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## **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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the Year amounted to HK\$1,044.3 million, representing a slight increase of 2.7% from HK\$1,016.4 million for the year ended 31 December 2024.
- Gross profit margin for the Year was 23.3%, representing a decrease of 0.7 percentage points from 24.0% for the year ended 31 December 2024.
- Net profit for the Year amounted to HK\$30.8 million, representing a decrease of 22.6% from a net profit of HK\$39.7 million for the year ended 31 December 2024.
- Basic earnings per Share attributable to equity shareholders of the Company for the Year were approximately HK5 cents (2024: approximately HK6 cents), representing a decrease of approximately 21.9%, as compared with the year ended 31 December 2024. No diluted earnings per Share attributable to equity shareholders of the Company were presented for the Year.
- As at 31 December 2025, the gearing ratio of the Group, which is equivalent to total interest-bearing debt (including secured bank and other borrowings and lease liabilities) divided by total equity, was 77.2% as compared to 72.1% as at 31 December 2024.
- The Board has recommended the payment of a final dividend of HK2.7 cents per Share for the Year, plus the interim dividend of HK2.0 cents per Share already declared and paid, making a total dividend of HK4.7 cents per Share (2024: final dividend of HK2.8 cents per Share and interim dividend of HK3.0 cents per Share). The dividend payout ratio for the Year was approximately 97.2% (2024: 95.1%).

## CONSOLIDATED ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Evergreen Products Group Limited (the “**Company**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) as set out below:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

|   | <i>Notes</i> | <b>2025</b><br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue   | 4            | <b>1,044,286</b>               | 1,016,362               |
| Cost of sales   |              | <b>(800,988)</b>               | (772,826)               |
| Gross profit  |              | <b>243,298</b>                 | 243,536                 |
| Other income  | 5            | <b>6,568</b>                   | 7,924                   |
| Other (losses) gains, net   | 6            | <b>(354)</b>                   | 4,683                   |
| Impairment losses recognised on trade receivables under expected credit loss model, net of reversal |              | <b>(679)</b>                   | (1,354)                 |
| Administrative expenses   |              | <b>(137,908)</b>               | (132,458)               |
| Distribution and selling expenses   |              | <b>(28,883)</b>                | (27,017)                |
| Other expenses  | 7            | <b>(1,403)</b>                 | (162)                   |
| Finance costs   | 8            | <b>(34,139)</b>                | (42,440)                |
| Profit before tax   | 9            | <b>46,500</b>                  | 52,712                  |
| Income tax expenses   | 10           | <b>(15,746)</b>                | (12,986)                |
| Profit for the year   |              | <b>30,754</b>                  | 39,726                  |
| Other comprehensive (loss) income for the year:   |              |                                |                         |
| <i>Items that will not be reclassified to profit or loss:</i>                                       |              |                                |                         |
| Deficit on revaluation of properties  |              | <b>(15,291)</b>                | (14,138)                |
| Deferred tax arising from revaluation of properties   |              | <b>1,262</b>                   | 1,166                   |
|   |              | <b>(14,029)</b>                | (12,972)                |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                               |              |                                |                         |
| Exchange differences arising from translation of foreign operations                                 |              | <b>(673)</b>                   | (34,760)                |
| Total other comprehensive loss for the year   |              | <b>(14,702)</b>                | (47,732)                |
| Total comprehensive income (loss) for the year  |              | <b>16,052</b>                  | (8,006)                 |

|  | <i>Notes</i> | <b>2025</b><br><b>HK\$'000</b> | 2024<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Profit (Loss) for the year attributable to:              |              |                                |                         |
| Owners of the Company                                    |              | <b>30,682</b>                  | 39,916                  |
| Non-controlling interests                                |              | <b>72</b>                      | (190)                   |
|  |              | <u><b>30,754</b></u>           | <u>39,726</u>           |
| <br>   |              |                                |                         |
| Total comprehensive income (loss) attributable to:       |              |                                |                         |
| Owners of the Company                                    |              | <b>16,545</b>                  | (7,345)                 |
| Non-controlling interests                                |              | <b>(493)</b>                   | (661)                   |
|  |              | <u><b>16,052</b></u>           | <u>(8,006)</u>          |
| <br>   |              |                                |                         |
| Earnings per share attributable to owners of the Company |              |                                |                         |
| – Basic and diluted ( <i>HK\$</i> )                      | 12           | <u><b>0.05</b></u>             | <u>0.06</u>             |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

|  |              | 2025            | 2024            |
|--|--------------|-----------------|-----------------|
|  | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current assets   |              |                 |                 |
| Property, plant and equipment                                  | 13           | <b>504,926</b>  | 532,459         |
| Investment properties  | 13           | <b>15,211</b>   | 14,564          |
| Goodwill   |              | –               | 575             |
| Customer relationship  |              | –               | 310             |
| Financial assets at fair value through profit<br>or loss       |              | <b>46,162</b>   | 44,766          |
| Non-current deposits   | 14           | <b>13,983</b>   | 10,238          |
|  |              | <b>580,282</b>  | 602,912         |
| Current assets   |              |                 |                 |
| Inventories  |              | <b>510,805</b>  | 488,501         |
| Trade and other receivables                                    | 14           | <b>321,254</b>  | 264,769         |
| Tax recoverable  |              | <b>9,471</b>    | 4,360           |
| Pledged bank deposits  |              | <b>59,298</b>   | 58,685          |
| Cash and cash equivalents                                      |              | <b>98,385</b>   | 115,712         |
|  |              | <b>999,213</b>  | 932,027         |
| Current liabilities  |              |                 |                 |
| Trade and other payables                                       | 15           | <b>155,514</b>  | 135,328         |
| Contract liabilities   | 16           | <b>6,122</b>    | 2,958           |
| Amount due to a related company                                |              | <b>16,043</b>   | 8,184           |
| Amount due to a non-controlling shareholder of<br>a subsidiary |              | <b>2,473</b>    | 2,471           |
| Tax payables   |              | <b>14,460</b>   | 11,502          |
| Secured bank and other borrowings                              | 17           | <b>551,036</b>  | 507,156         |
| Lease liabilities  |              | <b>2,356</b>    | 1,318           |
|  |              | <b>748,004</b>  | 668,917         |
| Net current assets   |              | <b>251,209</b>  | 263,110         |
| Total assets less current liabilities                          |              | <b>831,491</b>  | 866,022         |

