



Evergreen Products Announces FY2022 Annual Results

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Benefits from Sustained Demand in Hair Wig Industry Continues to Adjust Business Strategies to Optimize Business Operation

(Hong Kong, 29 March 2023) – **Evergreen Products Group Limited** (“Evergreen” or the “Group”; HKEX stock code: 1962), a leading wholesaler of synthetic and real hair wigs and extensions, recorded a net profit of HK\$58.3 million, up by 2.2% year-on-year.

For the financial year ended 31 December 2022 (the “Year”), despite the global outlook deterioration amid the macroeconomic headwinds, the hair wig industry still sustained the growing demand across all regions. Thanks to the increase in the sale of human hair extension products and lace wig products offset with a drop in sales in the lower profit margin braid products during the Year, the Group was able to maintain its revenue at a similar level at HK\$1,100.4 million. Gross profit increased 3.3% to HK\$257.1 million, with its margin up by 2.8 percentage points to 23.4%. Net profit for the Year reached HK\$58.3 million, representing an increase of 2.2% year-on-year. Basic earnings per Share was HK10 cents, representing an increase of approximately 25.0% year-on-year.

The Board has recommended the payment of a final dividend of HK3.7 cents per Share. Together with an interim dividend of HK1.7 cents per Share, the total dividend will amount to HK5.4 cents per share for the Year, representing an increase of 1.25 times. It translates to a payout ratio of approximately 63.5%.

Business Review

During the Year, the segmental revenue of human hair extension products and lace products with a higher profit margin has lifted and the demand for Halloween products has risen tremendously, underpinned by strong market demand following the easing of pandemic control across the world, which permitted hair salons to reopen and mask-wearing is no longer compulsory. This resulted in a continuous growing demand for human hair extension products and lace products and a rebound in the demand for Halloween products.

Wig, hair accessories and others remained as the Group’s key product segment with its revenue at HK\$872.4 million, decreased by 15.0% year-on-year, and accounted for 79.3% of the Group’s

total revenue, primarily due to the decreased sales on braid products. Meanwhile, revenue of **high-end human hair extensions** increased, up 17.1% to HK\$184.5 million, primarily due to the strong market demand rebound since most countries returned to normalcy. Revenue from **Halloween products** increased by 84.7% to HK\$43.5 million.

The USA remained the Group's principal market with revenue contribution accounting for 87.6% of the total revenue.

Mr. Felix Chang, Chairman, Chief Executive Officer and Executive Director of Evergreen, said, "Amidst the revival of globalization after the pandemic, there are still a lot of uncertainties in business operating environment, we have been closely monitoring the market conditions and adjusting our business strategies to optimize business operation as well as strengthen our focus on in the core business. Moving forward, we will continue to enhance financial performance improvement initiatives across our operations such as inventory control, cost optimization and equip with some environmental facilities for energy saving and environmental protection and increase resources in research and development to expand sales channels, and, ultimately, we aim to maximise our profitability and strive for higher returns for our shareholders."

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About Evergreen Products Group Limited

Founded in 1962, Evergreen is one of the leading global manufacturers of hair goods. Since its establishment, the Group has gained unique competitive advantages in the global hair goods market by capitalising on its extensive industry knowledge, reputation for quality products, and comprehensive product portfolio. Headquartered in Hong Kong, the Group has two production centres in China and six production centres in Bangladesh. The Group employs more than 25,000 people around the world and operates in Hong Kong, China, Japan, and the United States.

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