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 2019

FINANCIAL HIGHLIGHTS

- Revenue for the Period amounted to HK$375.3 million, representing an increase of 0.5% from HK$373.3 million for the corresponding period in 2018.
- Gross profit for the Period amounted to HK$125.6 million, representing a decrease of 4.6% from HK$131.7 million for the corresponding period in 2018.
- Net profit for the Period amounted to HK$47.9 million, representing a decrease of 7.4% from HK$51.7 million for the corresponding period in 2018, primarily attributable to the significant increment of minimum wages of workers in Bangladesh since December 2018.
- The Board has declared the payment of an interim dividend of HK1.0 cent per Share for the Period (30 June 2018: HK4.2 cents per Share). The dividend payout ratio for the Period was approximately 12.9% (30 June 2018: 49.9%).

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 2019 (the "**Period**") together with comparative figures for the corresponding period in 2018 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended	
		30.6.2019	30.6.2018
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*3*	**375,342**	373,330
Cost of goods sold		**(249,720)**	(241,573)
Gross profit		**125,622**	131,757
Other income		**1,245**	682
Other gains and losses		**2,565**	(941)
Distribution and selling expenses		**(5,748)**	(8,759)
Administrative expenses		**(66,203)**	(62,365)
Other expenses		**(625)**	(424)
Finance costs		**(9,290)**	(7,999)
Profit before tax		**47,566**	51,951
Income tax credit (expense)	*4*	**381**	(194)
Profit for the period	*5*	**47,947**	51,757
Other comprehensive income (expense) for the period:			
Item that will not be reclassified to profit or loss:			
Surplus on revaluation of lands and buildings		**10,229**	–
Deferred tax arising from revaluation of lands and buildings		**(877)**	–
		9,352	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(1,502)**	173
Other comprehensive income for the period, net of income tax		**7,850**	173
Total comprehensive income for the period		**55,797**	51,930

	Note	Six months ended 30.6.2019 HK$'000 (Unaudited)	30.6.2018 HK$'000 (Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**49,301**	52,065
Non-controlling interests		**(1,354)**	(308)
		47,947	51,757
Total comprehensive income (expense) attributable to:			
Owners of the Company		**57,195**	52,238
Non-controlling interests		**(1,398)**	(308)
		55,797	51,930
Earnings per share (HK$)	*7*		
– basic		**0.08**	0.09
– diluted		**0.08**	0.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Notes	30.6.2019 HK$'000 (Unaudited)	31.12.2018 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	**619,206**	553,951
Prepaid lease payments		**–**	18,412
Right-of-use assets	8	**31,968**	–
Deposits for acquisition of property, plant and equipment		**17,678**	21,321
Financial assets at fair value through profit or loss		**27,549**	24,766
		696,401	618,450
CURRENT ASSETS			
Inventories		**433,986**	430,889
Trade and other receivables	9	**336,162**	269,986
Prepaid lease payments		**–**	344
Tax recoverable		**956**	962
Pledged bank deposits		**87,912**	84,785
Bank balances and cash		**60,619**	68,873
		919,635	855,839
CURRENT LIABILITIES			
Trade and other payables	10	**29,690**	64,773
Contract liabilities		**13,324**	4,638
Lease liabilities/obligations under finance leases		**3,139**	52
Amount due to a related company		**50,000**	30,000
Amount due to a non-controlling shareholder of a subsidiary		**9,596**	8,845
Tax payable		**3,375**	2,967
Secured bank borrowings	11	**739,381**	646,788
Derivative liabilities		**511**	499
		849,016	758,562
NET CURRENT ASSETS		**70,619**	97,277
TOTAL ASSETS LESS CURRENT LIABILITIES		**767,020**	715,727

	Note	30.6.2019	31.12.2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
CAPITAL AND RESERVES			
Share capital		**47,847**	47,847
Reserves		**707,264**	664,080
Equity attributable to owners of the Company		**755,111**	711,927
Non-controlling interests		**(2,457)**	(1,059)
TOTAL EQUITY		**752,654**	710,868
NON-CURRENT LIABILITIES			
Deferred taxation		**4,870**	4,703
Lease Liabilities/obligations under finance lease		**9,496**	156
		14,366	4,859
		767,020	715,727

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"). The Company's functional currency is United State dollars ("**US$**"). The reason for selecting HK$ as its presentation currency is because majority of the Company's shareholders are located in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have 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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "Leases", and the related interpretations.