|  | <i>Notes</i> | <b>2025</b><br><b>HK\$'000</b> | 2024<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Capital and reserves                         |              |                                |                         |
| Share capital                                | 18           | <b>49,495</b>                  | 50,311                  |
| Reserves                                     |              | <b>729,821</b>                 | 749,828                 |
|  |              | <hr/>                          | <hr/>                   |
| Equity attributable to owners of the Company |              | <b>779,316</b>                 | 800,139                 |
| Non-controlling interests                    |              | <b>(5,402)</b>                 | (4,909)                 |
|  |              | <hr/>                          | <hr/>                   |
| Total equity                                 |              | <b>773,914</b>                 | 795,230                 |
|  |              | <hr/>                          | <hr/>                   |
| Non-current liabilities                      |              |                                |                         |
| Deferred tax liabilities                     |              | <b>8,686</b>                   | 6,905                   |
| Secured bank and other borrowings            | 17           | <b>38,961</b>                  | 55,176                  |
| Lease liabilities                            |              | <b>9,930</b>                   | 8,711                   |
|  |              | <hr/>                          | <hr/>                   |
|  |              | <b>57,577</b>                  | 70,792                  |
|  |              | <hr/>                          | <hr/>                   |
|  |              | <b>831,491</b>                 | 866,022                 |
|  |              | <hr/> <hr/>                    | <hr/> <hr/>             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1. GENERAL INFORMATION

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

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

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

### 2. PRINCIPAL ACCOUNTING POLICIES

#### Adoption of revised HKFRS Accounting Standards

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

#### *Amendments to HKAS 21 Lack of Exchangeability*

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### 3. BASIS OF PREPARATION

The consolidated annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year as set out below.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), rounded to the nearest thousand (“HK\$’000”) 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\$”).

### 4. SEGMENT INFORMATION AND REVENUE

The chief executive officer of the Company, being the chief operating decision maker, 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. No other discrete financial information is provided other than the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

#### Geographical information

Revenue from the external customers, based on the location of delivery to customers are as follows:

|  | Revenue from external customers |                  |
|--|---------------------------------|------------------|
|  | 2025                            | 2024             |
|  | HK\$’000                        | HK\$’000         |
| The United States of America (the “USA”)   | 917,643                         | 929,647          |
| The People’s Republic of China (the “PRC”) | 35,332                          | 10,574           |
| The United Kingdom (the “UK”)              | 45,414                          | 29,679           |
| Germany                                    | 20,710                          | 30,344           |
| Japan                                      | 4,204                           | 6,482            |
| Others                                     | 20,983                          | 9,636            |
|  | <u>1,044,286</u>                | <u>1,016,362</u> |

## Disaggregation of revenue from contracts with customers within HKFRS 15

|                                   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-----------------------------------|-------------------------|-------------------------|
| <b>Group revenue by products</b>  |                         |                         |
| Wigs, hair accessories and others | 979,004                 | 882,063                 |
| High-end human hair extensions    | 38,194                  | 109,678                 |
| Halloween products                | 27,088                  | 24,621                  |
|                                   | <u>1,044,286</u>        | <u>1,016,362</u>        |

An analysis of the Group's non-current assets, including property, plant and equipment, and investment properties by their physical geographical location is as follows:

|            | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|------------|-------------------------|-------------------------|
| Bangladesh | 401,692                 | 407,112                 |
| Hong Kong  | 53,251                  | 72,137                  |
| The PRC    | 33,263                  | 37,342                  |
| The USA    | 20,276                  | 20,217                  |
| Japan      | 1,903                   | 1,917                   |
| Thailand   | 7,563                   | 7,048                   |
| The UK     | 2,189                   | 1,250                   |
|            | <u>520,137</u>          | <u>547,023</u>          |

## Information about major customers

Revenue from the external customers of the corresponding years contributing over 3% of the total revenue of the Group are as follows:

|                         | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------------------|-------------------------|-------------------------|
| Customer A <sup>1</sup> | 334,097                 | 384,370                 |
| Customer B <sup>1</sup> | 245,146                 | 206,358                 |
| Customer C              | 103,385                 | 89,877                  |
| Customer D              | 33,625                  | 74,907                  |
| Customer E              | 27,674                  | 31,648                  |

<sup>1</sup> The owner of Customer A is a relative of the owner of Customer B.

All revenue is recognised at a point in time and at fixed price. Revenue recognised during the years ended 31 December 2025 and 2024 that was included in the contract liabilities balance at the beginning of the year amounted to approximately HK\$2,958,000 (2024: HK\$10,832,000).

