Bank borrowings under supplier financing arrangement	**83,556**	82,196
Other borrowings	**9,200**	17,560
Bank overdrafts	**27,531**	1,964
	642,453	589,997

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Analysis for reporting purposes as:		
Non-current	**38,542**	38,961
Current	**603,911**	551,036
	642,453	589,997

The Group's bank borrowings arranged at floating rates are with average effective interest rates ranging from 2.75% to 7.68% (31 December 2025: 3.25% to 8.20%) per annum. The bank borrowings arranged at fixed rate bear interest rates ranging from 0.90% to 4.25% (31 December 2025: 0.90% to 4.25%) per annum.

The other borrowings carry interest at Hong Kong Interbank Offered Rate ("**HIBOR**") plus 1.5% (31 December 2025: HIBOR plus 1.5%) per annum and were secured by the Group's bank deposits of approximately HK$9,700,000 (31 December 2025: HK$6,700,000).

At 30 June 2026 and 31 December 2025, the Group's banking facilities were secured by:

(a) pledge of the Group's bank deposits of approximately HK$42,238,000 (31 December 2025: HK$52,598,000);

(b) the Group's land and buildings included in property, plant and equipment and the Group's car park located in Hong Kong included in investment properties of approximately HK$48,342,000 and HK$1,000,000 (31 December 2025: HK$49,300,000 and HK$1,000,000), respectively;

(c) the Group's land and buildings located in the USA and the PRC of approximately HK$27,550,000 (31 December 2025: HK$27,201,000);

(d) investment properties located in the PRC of approximately HK$4,714,000 (31 December 2025: HK$4,881,000);

(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 of approximately HK$32,762,000 (31 December 2025: HK$37,988,000).

Loan covenants

In respect of the bank and other borrowings with a carrying amount of approximately HK$176,441,000 at 30 June 2026 (31 December 2025: HK$160,101,000), in addition to certain financial and non-financial covenants commonly found in bank lending arrangements, the Group is required to comply with the following key financial covenants throughout the continuance of the relevant loan and/or as long as the bank and other borrowings are outstanding:

(i) the consolidated tangible net worth at any time shall not be less than HK$700,000,000;

(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.

The management of the Group regularly monitors its compliance with these covenants. As long as the Group remains in compliance with the covenants, the related bank borrowings are not considered as repayable on demand.

At 31 December 2025, the management of the Group identified that certain financial ratios under certain bank facilities were unable to be met and such potential breaches of financial covenants may cause the relevant bank borrowings of approximately HK$65,000,000, which have already been classified as current liabilities pursuant to the demand clause, to become immediately due and payable. Following the identification of the potential breach of covenants, the management of the Group entered into communication with the related banks and has applied for waivers in respect of the potential breaches of certain financial ratios.

During the six months ended 30 June 2026, the relevant banks granted waivers in respect of the potential covenant breaches. At 30 June 2026, the Group is in the process of negotiating with the relevant banks in relation to bank borrowings of approximately HK$52,500,000 to revise the applicable financial covenant requirements. Subsequent to the reporting date and up to the date of authorisation of the condensed consolidated interim financial statements, such negotiations remain ongoing and the relevant banks have not made any demand for immediate repayment.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

While global trade growth decelerated due to tariff uncertainties and escalating geopolitical tensions, the global wig market maintained its upward momentum, underpinned by resilient consumer demand during the Period.

Capitalizing on this industry-wide structural expansion, the Group's customers sustained their business growth year-on-year, demonstrating the Group's strong agility in adapting to evolving consumer preferences.

The revenue of the Group amounted to HK$578.2 million for the Period, representing an increase of approximately 24.2% as compared to the corresponding period in 2025. The sales of wigs and braid products with lower margin registered robust growth, while the sales of human hair extension products with higher margin delivered a steady rebound. The gross profit margin for the Period softened to 23.5% as compared with 24.2% for the corresponding period of 2025, primarily attributable to higher labour costs incurred to fulfill the surging sales orders. Net profit margin for the Period slightly increased to 4.3% from 4.0% in the corresponding period of 2025, largely reflecting the growth in revenue, alongside a decline in tax expenses.

OUTLOOK

To navigate ongoing uncertainties in global trade policies, the Group has remained committed to its growth strategies while closely monitoring market shifts and operating conditions to proactively mitigate potential risks to the Group.