2.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

As a lessor

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

2.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 4.75% to 7.20%.

	Note	**At 1 January 2019** ***HK$'000***
Operating lease commitments disclosed as at 31 December 2018		**19,630**
Lease liabilities discounted at relevant incremental borrowing rates		**8,844**
Less: Recognition exemption – short-term leases		**(214)**
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019		**8,630**
Add: Obligations under finance leases recognised at 31 December 2018	*(b)*	**208**
Lease liabilities as at 1 January 2019		**8,838**
Analysed as		
Current		**1,032**
Non-current		**7,806**
		8,838

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Notes	Right-of-use assets HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		**8,630**
Reclassified from prepaid lease payments	*(a)*	**18,756**
Amounts included in property, plant and equipment under HKAS 17		
– Assets previously under finance leases	*(b)*	**260**
Adjustments on rental deposits at 1 January 2019	*(c)*	**304**
		27,950
By class:		
Leasehold lands		**26,182**
Leasehold lands and buildings		**585**
Motor vehicles		**260**
Factory buildings		**923**
		27,950

Notes:

a. Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$344,000 and HK$18,412,000, respectively were reclassified to right-of-use assets.

b. In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to HK$260,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK$208,000 to lease liabilities as current liabilities at 1 January 2019.

c. Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK$304,000 was adjusted to refundable rental deposits paid and right-of-use assets.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018 *HK$'000*	Adjustments *HK$'000*	**Carrying amounts under HKFRS 16 at 1 January 2019** ***HK$'000***
Non-current Assets			
Prepaid lease payments	18,412	(18,412)	**–**
Right-of-use assets	–	27,950	**27,950**
Property, plant and equipment	553,951	(260)	**553,691**
Current Assets			
Prepaid lease payments	344	(344)	**–**
Trade and other receivables	269,986	(304)	**269,682**
Current Liabilities			
Lease liabilities	–	1,032	**1,032**
Obligations under finance leases	52	(52)	**–**
Non-current Liabilities			
Lease liabilities	–	7,806	**7,806**
Obligations under finance leases	156	(156)	**–**

Note: For the purpose of reporting cash flows for the six months ended 30 June 2019, movements have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated. The application of HKFRS 16 has had no material impact on the Group's condensed consolidated financial statements for the six months ended 30 June 2019.

3. REVENUE AND SEGMENT INFORMATION

The chief executive officer of the Group, being the chief operating decision maker ("**CODM**"), regularly reviews revenue analysis by types of products, including wigs, hair accessories and others, high-end human hair extensions and Halloween products when making decisions about allocating resources and assessing performance of the Group. Other than revenue analysis, the CODM reviews the profit for the period of the Group as a whole to make decisions about performance assessment and resources allocation. The operation of the Group constitutes one single operating segment under HKFRS 8 "Operating Segments" and accordingly, no separate segment information is prepared.

No analysis of segment assets and segment liabilities is presented as the Groups' CODM does not regularly review such information.

Disaggregation of revenue

Group revenue by products

	Six months ended	
	30.6.2019	30.6.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Wigs, hair accessories and other	**260,609**	272,004
High-end human hair extensions	**86,422**	75,833
Halloween products	**28,311**	25,493
	375,342	373,330

Group revenue by location of delivery to customers

	Six months ended	
	30.06.2019	30.06.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
United States of America ("**USA**")	**308,909**	308,864
People's Republic of China ("**PRC**")	**6,625**	24,565
United Kingdom	**12,324**	15,415
Others	**47,484**	24,486
	375,342	373,330

All revenue is recognised at a point of time.