**5. OTHER INCOME**

|                      | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|----------------------|-------------------------|-------------------------|
| Bank interest income | 1,666                   | 2,677                   |
| Rental income        | 1,422                   | 1,715                   |
| Sundry income        | 3,480                   | 3,532                   |
|                      | <u>6,568</u>            | <u>7,924</u>            |

**6. OTHER (LOSSES) GAINS, NET**

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Fair value gain on financial assets at FVTPL, net     | 1,397                   | 2,266                   |
| Loss on disposal of property, plant and equipment     | (634)                   | (30)                    |
| Gain on early termination of a lease                  | 43                      | –                       |
| Exchange (loss) gain, net                             | (117)                   | 2,547                   |
| Fair value loss on investment properties              | (158)                   | (100)                   |
| Impairment loss on goodwill and customer relationship | (885)                   | –                       |
|   | <u>(354)</u>            | <u>4,683</u>            |

**7. OTHER EXPENSES**

|                   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------------|-------------------------|-------------------------|
| Donation expenses | 1,403                   | 162                     |

**8. FINANCE COSTS**

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interest on bank and other borrowings       | 31,533                  | 40,020                  |
| Interest on amount due to a related company | 319                     | 258                     |
| Interest on lease liabilities               | 812                     | 694                     |
| Others                                      | 1,475                   | 1,468                   |
|   | <u>34,139</u>           | <u>42,440</u>           |

## 9. PROFIT BEFORE TAX

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| This is stated after charging:   |                         |                         |
| <b>Staff cost, including directors' remuneration</b>   |                         |                         |
| Salaries, wages, allowance and other employee benefits   | 400,808                 | 349,902                 |
| Retirement benefits scheme contributions   | 4,697                   | 4,787                   |
|  | <hr/>                   | <hr/>                   |
| Total staff costs (charged to "Cost of sales", "Administrative expenses", "Distribution and selling expenses" and "Inventories", as appropriate) | <b>405,505</b>          | 354,689                 |
|  | <hr/> <hr/>             | <hr/> <hr/>             |
| <b>Other items</b>   |                         |                         |
| Cost of inventories sold   | 800,988                 | 772,826                 |
| Auditors' remuneration   |                         |                         |
| – audit services   | 1,700                   | 2,700                   |
| – other services   | 400                     | 800                     |
| Depreciation (charged to "Cost of sales", "Administrative expenses", "Distribution and selling expenses" and "Inventories", as appropriate)      | 34,154                  | 38,071                  |
|  | <hr/> <hr/>             | <hr/> <hr/>             |

## 10. INCOME TAX EXPENSES

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| The income tax expenses comprises:                |                         |                         |
| Current tax:                                      |                         |                         |
| Hong Kong   | 180                     | 40                      |
| The PRC   | 1,189                   | 433                     |
| Bangladesh  | 10,567                  | 9,369                   |
| Other jurisdictions                               | 268                     | 82                      |
|   | <hr/>                   | <hr/>                   |
|   | <b>12,204</b>           | 9,924                   |
|   | <hr/>                   | <hr/>                   |
| (Over) Under-provision in prior years:            |                         |                         |
| Hong Kong   | (369)                   | 1                       |
| The PRC   | –                       | 56                      |
| Bangladesh  | 61                      | 1,649                   |
|   | <hr/>                   | <hr/>                   |
|   | <b>(308)</b>            | 1,706                   |
|   | <hr/>                   | <hr/>                   |
|   | <b>11,896</b>           | 11,630                  |
|   | <hr/>                   | <hr/>                   |
| Deferred tax:                                     |                         |                         |
| Origination and reversal of temporary differences | 3,850                   | 1,356                   |
|   | <hr/>                   | <hr/>                   |
|   | <b>15,746</b>           | 12,986                  |
|   | <hr/> <hr/>             | <hr/> <hr/>             |

## 11. DIVIDENDS

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Dividends for ordinary shareholders of the Company recognised as distribution during the year: |                         |                         |
| 2025 interim dividend of HK2.0 cents (2024: HK3.0 cents) per share                             | 12,724                  | 19,412                  |
| 2024 final dividend of HK2.8 cents (2024: 2023 final dividend of HK2.9 cents) per share        | <u>18,107</u>           | <u>19,000</u>           |
|  | <u><b>30,831</b></u>    | <u><b>38,412</b></u>    |

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK2.7 cents per ordinary share, in an aggregate amount of approximately HK\$17,177,000 (2024: HK2.8 cents per ordinary share, in an aggregate amount of approximately HK\$18,107,000), has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting of the Company.

## 12. 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:

|  | 2025                      | 2024                      |
|--|---------------------------|---------------------------|
| Profits attributable to owners of the Company:   |                           |                           |
| Profits for the purpose of calculating basic and diluted earnings per share ( <i>HK\$'000</i> )                | <u><b>30,682</b></u>      | <u><b>39,916</b></u>      |
| Number of shares:  |                           |                           |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share | <u><b>640,379,000</b></u> | <u><b>652,727,000</b></u> |

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. No diluted earnings per share is presented as there were no dilutive potential ordinary shares in issue for the years ended 31 December 2025 and 2024.

### 13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the year ended 31 December 2025, the Group acquired property, plant and equipment of approximately HK\$30,176,000 (2024: HK\$33,894,000).

The Group's industrial buildings, offices and car parks classified as property, plant and equipment were revalued by the independent professional valuer engaged by the Group as at the end of the reporting period. The resulting revaluation decrease of approximately HK\$15,291,000 (2024: HK\$14,138,000) has been charged to the property revaluation reserve for the year ended 31 December 2025.

During the year ended 31 December 2025, the Group leases leasehold lands, leased properties, motor vehicles and factory buildings for its operations. Lease contracts were entered into for fixed term of 2 to 30 years (2024: 2 to 30 years). The Group is required to make fixed monthly payment. In addition, lease liabilities of approximately HK\$12,286,000 (2024: HK\$10,029,000) are recognised with related right-of-use assets of approximately HK\$11,051,000 (2024: HK\$9,158,000) at 31 December 2025.

