



Evergreen Products Announces FY2023 Interim Results

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Net Profit Increases 27% to HK\$29.7 Million Interim Dividend Rises by 147% to HK\$4.2 cents per Share

(Hong Kong, 24 August 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\$29.7 million, up by 26.7% year-on-year for the six months ended 30 June 2023 (the “Period”).

During the Period, the revenue of the Group was HK\$479.2 million. Gross profit remained at a similar level at HK\$110.0 million. Gross profit margin improved to 23.0%, up by 1.9 percentage points. Net profit was up by 26.7% to HK\$29.7 million with net profit margin increased to 6.2%, also increased by 1.9 percentage points year-on-year. The improvement in the profit was due to the streamlined production and operation process, the adoption of effective cost control measures, the devaluation of the Bangladeshi Taka against the US dollar and the one-off realised gain on the disposal of the Ukraine subsidiary.

The Board has declared the payment of an interim dividend of HK\$4.2 cents per Share for the Period, which is a 147.1% increase as compared to the same period of last year. The interim dividend payout ratio is 97.0% for the Period.

Business Review

During the Period, the Group enhanced its operation and management efforts. It assigned the research and development technicians to proactively increase the cooperative relationship with key customers. It has also greatly adjusted the product mix and production capacities, ensuring the Group’s production and operation process is effective and efficient.

Wig, hair accessories and others remained as the Group’s key product segment with its revenue slightly decreased to HK\$394.0 million, accounting for 82.2% of the Group’s total revenue. Such a decrease was due to a drop in sales of lace wig items, one of the popular products. To offset this, the sales of braid and special braid increased. Meanwhile, revenue of **high-end human hair extensions** was HK\$54.2 million, decreased by 37.1% year-on-year, as the sales volume of human hair products dropped, market demand shifted to braid products with lower margins. Revenue from **Halloween products** decreased by 12.9% to HK\$31.0 million.

Mr. Felix CHANG, Chairman, Chief Executive Officer and Executive Director of Evergreen, said, “The global economic performance is under pressure. To tackle such setback, we will continue to enlarge the sales team to explore new market opportunities and develop direct sales channels to end customers, aiming to expand our customer base. Besides, we spare no efforts to improve the bank loan portfolio to reinforce the balance sheet, and to execute cost-control measures to further increase profitability. We shall review our strategies on a timely basis to provide the best interest to the shareholders of the Company in the medium to longer term.”

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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.

For media enquiries, please contact:

Strategic Financial Relations Limited

Veron Ng Tel: (852) 2864 4831

Corinne Ho Tel: (852) 2114 4911

Michelle Shiu Tel: (852) 2864 4861

Email sprg_evergreen@sprg.com.hk