4. INCOME TAX (CREDIT) EXPENSE

	Six months ended	
	30.6.2019	30.6.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The taxation (credit) charge comprises:		
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**176**	61
Other jurisdictions	**183**	212
	359	273
Overprovision in prior years:		
Hong Kong	**(30)**	–
	329	273
Deferred tax:		
Current period	**(710)**	(79)
	(381)	194

During the six months ended 30 June 2019 and 2018, Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits of the qualifying group entity and 16.5% on the estimated assessable profits above HK$2 million. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group does not have assessable profits arising in Hong Kong for prior period.

The Group is engaged in manufacturing of hair products through several processing factories in the PRC under contract and import processing arrangement which is effective for both periods.

Accordingly, under such 50:50 onshore/offshore arrangement between the Group and the contract processing factories, certain profits of the Group are not taxable under Hong Kong Profits Tax for both periods.

Meanwhile, the profit derived under the import processing arrangement are treated as 100% taxable under Hong Kong Profits Tax for both periods. In addition, the processing factories of the Group are subject to PRC EIT at a rate of 25% on the actual profit generated in the PRC.

No Bangladesh income tax was provided in the condensed consolidated financial statements as one of the subsidiaries operating in Bangladesh is exempted from income tax for 10 financial years from the date of commencement of commercial operations (i.e. 10 May 2010) up to 2019 while the remaining entities in Bangladesh have no assessable profits for both periods.

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. For Japan, the applicable prevailing tax rate was 27% for both periods.

5. PROFIT FOR THE PERIOD

	Six months ended 30.6.2019 HK$'000 (Unaudited)	Six months ended 30.6.2018 HK$'000 (Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	**–**	140
Depreciation of property, plant and equipment	**17,865**	13,348
Depreciation of right-of-use assets	**429**	–
Total depreciation and amortisation	**18,294**	13,488
Interest income	**(186)**	(122)
Cost of inventories recognised as expense (included in cost of goods sold)	**249,720**	241,573
Short-term lease payments	**183**	–
Operating lease payments in respect of rented premises	**–**	2,065

6. DIVIDENDS

During the current interim period, a final dividend of HK2.50 cents per share in respect of the year ended 31 December 2018 was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK$15,375,000 (2018: HK$50,000,000).

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK1.0 cent per share amounting to HK$6,150,000 in aggregate (30 June 2018: HK4.20 cents per share amounting to HK$25,830,000 in aggregate) will be paid to the owners of the Company whose names appear in the Register of Members of the Company on Tuesday, 15 October 2019.

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	
	30.6.2019	30.6.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings attributable to owners of the Company:		
Earnings for the purpose of calculating basic and diluted earnings per share	**49,301**	52,065

	Six months ended	
	30.6.2019	30.6.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**610,999**	610,108
Effect of dilutive potential ordinary shares:		
Share awards scheme	**2,621**	4,892
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**613,620**	615,000

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current period, the Group spent HK$47,441,000 (for the six months ended 30 June 2018: HK$67,510,000 (unaudited)) on property, plant and equipment.

The Group's leasehold lands and buildings classified as property, plant and equipment were revalued by the third party qualified valuer engaged by the Company as at the end of the current interim period. The resulting revaluation surplus of HK$10,229,000 has been credited to the properties revaluation reserve during the six months ended 30 June 2019 (2018: revaluation surplus of HK$nil).

During the current period, the Group entered into new or renewed lease agreements for the use of leasehold lands and buildings ranging from 2 to 30 years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised HK$5,606,000 of right-of-use assets and HK$5,514,000 of lease liabilities.