The Group will intensify operational efficiency initiatives to enhance financial performance. Key growth drivers include expanding our digital footprint by establishing more online stores on major cross-border e-commerce platforms, and scaling up the core sales team to capture both existing and untapped markets. Amid a complex trade landscape, the Board maintains full confidence in the Group's resilience, expecting strong order demand for our core products toward the end of the year. Moving forward, we remain dedicated to our core business, adapting our mid-to-long-term strategies to maximize shareholder value.

FINANCIAL REVIEW

During the Period, the Group's financial results improved compared to the corresponding period in 2025. This growth was primarily driven by a rise in revenue, as the global wig market maintained its upward momentum underpinned by resilient consumer demand, successfully defying the broader deceleration in global trade caused by tariff uncertainties and escalating geopolitical tensions.

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$578.2 million, representing an increase of HK$112.5 million, or 24.2%, as compared to HK$465.7 million for the corresponding period in 2025. The increase was primarily due to the fact that the market demand of the wigs and braid products with lower margin registered robust growth while the sales of human hair extension products with higher margin delivered a steady rebound. During the Period, the revenue generated from hair goods made at the Bangladesh factory accounted for 98.3% of the Group's total revenue as compared to 99.2% for the corresponding period in 2025.

The US remained as the Group's principal market during the Period with revenue contribution accounting for 85.6% of the Group's total revenue during the Period as compared to 90.5% for the corresponding period in 2025. In terms of product segment, wigs, hair accessories and others remained as the Group's key product segment accounting for 89.7% of its total revenue during the Period as compared to 90.9% for the corresponding period in 2025.

Wigs, hair accessories and others. Revenue from wigs, hair accessories and others increased by HK$95.6 million, or 22.6%, from HK$423.3 million for the six months ended 30 June 2025 to HK$518.9 million for the Period. The increase was mainly attributable to the growth in sales of wig and braid items.

High-end human hair extensions. Revenue from high-end human hair extensions increased by HK$14.7 million, or 67.7%, from HK$21.8 million for the six months ended 30 June 2025 to HK$36.5 million for the Period. The improvement was driven primarily by the progressive recovery in customer sales demand.

Halloween products. Revenue from Halloween products increased by HK$2.2 million, or 10.5%, from HK$20.6 million for the six months ended 30 June 2025 to HK$22.8 million for the Period, primarily attributable to steady sales volume from customers.

Cost of Goods Sold

The Group's cost of goods sold increased by HK$89.5 million, or 25.4%, from HK$353.0 million for the six months ended 30 June 2025 to HK$442.5 million for the Period. The increase was in line with the increase in revenue during the Period.

Wigs, hair accessories and others. Cost of goods sold for wigs, hair accessories and others increased by HK$76.4 million, or 23.5%, from HK$325.8 million for the six months ended 30 June 2025 to HK$402.2 million for the Period. The increase was in line with the increase 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 increased by HK$10.6 million, or 75.0%, from HK$14.1 million for the six months ended 30 June 2025 to HK$24.7 million for the Period. The increase was in line with the increase in revenue from high-end human hair extensions products during the Period.

Halloween products. Cost of goods sold for Halloween products increased by HK$2.5 million, or 19.3%, from HK$13.1 million for the six months ended 30 June 2025 to HK$15.6 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$135.7 million, representing an increase of HK$23.0 million, or 20.4%, as compared to HK$112.7 million for the corresponding period in 2025. The gross profit increased primarily due to a rise in revenue for the Period, while the global wig market maintained its upward momentum underpinned by resilient consumer demand, successfully defying the broader deceleration in global trade caused by tariff uncertainties and escalating geopolitical tensions. During the Period, the Group's gross profit margin was 23.5%, representing a decrease of 0.7% from 24.2% for the corresponding period in 2025.

Wigs, hair accessories and others. Gross profit for wigs, hair accessories and others increased by HK$19.2 million, or 19.7%, from HK$97.5 million for the six months ended 30 June 2025 to HK$116.7 million for the Period. Gross profit margin for wigs, hair accessories and others decreased from 23.0% for the six months ended 30 June 2025 to 22.5% for the Period, primarily due to an increase in total production overheads for the Period.

High-end human hair extensions. Gross profit for high-end human hair extensions increased by HK$4.1 million, or 54.3%, from HK$7.6 million for the six months ended 30 June 2025 to HK$11.8 million for the Period. Gross profit margin for high-end human hair extensions decreased from 35.1% for the six months ended 30 June 2025 to 32.3% for the Period, primarily due to an increase in total production costs of human hair extension products during the Period.