### 14. TRADE AND OTHER RECEIVABLES

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables from third parties                      | 249,240                 | 211,491                 |
| Less: Loss allowance                                      | <u>(2,033)</u>          | <u>(1,354)</u>          |
|   | 247,207                 | 210,137                 |
| Other receivables   | 15,737                  | 19,330                  |
| Consideration receivables from disposal of subsidiaries   | –                       | 8,497                   |
| Other tax receivables                                     | 1,359                   | 5,409                   |
| Prepayments   | 24,730                  | 8,555                   |
| Deposits paid to suppliers                                | 32,221                  | 12,841                  |
| Deposits for acquisition of property, plant and equipment | 13,015                  | 9,429                   |
| Property rental deposits                                  | <u>968</u>              | <u>809</u>              |
|   | <u><b>335,237</b></u>   | <u><b>275,007</b></u>   |
| Analysis for reporting purpose as:                        |                         |                         |
| Non-current assets  | 13,983                  | 10,238                  |
| Current assets  | <u>321,254</u>          | <u>264,769</u>          |
|   | <u><b>335,237</b></u>   | <u><b>275,007</b></u>   |

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

|               | <b>2025</b>     | 2024            |
|---------------|-----------------|-----------------|
|               | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0 – 60 days   | <b>172,372</b>  | 147,064         |
| 61 – 90 days  | <b>38,865</b>   | 37,026          |
| 91 – 120 days | <b>11,757</b>   | 11,632          |
| Over 120 days | <b>24,213</b>   | 14,415          |
|               | <b>247,207</b>  | 210,137         |

The Group normally allows a credit period within 30 to 90 days (2024: within 30 to 90 days) to its customers. A longer credit period may be granted to large or long-established customers with good payment history.

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality, and the board of directors has delegated the management of the Group to be responsible for determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically.

At 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$46,177,000 (2024: HK\$38,407,000) are past due at the reporting date. Out of the past due balance, approximately HK\$6,415,000 (2024: HK\$8,070,000) has been past due 90 days or more and is not considered as in default due to long and on-going business relationship and good repayment record from these customers.

The Group does not hold any collateral over the balances.

Most of the Group's trade receivables are denominated in functional currency of the relevant group entities.

## 15. TRADE AND OTHER PAYABLES

|                             | <b>2025</b>     | 2024            |
|-----------------------------|-----------------|-----------------|
|                             | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trade payables              | <b>73,552</b>   | 61,418          |
| Accrued staff costs         | <b>41,781</b>   | 36,162          |
| Accruals and other payables | <b>26,559</b>   | 21,869          |
| Other employee liabilities  | <b>13,622</b>   | 15,879          |
|                             | <b>155,514</b>  | 135,328         |

Credit period on purchases of goods is granted up to 120 days (2024: up to 120 days) but the Group will normally settle within 60 days.

The following is an ageing analysis of trade payables presented based on invoice date at the end of each reporting period:

|                               | <b>2025</b>     | 2024     |
|-------------------------------|-----------------|----------|
|                               | <b>HK\$'000</b> | HK\$'000 |
| 0 – 60 days                   | <b>30,291</b>   | 27,304   |
| 61 – 120 days                 | <b>830</b>      | 2        |
| Over 120 days ( <i>Note</i> ) | <b>42,431</b>   | 34,112   |
|                               | <b>73,552</b>   | 61,418   |

*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.

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. (2024: trade payables and related interest for late payment amounted to approximately RMB26,395,000 (equivalent to approximately HK\$27,981,000) and RMB2,244,000 (equivalent to approximately HK\$2,448,000), 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). (2024: right-of-use assets and other property, plant and equipment being frozen are approximately RMB4,134,000 (equivalent to approximately HK\$4,383,000) and approximately RMB2,050,000 (equivalent to approximately HK\$2,173,000), respectively.)

## 16. CONTRACT LIABILITIES

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the years ended 31 December 2025 and 2024 are as follows:

|  | <b>2025</b>     | 2024     |
|--|-----------------|----------|
|  | <b>HK\$'000</b> | HK\$'000 |
| At the beginning of the reporting period | <b>2,958</b>    | 10,832   |
| Receipt in advanced payments             | <b>6,122</b>    | 2,958    |
| Revenue recognised                       | <b>(2,958)</b>  | (10,832) |
| At the end of the reporting period       | <b>6,122</b>    | 2,958    |

The increase in contract liabilities as at 31 December 2025 was mainly due to the increase in the contract activities regarding the sales of hair products.

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

## Performance obligation for contracts with customers

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the designated location (delivery). The normal credit period is 30–90 days upon delivery. Transportation and handling activities that occur before the customer obtains control are considered as fulfilment activities.

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of production, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives 30% to 50% deposit on acceptance of new customers' order. A contract liability is recognised for receipt in advance for sales in which revenue has yet been recognised.

## 17. SECURED BANK AND OTHER BORROWINGS

During the year ended 31 December 2025, the Group obtained new bank and other borrowings amounting to approximately HK\$914,331,000 (2024: HK\$1,085,288,000) and repaid bank and other borrowings of approximately HK\$898,865,000 (2024: HK\$1,076,316,000). Proceeds from new borrowings were used to finance the general operating activities and construction of production facilities of the Group. At 31 December 2025, the bank and other borrowings arranged at variable rate are with average effective interest rates ranging from approximately 3.25% to 8.20% (2024: 2.90% to 7.59%) per annum. The bank and other borrowings arranged at fixed rate are with interest rates ranging from approximately 0.90% to 4.25% (2024: 0.90% to 4.25%) per annum.