9. TRADE AND OTHER RECEIVABLES

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**172,798**	162,473
Other receivables	**16,804**	19,645
Purchase rebate receivables	**15,779**	15,953
Other tax receivables	**563**	4,733
Prepayments	**15,789**	13,969
Deposits paid to suppliers	**114,429**	53,213
	336,162	269,986

The Group allows an average credit period of 90 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates.

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 60 days	**125,733**	119,487
61 – 90 days	**26,931**	27,579
91 – 120 days	**11,147**	10,895
Over 120 days	**8,987**	4,512
	172,798	162,473

10. TRADE AND OTHER PAYABLES

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**11,280**	38,582
Accrued staff costs	**12,312**	20,141
Accruals and other payables	**6,098**	6,050
	29,690	64,773

The following is an aged analysis of trade payables presented based on invoice date.

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 60 days	**11,280**	38,582

11. SECURED BANK BORROWINGS

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trust receipts loans and discounted bills	**310,082**	260,993
Mortgage and short term loan	**429,299**	385,795
	739,381	646,788

The carrying amounts of the borrowings are analysed as follows:

	30.6.2019	31.12.2018	**Interest rate**
	HK$'000	*HK$'000*	
	(Unaudited)	(Audited)	
HK$	**420,937**	357,486	Hong Kong Dollar Prime Rate minus 2.5% to Hong Kong Dollar Prime Rate plus 1% or Hong Kong Interbank Offered Rate ("**HIBOR**") plus 2.75%
US$	**318,444**	289,302	London Interbank Offered Rate ("**LIBOR**") plus 3%

Bank borrowings with repayment-on-demand clause are classified as current liabilities on the condensed consolidated statement of financial position.

The Group's bank borrowings are payable as follows:

	30.6.2019	31.12.2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank borrowings are repayable *(Note)*		
Within 1 year	**663,745**	546,953
After 1 year but within 2 years	**35,793**	58,251
After 2 years but within 5 years	**31,719**	32,341
After 5 years	**8,124**	9,243
Total bank borrowings	**739,381**	646,788
Comprising:		
Amounts due within one year shown under current liabilities and containing a repayment on demand clause	**663,745**	546,953
Amounts that are not repayable within one year from the end of the reporting period but containing a repayment on demand clause (shown under current liabilities)	**75,636**	99,835
Total	**739,381**	646,788

Note: The Group's secured bank borrowings were subject to variable interest rates based on Hong Kong Dollar Prime Rate, HIBOR and LIBOR. The range of effective interest rates during the period are from 2.95% to 4.75% (31 December 2018: 2.50% to 5.39%).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, revenue of the Group maintained while gross profit and net profit of the Group deteriorated due to the significant increment of minimum wages of workers in Bangladesh since December 2018. As disclosed in the announcement of the Company dated 27 December 2018, on 27 November 2018, the Bangladesh Export Processing Zone Authority issued a circular which requires all enterprises (including the Group) within the export processing zones in Bangladesh to increase the minimum gross wage (comprising basic wage (which accounts for approximately 60% of gross wage), housing and medical allowance) of their workers and apprentices with effect from 1 December 2018 (the "**2018 Increment**"). Contrary to the practice in the past few years under which the wages of workers within the Uttara Export Processing Zone in the Nilphamari district of Bangladesh would normally be subject to an annual increment equal to about 10% of their basic wages only, the 2018 Increment amounted to approximately 44.4% of the gross wages of the workers in that area. The Group believes that the 2018 Increment was exceptional and would not be recurring. The Group has gradually shifted the effect of wage increment to end-users by increasing the selling prices of existing products for new orders and marking up the prices for new items. The Group expects that the net effect of wage increment will decrease in the second half of 2019. During the Period, sales from the segment of high-end human hair extensions increased. The Group keeps focusing on high margin items.

Phase II construction of the Group's bleaching and dyeing complex in Bangladesh is in progress and is expected to complete in 2019. At the same time, the Group has further scaled down its production capacity in the People's Republic of China (the "**PRC**") due to the better saving of manufacturing costs in Bangladesh by benefiting from low labour costs.