Halloween products. Gross profit for Halloween products decreased by HK$0.4 million, or 4.6%, from HK$7.6 million for the six months ended 30 June 2025 to HK$7.2 million for the Period. Gross profit margin for Halloween products decreased from 36.6% for the six months ended 30 June 2025 to 31.6% for the Period, primarily due to higher products costs of Halloween products during the Period.

Other Income

Other income decreased by HK$0.8 million, or 22.8%, from HK$3.7 million for the six months ended 30 June 2025 to HK$2.9 million for the Period, primarily due to a decrease in the bank interest income during the Period.

Other (Losses) Gains, net

Other (losses) gains, net decreased by HK$7.2 million, or 158.5%, from gains of HK$4.5 million for the six months ended 30 June 2025 to losses of HK$2.7 million for the Period. The other gains and losses primarily comprised HK$0.2 million from the fair value gain on financial assets at fair value through profit or loss and HK$4.2 million from distribution income arising from the fair value change of an investment fund, offset by a loss of HK$6.7 million from foreign currency conversion during the Period.

Impairment Losses Recognised on Trade Receivables under Expected Credit Loss Model, Net of Reversal

During the Period, the Group provided an impairment allowance of HK$0.1 million in respect of trade receivables (30 June 2025: Nil).

Distribution and Selling Expenses

Distribution and selling expenses decreased by HK$0.6 million, or 4.7%, from HK$13.9 million for the six months ended 30 June 2025 to HK$13.3 million for the Period, primarily due to a decrease in advertisement and commission expenses during the Period.

Administrative Expenses

Administrative expenses increased by HK$12.2 million, or 19.0%, from HK$64.2 million for the six months ended 30 June 2025 to HK$76.3 million for the Period, primarily due to an increase in salaries and staff benefit, business traveling and professional fees during the Period.

Other Expenses

Other expenses increased by HK$0.5 million, or 140.3%, from HK$0.4 million for the six months ended 30 June 2025 to HK$0.9 million for the Period, primarily due to an increase in donations made during the Period.

Finance Costs

Finance costs decreased by HK$0.9 million, or 4.9%, from HK$17.6 million for the six months ended 30 June 2025 to HK$16.7 million during the Period, it was mainly due to a slowdown in interest rates.

Taxation

Income tax expenses of the Group decreased by approximately HK$2.1 million, or 34.0%, from taxation of HK$6.2 million for the six months ended 30 June 2025 (including deferred taxation in the amount of HK$1.5 million) to taxation of approximately HK$4.1 million (deferred taxation in the amount of HK$Nil) for the Period.

Net Profit

The Group's net profit for the Period was HK$24.6 million, representing an increase of HK$5.7 million, or 30.4%, as compared to HK$18.8 million for the corresponding period in 2025, which was primarily attributable to the increase in revenue, as the global wig market maintained its upward momentum underpinned by resilient consumer demand, successfully defying the broader deceleration in global trade caused by tariff uncertainties and escalating geopolitical tensions and the decrease in tax expenses during the Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank balances increased by HK$30.9 million or 31.4% from HK$98.4 million as at 31 December 2025 to HK$129.3 million as at 30 June 2026. The increase in cash and bank balances as at 30 June 2026 was primarily due to an increase in the bank borrowings during the Period. The Group's pledged bank deposits decreased by HK$7.4 million or 12.4% from HK$59.3 million as at 31 December 2025 to HK$51.9 million as at 30 June 2026. The decrease in pledged bank deposits was mainly due to the repayment of bank borrowings during the Period.

The Group's trade and other receivables increased by HK$10.9 million or 3.3% from HK$335.2 million as at 31 December 2025 to HK$346.1 million as at 30 June 2026. The increase was primarily due to the increase in the trade receivables resulting from the growth in sales shipments during the Period.