## 18. SHARE CAPITAL OF THE COMPANY

|  | Number of<br>ordinary<br>shares of<br>US\$0.01 each | Share capital       |                      |
|--|---|---------------------|----------------------|
|  |   | US\$'000            | HK\$'000             |
| Authorised:  |   |                     |                      |
| At 1 January 2024, 31 December 2024 and 2025         | <u>1,000,000,000</u>                                | <u>10,000</u>       | <u>77,800</u>        |
| Issued and fully paid:                               |   |                     |                      |
| At 1 January 2024                                    | 655,652,000   | 6,557               | 51,010               |
| Share repurchased and cancelled ( <i>Note (i)</i> )  | <u>(8,978,000)</u>                                  | <u>(90)</u>         | <u>(699)</u>         |
| At 31 December 2024                                  | <b>646,674,000</b>                                  | <b>6,467</b>        | <b>50,311</b>        |
| Share repurchased and cancelled ( <i>Note (ii)</i> ) | <u>(10,492,000)</u>                                 | <u>(105)</u>        | <u>(816)</u>         |
| At 31 December 2025                                  | <b><u>636,182,000</u></b>                           | <b><u>6,362</u></b> | <b><u>49,495</u></b> |

*Notes:*

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

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

- (ii) During the year ended 31 December 2025, the Company repurchased and cancelled 10,492,000 of its own ordinary shares through the Hong Kong Stock Exchange, and the total amount paid of approximately HK\$6,537,000 to acquire the cancelled shares of approximately HK\$816,000 was deducted from equity.

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The outlook for global trade has deteriorated sharply in the first half of the year due to a surge in tariffs and trade policy uncertainty which has had a negative impact on customers' sentiment and prompted a cautious "wait-and-see" approach toward placing sales orders. With the gradual easing of tariff tensions in the second half of the year, customers have begun to resume shipments, signaling a recovery in demand and a more stable business environment. The segmental revenue of braid and special braid products with a lower profit margin has recorded steady growth and the demand for Halloween products remained stable during the Year but the demand for human hair extension products with a higher profit margin has declined significantly, which was primarily driven by reduced customer orders, stemming from re-branding, product updates and inventory clearance. In the current complex and ever-changing environment, the Group has continuously improved the product quality, enhanced the operation and strengthened the collaboration with customers in technology and research and development, gaining deeper insights into customers' needs and adjusting its product mix and production capacity to be effective and efficient. In the meantime, the Group intensified its efforts in cross-border e-commerce expansion and promoted human hair extension products through the hairstyling business, which were undertaken to mitigate the impact of periodic reductions in inventory orders from traditional offline channel customers and to further diversify sales channels.

The global wigs and human hair extensions market has continuously expanded annually, driven by evolving fashion trends and increasing consumer demand. Nevertheless, the wigs and human hair extension industry remained competitive, characterized by intense market rivalry and diversified customer preferences. The revenue of the Group slightly increased to HK\$1,044.3 million during the Year, representing a slight increase of approximately 2.7% as compared with the corresponding year ended 31 December 2024, mainly attributable to the increase in sales of braid products and the stable performance of Halloween products and the revenue contribution from festival products during the Year. Due to the continued impact of the minimum gross wage in Bangladesh, although the depreciation of the Bangladeshi Taka against the U.S. Dollar offset part of the increase in labor costs, compared with the corresponding year ended 31 December 2024, the gross profit margin for the Year decreased from 24.0% to 23.3%.

As a result of the above, the Group reported profits in the amount of HK\$30.8 million, representing a decrease of 22.6% as compared with the corresponding year ended 31 December 2024.

### **FINANCIAL REVIEW**

During the Year, the Group's financial results dropped as compared with the corresponding year ended 31 December 2024. This was mainly because the negative impact of trade policy uncertainty and increased US tariffs significantly weaken customer sentiment, lowered consumer confidence and shifted demand towards wigs products with lower margin. This led to a decline in the interest income due to a drop in the deposit rate, and an increase in the advertisement and distribution expenses and salaries expenses.

## 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 for 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 Year, the Group's revenue amounted to HK\$1,044.3 million, representing a slight increase of HK\$27.9 million or 2.7% as compared with HK\$1,016.4 million for the year ended 31 December 2024. The increase was primarily due to the fact that the market demand for braid products with lower profit margin increased stably while the sales order for Halloween products remained stable and the revenue on the hairstyling business and party products continuously contributed during the Year. The Bangladesh factory has consistently adjusted its production capabilities to adapt to the changing market demand. During the Year, the revenue generated from hair products made at the Bangladesh factory accounted for 98.3% of the Group's total revenue as compared to 98.9% for the year ended 31 December 2024.

The USA remained as the Group's principal market during the Year with revenue contribution accounting for 87.9% of the Group's total revenue during the Year as compared to 91.5% for the year ended 31 December 2024. In terms of product segments, wigs, hair accessories and others, which remained as the Group's key product segment, accounted for 93.7% of its total revenue during the Year as compared to 86.8% for the year ended 31 December 2024.

***Wigs, hair accessories and others.*** Revenue from wigs, hair accessories and others increased by HK\$96.9 million, or 11.0%, from HK\$882.1 million for the year ended 31 December 2024 to HK\$979.0 million for the Year, primarily due to a rise in sales of braid and special braid items which was one of the popular products and the revenue from the hairstyling business and the party products business has continued to contribute during the Year.