OUTLOOK

In the second half of 2019, gross profit ratio and net profit ratio of the Group shall be positively affected by adjustments on the selling prices of existing products and launching of new styles of products. At the same time, the Group has stopped employing new workers inside the Uttara Export Processing Zone in Bangladesh but employs new workers at the Group's developing factory complex outside the zone. Costs of goods sold shall further decrease because the minimum wages of the workers outside the zone are lower than that of the workers within the zone. Besides, exports from Bangladesh are not subject to increased taxation as a result of the trade war between the PRC and the United States, which has had no direct impact on the Group, and many new orders received have been indirectly shifted from other market players. Hence, financial performance of the Group in the second half of the year is expected to restore to the original upward trend.

The Group expects that the construction of new facilities in Bangladesh will continue in full speed until the end of 2019 but will slow down afterwards. Planned addition of gross floor area to the production facilities in Bangladesh is around 100,000 square metres. Training to different levels of workers especially in relation to human hair products is in full swing now. The Group has integrated its bleaching and dyeing complex and the Group's human hair production technique with its existing facilities in Bangladesh to enhance the utilisation of the Group's production facilities in Bangladesh (the "**Bangladesh Factory**").

With full support from the Bangladesh Factory, the Group keeps on setting up more sales offices in other Asian countries for selling high-end human hair extensions under self-owned brands with an aim to keep boosting sales and profit margins. The Group also searches for opportunities to integrate with some one-stop hair care centres which specialise in providing tailor-made toupees to treat hair loss in Asian countries such as the PRC and Japan. These plans of downstream integration are expected to boost the Group's gross profit margin and net profit to next level.

FINANCIAL REVIEW

During the Period, the Group's financial results improved compared with the same period in 2018, primarily due to the improved sales revenue and profitability growth powered by an increase in economies of scale at the Bangladesh Factory.

Revenue

Revenue of the Group is mainly generated from the manufacturing and sale of its products. Revenue represents the amount received by the Group and the receivables from the sale 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$375.3 million, representing an increase of HK$2.0 million, or 0.5%, as compared to HK$373.3 million for the corresponding period in 2018. The increase was primarily due to the result of long-standing stable business relationships with the Group's existing clients and the strong overall market demand for its wig and hair products. During the Period, market demand for the Group's wig products continued to grow, and such demand was satisfied by the rapid increase in production capacity at the Bangladesh Factory. The Bangladesh Factory, which has consistent enhancement in its production capabilities and continued to steadily develop during the Period, remained as the main revenue source of the Group, facilitating its profitability growth. During the Period, the revenue generated from hair goods made at the Bangladesh Factory accounted for 92.1% of the Group's total revenue as compared to 89.5% for the corresponding period in 2018.

The United States of America 2 per segment report remained to be the Group's principal market during the Period with revenue contribution accounting for 82.3% of the Group's total revenue during the Period as compared to 82.7% for the corresponding period in 2018. In terms of product segment, wigs, hair accessories and others remained as the Group's key product segment accounting for 69.4% of its total revenue during the Period as compared to 72.9% for the corresponding period in 2018.

Wigs, hair accessories and others. Revenue for wigs, hair accessories and others decreased by HK$11.4 million, or 4.2%, from HK$272.0 million for the six months ended 30 June 2018 to HK$260.6 million for the Period. The decrease was primarily due to the netting off effect of: (i) a significant decrease in sales of special braid items, which were one of the popular products in the past years; and (ii) the continual increase in sales of high margin products such as lace wigs.

High-end human hair extensions. Revenue for high-end human hair extensions increased by HK$10.6 million, or 14.0%, from HK$75.8 million for the six months ended 30 June 2018 to HK$86.4 million for the Period, primarily due to higher sales volume driven by increased production of the Bangladesh Factory.