Borrowings and Gearing Ratio

As at 30 June 2026, the Group's banking facilities amounted to HK$1,023.6 million, of which HK$256.3 million remained unutilised. As at 30 June 2026, 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 84.2% as compared to 77.2% as at 31 December 2025. 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$34.1 million on additions to fixed assets as compared to HK$16.6 million for the corresponding period in 2025, mainly for the purpose of maintaining its manufacturing capabilities in Bangladesh. As at 30 June 2026, the Group did not have any capital commitments in respect of property, plant and equipment (31 December 2025: HK$2.6 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 United States dollars. With United States dollars being the main foreign currency used in the operations in Bangladesh and Hong Kong, the use of United States dollars by the Group has remained substantial during the Period. However, the Board considers that the Group is exposed to minimal currency risk as Hong Kong dollars are pegged to 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 2026, the Group did not have any outstanding foreign currency forward contracts to buy United States dollars to hedge against any fluctuation in the exchange rate of United States dollars (31 December 2025: nil).

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

Pledge of Assets

As at 30 June 2026, the Group's banking facilities were secured by:

(a) pledge of the Group's bank deposits of approximately HK$42.2 million (31 December 2025: HK$52.6 million);

(b) the Group's land and buildings included in property, plant and equipment and the Group's car park located in Hong Kong included in investment properties of approximately HK$48.3 million and HK$1.0 million (31 December 2025: HK$49.3 million and HK$1.0 million), respectively;

(c) the Group's land and buildings located in the USA and the PRC of approximately HK$27.6 million (31 December 2025: HK$27.2 million);

(d) investment properties located in the PRC of approximately HK$4.7 million (31 December 2025: HK$4.9 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 FVTPL of the Group of approximately HK$32.8 million (2025: HK$38.0 million).

The other borrowings were secured by the Group's bank deposits of approximately HK$9.7 million (31 December 2025: HK$6.7 million).

Employees and Remuneration Policies

As at 30 June 2026, the Group employed a total of 38,668 employees, as compared to 23,692 employees as at 30 June 2025.

Total employee expenditures during the Period amounted to HK$229.5 million as compared to HK$184.2 million for the corresponding period in 2025. The Group's remuneration policy has remained unchanged since the date of the Company's annual report for the year ended 31 December 2025. 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.

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 ordinary shares of the Company (the "**Shares**").

As at 30 June 2026, no option has been granted or agreed to be granted under the share option scheme.

As at 1 January 2026 and 30 June 2026, the total number of options available for grant under the share option scheme was 61,500,000.

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

Save as disclosed in this announcement, (i) there were no significant investments held as at 30 June 2026, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures 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 2026.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE 30 JUNE 2026

Save as disclosed in this announcement, there were no important events affecting the Group which occurred after 30 June 2026 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK$3.4 cents per Share for the Period (30 June 2025: declared an interim dividend of HK$2.0 cents per Share), totalling approximately HK$21.2 million based on a total of 622,892,000 Shares in issue as at the date of this announcement.

The interim dividend payout ratio is 86.3% for the Period (2025: interim dividend payout ratio: 67.6%).

The interim dividend will be payable on Wednesday, 23 September 2026 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 11 September 2026.

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, 9 September 2026 to Friday, 11 September 2026, 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, 8 September 2026.

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

During the Period, the Company repurchased an aggregate of 13,290,000 Shares for an aggregate consideration of approximately HK$6.5 million (before expenses) on the Stock Exchange. Of these, 8,136,000 Shares were subsequently cancelled. As at 30 June 2026, 5,154,000 Shares were repurchased Shares pending cancellation and subsequently cancelled in July 2026 and the total number of Shares in issue was 628,046,000. Details of the Shares repurchased are as follows:

Month of repurchase	**Number of Shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$ in million*
January 2026	6,078,000	0.52	0.52	3.1
May 2026	2,058,000	0.47	0.46	1.0
June 2026	5,154,000	0.46	0.455	2.4
	13,290,000			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.

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 the 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 of 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 and chiefly responsible for business strategy, decisions and operations, to perform both the functions of the chairman and 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 as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding securities transactions by the Directors. All the 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.

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.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.epfhk.com). The interim report of the Company for the Period containing all the information required under the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company and will be despatched to the Company's shareholders in due course.

By Order of the Board
Evergreen Products Group Limited
Chang Yoe Chong Felix
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 24 August 2026

As at the date of this announcement, the executive Directors are Mr. Chang Yoe Chong Felix, Mr. Chan Kwok Keung, Ms. Jia Ziying, Mr. Li Yanbo and Ms. Wong So Ying; the non-executive Director is Mr. Chan Lau Yui Kevin; and the independent non-executive Directors are Ir. Cheung Siu Wa, Mr. Tseung Yuk Hei Kenneth and Mr. Cheng Man Tak Richard.