***High-end human hair extensions.*** Revenue from high-end human hair extensions decreased by HK\$71.5 million, or 65.2%, from HK\$109.7 million for the year ended 31 December 2024 to HK\$38.2 million for the Year, primarily due to a decrease in orders from customers as result of re-branding, product updates and inventory clearance, which led to a decrease in the sales volume of the human hair extension products.

***Halloween products.*** Revenue from Halloween products increased by HK\$2.5 million, or 10.0%, from HK\$24.6 million for the year ended 31 December 2024 to HK\$27.1 million for the Year, primarily due to a gradual pick-up in the sales revenue from customers.

## Cost of Goods Sold

The Group's cost of goods sold increased by HK\$28.2 million, or 3.6%, from HK\$772.8 million for the year ended 31 December 2024 to HK\$801.0 million for the Year, primarily due to an increase in direct labour cost as a result of the continuous impact of the minimum gross wage in Bangladesh and an increase in the cost of hairstyling business during the Year.

***Wigs, hair accessories and others.*** Cost of goods sold for wigs, hair accessories and others increased by HK\$74.1 million, or 10.9%, from HK\$682.7 million for the year ended 31 December 2024 to HK\$756.8 million for the Year, corresponding with an increase in sales of these products during the Year.

***High-end human hair extensions.*** Cost of goods sold for high-end human hair extensions decreased by HK\$48.2 million, or 65.2%, from HK\$73.9 million for the year ended 31 December 2024 to HK\$25.7 million for the Year, which is in line with a decrease in sales of these products during the Year.

***Halloween products.*** Cost of goods sold for Halloween products increased by HK\$2.3 million, or 14.1%, from HK\$16.2 million for the year ended 31 December 2024 to HK\$18.5 million for the Year, corresponding with an increase in sales of these products during the Year.

## Gross Profit

During the Year, the Group's gross profit amounted to HK\$243.3 million, representing a decrease of HK\$0.2 million, or 0.1%, as compared with HK\$243.5 million for the year ended 31 December 2024, primarily due to the fact that market demand for its human hair extension products with higher margin significantly dropped as a result of the customers' product re-branding and the market demand for lace wig products with higher margin also declined which effected by the negative impact of US trade policy uncertainty during the Year. The gross profit declined primarily due to the increase in the sales of braid products with lower profit margin and the increase in the labour cost due to the continuous impact of the minimum gross wage in Bangladesh. During the Year, the Group's gross profit margin amounted to 23.3%, representing a decrease of 0.7 percentage points from 24.0% for the year ended 31 December 2024.

***Wigs, hair accessories and others.*** Gross profit for wigs, hair accessories and others increased by HK\$22.8 million, or 11.5%, from HK\$199.4 million for the year ended 31 December 2024 to HK\$222.2 million for the Year. Gross profit margin for this segment slightly increased from 22.6% for the year ended 31 December 2024 to 22.7% for the Year, primarily attributable to the effective cost control of wigs, hair accessories and other products during the Year.

***High-end human hair extensions.*** Gross profit for high-end human hair extensions decreased by HK\$23.3 million, or 65.0%, from HK\$35.8 million for the year ended 31 December 2024 to HK\$12.5 million for the Year. Gross profit margin for this segment slightly increased from 32.6% for the year ended 31 December 2024 to 32.7% for the Year, primarily due to the continuous improvement in the procurement and manufacturing process during the Year.

**Halloween products.** Gross profit for Halloween products increased by HK\$0.2 million, or 2.2%, from HK\$8.4 million for the year ended 31 December 2024 to HK\$8.6 million for the Year. Gross profit margin for Halloween products decreased from 34.3% for the year ended 31 December 2024 to 31.8% for the Year, primarily due to an increase in total production costs of Halloween products during the Year as compared to the year ended 31 December 2024.

### **Other Income**

Other income decreased by HK\$1.3 million, or 17.1%, from HK\$7.9 million for the year ended 31 December 2024 to HK\$6.6 million for the Year, primarily due to a decrease in income from properties rental and bank interest income during the Year.

### **Other (Losses) Gains, Net**

Other (losses) gains, net decreased by HK\$5.0 million, or 107.6%, from a gain of HK\$4.7 million for the year ended 31 December 2024 to a loss of HK\$0.4 million for the Year. The other (losses) gains, net primarily comprised HK\$1.4 million from the fair value gain on financial assets at fair value through profit or loss and HK\$0.6 million from the loss on disposal of property, plant and equipment and HK\$0.2 million from the fair value loss on investment properties and HK\$0.9 million from the impairment loss on goodwill and customer relationship during the Year.

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

During the Year, the Group recognised impairment losses of HK\$0.7 million in respect of trade receivables (2024: Impairment losses of HK\$1.4 million). The impairment losses of HK\$0.7 million were recognised on the trade and other receivables which are unlikely to be recovered.

### **Distribution and Selling Expenses**

Distribution and selling expenses increased by HK\$1.9 million, or 6.9%, from HK\$27.0 million for the year ended 31 December 2024 to HK\$28.9 million for the Year, which was mainly due to the increase in the advertisement and declaration during the Year.

### **Administrative Expenses**

Administrative expenses increased by HK\$5.5 million, or 4.1%, from HK\$132.5 million for the year ended 31 December 2024 to HK\$138.0 million for the Year, was mainly arising from the increase in the administrative cost on salaries and rent, rates and government rent expenses during the Year.

### **Other Expenses**

Other expenses increased by HK\$1.2 million, or 766.0%, from HK\$0.2 million for the year ended 31 December 2024 to HK\$1.4 million for the Year. The donation made by the Group during the Year amounted to HK\$1.4 million (2024: HK\$0.2 million).