Halloween products. Revenue for Halloween products increased by HK$2.8 million, or 11.0%, from HK$25.5 million for the six months ended 30 June 2018 to HK$28.3 million for the Period, primarily due to higher sales volume and higher average selling prices of the Halloween products during the Period as compared to the corresponding period in 2018.

Cost of Goods Sold

The Group's cost of goods sold increased by HK$8.1 million, or 3.4%, from HK$241.6 million for the six months ended 30 June 2018 to HK$249.7 million for the Period, primarily due to an increase in sales during the Period.

Wigs, hair accessories and others. Cost of goods sold for wigs, hair accessories and others decreased by HK$2.2 million, or 1.2%, from HK$185.1 million for the six months ended 30 June 2018 to HK$182.9 million for the Period, corresponding with a decrease in sales of such products during the Period.

High-end human hair extensions. Cost of goods sold for the high-end human hair extensions increased by HK$9.9 million, or 26.2%, from HK$37.8 million for the six months ended 30 June 2018 to HK$47.7 million for the Period. The increase was in line with an increase in revenue from this segment.

Halloween products. Cost of goods sold for the Halloween products slightly increased by HK$0.4 million, or 2.1%, from HK$18.7 million for the six months ended 30 June 2018 to HK$19.1 million for the Period. The increase was in line with the increased sales volume of Halloween products during the Period.

Gross Profit

During the Period, the Group's gross profit amounted to HK$125.6 million, representing a decrease of HK$6.1 million, or 4.6%, as compared to HK$131.7 million for the corresponding period in 2018, primarily due to a significant increase in workers' minimum wages in Bangladesh since December 2018. During the Period, the Group's gross profit margin was 33.5%, representing a decrease of 1.8% from 35.3% for the corresponding period in 2018.

Wigs, hair accessories and others. Gross profit for wigs, hair accessories and others decreased by HK$9.2 million, or 10.6%, from HK$86.9 million for the six months ended 30 June 2018 to HK$77.7 million for the Period. Gross profit margin for wigs, hair accessories and others decreased from 32.0% for the six months ended 30 June 2018 to 29.8% for the Period, primarily due to a significant increase in workers' minimum wages in Bangladesh.

High-end human hair extensions. Gross profit for high-end human hair extensions increased by HK$0.7 million, or 1.8%, from HK$38.0 million for the six months ended 30 June 2018 to HK$38.7 million for the Period. Gross profit margin for high-end human hair extensions decreased from 50.1% for the six months ended 30 June 2018 to 44.8% for the Period, as a result of an increase in workers' minimum wages in Bangladesh.

Halloween products. Gross profit for Halloween products increased by HK$2.4 million, or 35.3%, from HK$6.8 million for the six months ended 30 June 2018 to HK$9.2 million for the Period, in line with an increase in revenue from the segment during the Period. Gross profit margin for Halloween products increased from 26.7% for the six months ended 30 June 2018 to 32.5% for the Period, primarily due to an increase in average selling prices of Halloween products during the Period.

Other Income

Other income increased by HK$0.5 million, or 71.4%, from HK$0.7 million for the six months ended 30 June 2018 to HK$1.2 million for the Period, primarily due to an increase in income from warehouse rentals and an increase in interest income during the Period.

Other Gains and Losses

Other gains and losses increased by HK$3.5 million, or 388.9%, from losses of HK$0.9 million for the six months ended 30 June 2018 to gains of HK$2.6 million for the Period, primarily due to a decrease in net foreign exchange losses and an increase in interests earned from certain key-man life insurance contracts for one of the Directors during the Period.

Distribution and Selling Expenses

Distribution and selling expenses decreased by HK$3.1 million, or 35.2%, from HK$8.8 million for the six months ended 30 June 2018 to HK$5.7 million for the Period, primarily due to a decrease in shipping expenses in respect of the sales conducted during the Period.

