

**EVERGREEN PRODUCTS GROUP LTD:  
AS LONG AS VANITY IS IN VOGUE WITH HOMO SAPIENS,  
THIS COMPANY'S PRODUCTS SHALL, ALWAYS, BE IN FASHION**

At first glance at the financials of Evergreen Products Group Ltd () (Code: 1962, Main Board, The Stock Exchange of Hongkong Ltd), one might be tempted to suggest, without the benefit of careful consideration, that, in respect of the 2016 Financial Year, Management had fallen off the cliff, *façon de parler*.

However, on very careful examination of the Combined Statements of the Profit and Loss with regard to the 36 months, ended December 31, 2016, one discovers that, in fact, the opposite is true: The Company's Net Profit Attributable to Shareholders in respect of the 2016 Financial Year, in terms of its core activities, actually rose by about 5.25 percent, Year-On-Year.

Which is, nevertheless, not very exciting, in any event.

The initial, cursory inference that led one to jump to the conclusion that there had been a material fall in the 2016-Year's Bottom Line of Evergreen Products Group Ltd, compared with the 2015-Year's Bottom Line, was due to a substantial write-down in the Fair Value of Redeemable Convertible Preference Shares, only; the fall in the 2016-Year's Bottom Line had no bearing, at all, on the Net Profit of the Company from the manufacture and sales of its hair products.

(More about the financials, later on in this analysis.)

**The Initial Public Offering (IPO) Of Evergreen Products Group Ltd**

Evergreen Products Group Ltd published and disseminated its Global Offering Prospectus on June 29, 2017.

The Company Offered 153.75 million, New \$US0.01 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.65 to a high of \$HK1.90.

The Global Offering Prospectus, also, Offered 30.75 million Shares, those formerly belonging to SEAVI Advent Investments Ltd, a company, incorporated in the **British Virgin Islands (BVI)** on August 29, 2007, dubbed in the Prospectus as the '*Selling Shareholder*'.

SEAVI Advent Investments Ltd, a pre-IPO investor in Evergreen Products Group Ltd, determined, quite obviously, that it was time to cash-in on some of its investment in this Company; and, the launching of this IPO was a perfect '*vehicle*' on which to climb aboard for the ride.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 18.45 million Offered Shares and International Investors, via Share Placements, took up the remaining 166.05 million Shares, comprising 135.30 million New Shares and 30.75 million Sale Shares, formerly the property of SEAVI Advent Investments Ltd.

The Global Offering Prospectus stated, at Page 275, that, on the assumption that the Offer Price Per Share was struck at the midpoint of the Indicative Offer Price Per Share, being \$HK1.775, the net proceeds of the IPO would be about \$HK224.40 million.

However, last Tuesday (July 11, 2017), it was announced that the Offer Price Per Share had been struck at \$HK1.65 – the lowest, acceptable level of the Indicative Offer Price Per Share – and that the net proceeds of the IPO had come in at \$HK220.30 million.

It was clear, on reading the Allotment Results Announcement, that this Company had not received the rapturous welcome that Management would have preferred on becoming a member in good standing of the premier equity market of the HKSAR.

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