## **Finance Costs**

Finance costs decreased by HK\$8.3 million, or 19.6%, from HK\$42.4 million for the year ended 31 December 2024 to HK\$34.1 million for the Year. The decrease in finance cost is primarily due to the average borrowing level remaining low.

## **Taxation**

Income tax expense of the Group increased by HK\$2.8 million, or 21.3%, from HK\$13.0 million for the year ended 31 December 2024 to HK\$15.8 million for the Year. Income tax expense included deferred taxation in the amount of HK\$3.9 million for the Year (2024: HK\$1.4 million of deferred taxation).

## **Net Profit**

The Group's net profit for the Year amounted to HK\$30.8 million, representing a decrease of HK\$9.0 million, or 22.6%, as compared with a net profit of HK\$39.7 million for the year ended 31 December 2024. This was because of the negative impact of trade policy uncertainty and increased US tariffs having significantly weakened customer sentiment, a drop in the deposit rate, and the increase in the advertisement and distribution expenses and salaries expenses during the Year when compared to the year ended 31 December 2024.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's cash and bank balances decreased by HK\$17.3 million or 15.0% from HK\$115.7 million as at 31 December 2024 to HK\$98.4 million as at 31 December 2025. The decrease in cash and bank balances as at 31 December 2025 was primarily due to the change in cash collection cycle during the Year. The Group's pledged bank deposits slightly increased by HK\$0.6 million or 1.0% from HK\$58.7 million as at 31 December 2024 to HK\$59.3 million as at 31 December 2025. The increase in pledged bank deposits was mainly due to the foreign exchange conversion during the Year.

The Group's trade and other receivables increased by HK\$56.5 million or 21.3% from HK\$264.8 million as at 31 December 2024 to HK\$321.3 million as at 31 December 2025. The increase was primarily attributable to the increase in trade receivables resulting from the growth in sales shipments during the final quarter of the Year, together with an increase in prepayments and deposits made to suppliers.

## **Borrowings and Gearing Ratio**

As at 31 December 2025, the Group's banking facilities amounted to HK\$884.4 million, of which HK\$181.7 million remained unutilised. As at 31 December 2025, the gearing ratio of the Group, which is equivalent to the total interest-bearing debt (including secured bank and other borrowings and lease liabilities) divided by total equity, was 77.2% as compared to 72.1% as at 31 December 2024. Moreover, the net gearing ratio of the Group, which is equivalent to the total interest-bearing debt (including secured bank and other borrowings and lease liabilities) net of total cash and bank balances divided by total equity, was 57.4% as compared to 50.1% as at 31 December 2024. The increase in gearing ratio was primarily due to an increase in bank borrowings for the Year while the increase in net gearing ratio was primarily due to an increase in bank borrowings as at 31 December 2025.

## **Capital Expenditure and Capital Commitments**

During the Year, the Group spent approximately HK\$30.2 million on additions to fixed assets as compared to HK\$33.9 million for the year ended 31 December 2024 mainly to maintain its manufacturing capabilities in Bangladesh. As at 31 December 2025, the Group had capital commitments of HK\$2.6 million in respect of property, plant and equipment (2024: HK\$6.6 million).

## **Currency Risks**

A significant portion of the Group's revenue is derived from sales to overseas customers denominated in foreign currencies. For the Year, 94.2% (2024: 91.5%) of the Group's revenue was denominated in U.S. Dollar ("US\$"). The Group mainly operates in Bangladesh and the PRC and most of the Group's operating expenses are denominated in Bangladeshi Taka ("Taka") and Renminbi ("RMB").

During the Year, the Group did not enter into any foreign currency forward contracts in view of the high volatility in the exchange rate of RMB. The Group has not hedged exposure to any change in the foreign exchange rate of Taka. The value of Taka or RMB against US\$ and other currencies may fluctuate due to, among other things, political as well as economic policies and conditions both in the jurisdictions in which the Group operates as well as globally. The Group's profit margin could be adversely affected to the extent that the Group is unable to increase the US\$ denominated selling prices of products sold to overseas customers or shift the exchange risk to the Group's customers to account for the appreciation of Taka or RMB against US\$. These fluctuations may result in exchange losses or gains or increases or reductions in the Group's costs after translation from US\$ to RMB or Taka. Any appreciation of Taka or RMB may lead to an increase in the Group's manufacturing costs if the Group is unable to pass on such additional costs to customers. This potential increase may, in turn, affect the Group's competitiveness against competitors outside Bangladesh and/or the PRC.

## **Contingent Liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities.

## **Pledge of Assets**

As at 31 December 2025, the Group's bank and other borrowings were secured by:

- (a) pledge of the Group's bank deposits of approximately HK\$59.3 million (2024: HK\$58.7 million);
- (b) the Group's land and buildings and car parks in Hong Kong of approximately HK\$50.3 million (2024: HK\$70.5 million);
- (c) the Group's land and buildings in the USA and the PRC of approximately HK\$27.2 million (2024: HK\$26.0 million);
- (d) investment properties in the PRC of approximately HK\$4.9 million (2024: HK\$4.7 million);
- (e) negative pledge of the assets of certain subsidiaries in the PRC and Bangladesh; and
- (f) certain life insurance contracts classified as financial assets at fair value through profit or loss of the Group of approximately HK\$38.0 million (2024: HK\$36.4 million).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group employed a total of (i) 29,566 employees in Bangladesh, as compared to 21,050 as at 31 December 2024, (ii) 145 employees in the PRC, as compared to 189 as at 31 December 2024, (iii) 67 employees in Hong Kong, as compared to 72 as at 31 December 2024, and (iv) a total of 25 employees in Japan, the USA, Thailand and the UK, as compared to 26 as at 31 December 2024.