Administrative Expenses

Administrative expenses increased by HK$3.8 million, or 6.1%, from HK$62.4 million for the six months ended 30 June 2018 to HK$66.2 million for the Period, primarily due to an increase in depreciation charges, staff salary and corresponding pension payments during the Period.

Other Expenses

Other expenses increased by HK$0.2 million, or 50.0%, from HK$0.4 million for the six months ended 30 June 2018 to HK$0.6 million for the Period, primarily due to an increase in donation made by the Group from HK$0.4 million for the six months ended 30 June 2018 to HK$0.6 million for the Period.

Finance Costs

Finance costs increased by HK$1.3 million, or 16.3%, from HK$8.0 million for the six months ended 30 June 2018 to HK$9.3 million for the Period. During the Period, the Group capitalised interest on bank borrowings of HK$7.4 million as cost of qualifying assets (30 June 2018: HK$2.8 million). Without such capitalisation, the increase in finance costs for the Period was HK$5.9 million, or 54.6%, as compared with the corresponding period in 2018, primarily due to an increase in bank borrowings.

Taxation

Income tax expense of the Group decreased by HK$0.6 million, or 300.0%, from expense of HK$0.2 million for the six months ended 30 June 2018 to a reverse of taxation of HK$0.4 million for the Period, primarily due to a reversal of deferred tax provided in the prior years.

Net Profit

The Group's net profit for the Period was HK$47.9 million, representing a decrease of HK$3.8 million, or 7.4%, as compared to HK$51.7 million for the corresponding period in 2018, primarily attributable to the significant increment of minimum wages of workers in Bangladesh since December 2018.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's bank balances, pledged bank deposits and cash decreased by 3.4% from HK$153.7 million as at 31 December 2018 to HK$148.5 million as at 30 June 2019. The decrease in cash and bank balances for the Period was primarily due to the utilisation of part of the proceeds from the listing for construction payments and operating expense such as salary and utilities payment with regard to the Bangladesh Factory during the Period.

The Group's trade and other receivables increased by 24.5% from HK$270.0 million as at 31 December 2018 to HK$336.2 million as at 30 June 2019. The increase was primarily due to an increase in deposits paid to suppliers especially human hair suppliers as a result of the Group's further expansion of human hair production in the Bangladesh Factory during the Period. Purchase prices of human hair are generally higher than that of synthetic fibres.

Borrowings and Gearing Ratio

As at 30 June 2019, the Group's banking facilities amounted to HK$754.2 million, of which HK$14.8 million remained unutilised. As at 30 June 2019, the gearing ratio of the Group, which is equivalent to total interest-bearing debt (including secured bank borrowings and obligations under finance leases) divided by total equity, was 98.2% as compared to 91.0% as at 31 December 2018. 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$68.8 million (including interest on bank borrowings of HK$7.4 million capitalised as the cost of qualifying assets) on additions to fixed assets as compared to HK$70.3 million (including interest on bank borrowings of HK$2.8 million capitalised as the cost of qualifying assets) for the corresponding period in 2018 mainly to further upgrade and expand its manufacturing capabilities in Bangladesh. As at 30 June 2019, the Group had no capital commitment.

Foreign Exchange Risk

The Group has sales and purchases denominated in foreign currencies, such as U.S. dollars and Renminbi, which expose the Group to foreign currency risk. The Group mainly operates in the 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 U.S. dollars. With increased production of the Group in Bangladesh (revenue contributed by the Bangladesh Factory having increased to 92.1% during the Period (30 June 2018: 89.5%)) and U.S. dollars being the main foreign currency used in the operations in Bangladesh and Hong Kong, the use of U.S. 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 U.S. 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.

For the Period, the Group had certain outstanding foreign currency forward contracts to buy U.S. dollars to hedge against any fluctuation in the exchange rate of U.S. dollars.

Contingent Liabilities

As at 30 June 2018 and 2019, the Group did not have any material contingent liabilities.

Pledge of Assets

As at 30 June 2019, the Group's banking facilities were secured by:

(a) a pledge of the Group's bank deposits of approximately HK$87.9 million;

(b) a negative pledge on the assets of the Group's subsidiaries in the PRC and Bangladesh;

(c) insurance contracts entered for one of the Directors; and

(d) the Group's lands and buildings in Hong Kong.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group employed a total of (i) 18,513 employees in Bangladesh, as compared to 18,046 as at 30 June 2018, (ii) 431 employees in the PRC, as compared to 679 as at 30 June 2018, (iii) 64 employees in Hong Kong, as compared to 65 as at 30 June 2018, and (iv) a total of 29 employees in Japan, the United States, Thailand and Ukraine, as compared to a total of 8 in Japan and the United States as at 30 June 2018.

Total employee expenditures during the Period amounted to HK$153.0 million (including value of employee services of HK$1.4 million in respect of the share awards granted under the share award scheme adopted by the Company on 11 December 2017 (the "**Share Award Scheme**")) as compared to HK$129.1 million (including value of employee services of HK$3.0 million in respect of the share awards granted under the Share Award Scheme during the Period) for the corresponding period in 2018. 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 2019, no option has been granted or agreed to be granted under the share option scheme.

SHARE AWARD SCHEME

On 11 December 2017, the Company adopted the Share Award Scheme in which employees of the Group are entitled to participate.

The specific objectives of the Share Award Scheme are (i) to recognise the contributions by certain employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Share Award Scheme will remain in force for a period of 10 years commencing on its adoption date. The maximum number of Shares issuable pursuant to the Share Award Scheme is 6,150,000 Shares, being 1% of the total issued Shares on its adoption date. Details of the Share Award Scheme are set out in the announcement of the Company dated 11 December 2017.

Since the adoption date and up to 30 June 2019, the Company had granted a total of 5,333,334 Shares under the Share Award Scheme, representing approximately 0.87% of the total issued Shares as at 30 June 2019.

As at 30 June 2019, the trustee of the Share Award Scheme held a total of 4,001,000 Shares, of which 3,929,667 Shares had been granted to certain Directors, senior management and employees of the Company and 71,333 Shares remained ungranted. The ungranted Shares remain as trust fund and will be used for grant of share awards in future.

As at the date of this announcement, the trustee of the Share Award Scheme has transferred a total of 1,735,000 Shares upon vesting of such Shares in certain grantees.

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, 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 2019.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

On 13 July 2019, 1,735,000 Shares out of the 3,929,667 Shares granted by the Company under the Share Award Scheme vested in five Directors and certain senior management and employees.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK1.0 cent per Share for the Period (30 June 2018: HK4.2 cents), totaling approximately HK$6.2 million based on a total of 615,000,000 Shares in issue as at the date of this announcement.

The dividend payout ratio has decreased from 49.9% for the six months ended 30 June 2018 to 12.9% for the Period due to the Group's decision to deploy sufficient funding and liquidity resources for future expenditure plans.

The interim dividend will be payable on Monday, 21 October 2019 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 15 October 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Friday, 11 October 2019 to Tuesday, 15 October 2019, both dates 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 10 October 2019.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining 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 14 to 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 A.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 A.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 and 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 in 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 10 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 Deloitte Touche Tohmatsu, 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, 28 August 2019

As at the date of this announcement, the executive Directors are Mr. Chang Yoe Chong Felix, Mr. Kwok Yau Lung Anthony, Mr. Chan Kwok Keung, Mr. Hui Wing Ki, Ms. Jia Ziying and Mr. Li Yanbo; the non-executive Directors are Mr. Chan Lau Yui Kevin and Mr. Chan Hoi Sing Harold; and the independent non-executive Directors are Mr. Lau Ip Keung Kenneth, Mr. Sin Hendrick, Dr. Yung Bruce Pak Keung, Mr. Szeto Yuk Ting and Ir. Cheung Siu Wa.