Total employee expenditures during the Year amounted to HK\$405.5 million as compared to HK\$354.7 million for the year ended 31 December 2024. The Group determines the remuneration of its employees based on prevailing market conditions, the relevant local laws and regulations regarding wage protection and the performance of the employees. Remuneration includes salary, bonuses and benefits. The remuneration packages of the employees are reviewed annually. 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 the respective subsidiaries of the Group in Bangladesh. In addition, the Company has adopted the Share Option Scheme, details of which is set out in sub-sections headed "Share Option Scheme" in this announcement.

On 11 December 2017, the Company adopted the Share Award Scheme. The Share Award Scheme were completed and terminated as at 30 November 2021.

## **Share Option Scheme**

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

During the Year, no option has been granted or agreed to be granted under the Share Option Scheme.

## **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 Year; and (ii) no plans have been authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

## **IMPORTANT EVENTS AFTER THE END OF THE YEAR**

There were no events after the reporting period that had significant impacts on the Group after 31 December 2025 and up to the date of this announcement.

## **OUTLOOK**

Despite the uncertainties surrounding tariffs and trade policies, as well as the volatile global economic outlook, the Group has maintained its growth strategy by expanding sales teams across various regions to better meet customer needs and expectations. The Group has also accelerated its expansion on several well-known cross-border e-commerce platforms to strengthen its market presence and boost sales of human hair extension products.

The Group has continuously refined bank loan portfolio and optimised product costs and quality to improve the profit margin and enhance the liquidity the soonest possible.

The Board believes that the Group is capable of navigating the complex and ever-changing business environment and predicts that the market demand for wigs and human hair extensions products will continuously and stably increase towards the end of 2026. The Group will continue to focus on its core business, closely monitor the latest industry development and adjust its strategies to provide the best medium to long term benefit to the shareholders of the Company.

## **ANNUAL GENERAL MEETING**

An annual general meeting (the “**AGM**”) of the Company is scheduled to be held on Friday, 15 May 2026, notice of which will be published and despatched to the shareholders as soon as practicable in accordance with the Company’s articles of association and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

## **FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK2.7 cents per Share for the Year (2024: HK2.8 cents) to the shareholders whose names appear on the register of members of the Company on Friday, 29 May 2026. Upon approval by the shareholders at the AGM, it is expected that the final dividend will be payable on Monday, 8 June 2026.

As at the date of this announcement, no treasury shares were held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System (CCASS)). Treasury shares (if any) will not receive the final dividend.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining the eligibility of the shareholders of the Company to attend and vote at the AGM or any adjournment thereof, the register of members of the Company will be closed as set out below:

- (i) For determining shareholders’ entitlement to attend and vote at AGM or any adjournment thereof, the register of members of the Company will be closed from Monday, 11 May 2026 to Friday, 15 May 2026, both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all transfer of the 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 Friday, 8 May 2026.

The record date for such purposes is Friday, 15 May 2026.

- (ii) For determining shareholders’ entitlement to the proposed final dividend (subject to approval by the shareholders at the AGM), the register of members of the Company will be closed from Thursday, 21 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of Shares will be registered.

In order to qualify for the proposed final 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 Wednesday, 20 May 2026.

The record date for such purposes is Friday, 29 May 2026.

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

During the Year, the Group repurchased an aggregate of 10,492,000 Shares for an aggregate consideration of approximately HK\$6.5 million (before expenses) on the Stock Exchange. The repurchased Shares were subsequently cancelled. As at 31 December 2025, the total number of Shares in issue was 636,182,000. Details of the shares repurchased are as follows:

| Month of repurchase | Number of Shares repurchased | Highest price paid per Share<br><i>HK\$</i> | Lowest price paid per Share<br><i>HK\$</i> | Aggregate consideration paid<br><i>HK\$ in million</i> |
|---------------------|------------------------------|---|--|--|
| May 2025            | <u>10,492,000</u>            | 0.62  | 0.60                                       | <u>6.5</u>   |

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 year ended 31 December 2025.

The Company did not hold or sell any treasury shares during the year ended 31 December 2025.

## CORPORATE GOVERNANCE

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, Mr. Chang Yoe Chong Felix, an executive Director, currently performs these two roles in the Company. Given the current scale of the Company's operations and management structure, the Company considers that entrusting Mr. Chang, who has been the Company's key leadership figure 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 on the Board and this structure will enable the Company to make and implement decisions promptly and effectively.

Save as disclosed above, in the opinion of the Board, the Company has complied with the code provisions that were in force and in the CG Code throughout the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for 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 Year.

## **REVIEW OF CONSOLIDATED ANNUAL RESULTS BY THE AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) had reviewed, together with the Board, the accounting principles and policies adopted by the Group and the consolidated financial statements for the Year ended 31 December 2025. The Audit Committee has also met and discussed with the Group’s external auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”) regarding the Group’s audit and financial reporting matters.

## **SCOPE OF WORK OF FORVIS MAZARS**

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Forvis Mazars, to the amounts set out in the draft consolidated financial statements of the Group for the year ended 31 December 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Forvis Mazars on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.epfhk.com](http://www.epfhk.com)). The annual report of the Company for the Year 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 March 2026

*As at the date of this announcement, the executive Directors of the Company are Mr. Chang Yoe Chong Felix, Mr. Chan Kwok Keung, Ms. Jia Ziying and Mr. Li Yanbo; the non-executive Director of the Company is Mr. Chan Lau Yui Kevin; and the independent non-executive Directors of the Company are Mr. Sin Hendrick M.H., Mr. Szeto Yuk Ting and Ir. Cheung Siu Wa.*