

[For Immediate Release]



## Evergreen International Holdings Limited Announces Annual Results 2011

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**Continued to achieve desirable results despite volatile global economy  
Net profit rose 24.2% y-o-y, full-year dividend surged 39.4% to RMB17.7 cents**

### Financial Highlights:

| RMB million                              | For the year ended 31 December |       |            |
|--|--------------------------------|-------|------------|
|  | 2011                           | 2010  | Change (%) |
| Revenue                                  | <b>757.4</b>                   | 600.1 | +26.2%     |
| Gross profit                             | <b>495.1</b>                   | 385.4 | +28.5%     |
| Gross profit margin                      | <b>65.4%</b>                   | 64.2% | +1.2pp     |
| Profit attributable to shareholders      | <b>190.1</b>                   | 153.0 | +24.2%     |
| Basic earnings per share (RMB cents)     | <b>19.7</b>                    | 23.2  | -15.1%     |
| Full-year dividend per share (RMB cents) | <b>17.7</b>                    | 12.7  | +39.4%     |
| • <i>Interim</i>                         | <b>3.7</b>                     | 6.4   |            |
| • <i>Final</i>                           | <b>7.0</b>                     | 6.3   |            |
| • <i>Special</i>                         | <b>7.0</b>                     | --    |            |

(23 March 2012 – Hong Kong) **Evergreen International Holdings Limited** (“Evergreen Intl” or the “Company”, together with its subsidiaries, the “Group”; stock code: 238), one of the leading menswear enterprises and brands operators in the PRC covering the middle-upper to high-end segments of the menswear market, is pleased to announce its annual results for the year ended 31 December 2011.

Thanks to the continued growth of domestic consumption and retail industry, coupled with the Group’s solid business foundation and extensive market experience, the Group achieved satisfactory performance and development in a challenging environment. For the year ended 31 December 2011, Evergreen Intl recorded a revenue of approximately RMB757.4 million (2010: 600.1 million), representing a year-on-year growth of approximately 26.2%. Gross profit amounted to approximately RMB495.1 million, up by 28.5% year-on-year, while gross profit margin was 65.4%, representing an increase of 1.2 percentage points compared to 64.2% in 2010. Profit attributable to shareholders amounted to RMB190.1 million, representing an increase of 24.2% when compared with 2010. Basic earnings per share amounted to RMB19.7 cents. To reward the shareholders for their support towards Evergreen Intl, the Board of Directors recommended the payment of a final dividend of RMB7.0 cents per share and a special final dividend of RMB7.0 cents per share (equivalent to HK8.6 cents and HK8.6 cents respectively), representing a dividend payout ratio of 89.9%.

Commenting on the satisfactory results, Mr. Chan Yuk Ming, Chairman and Executive Director of Evergreen Intl, said, “Despite the uncertainty in the global economy and unresolved debt crisis in Europe and the United States, China succeeded in maintaining steady economic growth by implementing various measures to boost domestic demand for consumption in 2011. Under such favorable market environment, by leveraging on the advantages and influences of our brands, V.E. DELURE and TESTANTIN, both achieved desirable same store sales growth of 18.5% and 10.7%, respectively.”

In 2011, V.E. DELURE and TESTANTIN have generated RMB597.7 million and RMB120.0 million in revenue respectively, representing year-on-year growth of 28.3% and 14.1%. Self-operated stores of V.E. DELURE sold 157,264 units of apparel with an ASP of RMB2,054, while TESTANTIN sold 47,483 units of apparel with an ASP of RMB1,121.

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As at 31 December 2011, the Group had 97 distributors operating in 30 provinces and autonomous regions, and had a total of 171 self-operated stores and 251 franchised stores, an increase of 54.1% and 17.3%, covering 191 cities in China as compared to 134 cities as at 31 December 2010. The Group's current strategy for sales network expansion is to open self-operated stores in high-tier cities, while penetrating into the market of cities of slower development through distributors. In line with its business expansion strategies and to improve operating efficiency, the Group continued to optimize the retail and sales network based on the needs and different target markets of its brands. During the year, V.E. DELURE self-operated stores increased from 92 to 127, while franchised stores increased from 148 to 174. The Group's store opening strategy for V.E. DELURE is to increase the proportion of self-operated stores in order to enhance its brand image and operating efficiency. TESTANTIN self-operated stores increased from 19 to 44, while franchised stores increased from 66 to 77. More self-operated stores were opened to enhance TESTANTIN's brand image, but the strategy of using franchised stores as the major sales channel for the TESTANTIN brand remain unchanged.

The 2012 spring and summer collections sales fair was held in July 2011, total order amount increased by 34% year-on-year, while the 2012 fall and winter collections sales fair was completed in February 2012, with total order amount increased by 22% as compared to the last year. Delivery of the 2012 spring and summer orders commenced January and delivery of the fall and winter orders will commence in August 2012.

The Group has a dedicated marketing team, responsible for the execution and organization of the marketing and promotional activities of V.E. DELURE and TESTANTIN. During the year, the Group has organized a series of V.E. DELURE VIP membership activities, including "2011 V.E. DELURE VIP members Equestrian Family Carnival" and "V.E. DELURE VIP thank you event" held in Nanning and "V.E. DELURE VIP Dinner" in Guangzhou etc. These activities helped push forward sales activities and branding promotion.

The Group designed a series of activities in 2011 specifically for building its brand reputation, stimulating patronage and establishing customer loyalty, such as the collaboration with a well-known and heavyweight international contemporary art media to commence a project incorporating the artwork created by internationally recognized artists, as well as working with domestic artists to jointly create artwork featuring the unique elements of TESTANTIN, which will in turn be applied to the brand's products, enabling more consumers to appreciate the essence of the brand – "New Youth of Arts". During the year, the Group has launched a new retail layout and design for some of its TESTANTIN shops.

Mr. Chan concluded, "Looking forward, China's economy will maintain a steady growth momentum. We will further expand the retail network and plan to open about 105 new retail stores in 2012 of which about 45 are self-operated stores. With the national consumption capability on the rise, consumers' pursuit for higher quality and chic products and the continued expansion of domestic demand underlined by the State policies, it is believed that the menswear market will continued to enjoy faster growth and development, which the development of the middle to high-end menswear market will greatly benefit from. Riding on the back of these advantages, the Group can showcase the exceptional products of its brands, capture bigger business opportunities to provide consumers with more prestigious, contemporary and classic apparel, so as to maintain our position as one of the premium high-end menswear brand operators in China."

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#### **About Evergreen International Holdings Limited**

Evergreen is one of the leading menswear enterprises and brands operators in the PRC that currently owns and manages V.E. DELURE and TESTANTIN, targeting the high-end business formal and casual menswear market and the middle-upper fashion casual menswear market respectively. The Group's strategy is to open self-operated stores in key cities, while penetrating into the markets of slower development through distributors. To cope with business expansion and raise operating efficiency, the Group has strategically used a combination of self-operated retail stores as well as distributors of various degrees to cater to different stages of development and target markets for each of its brands. As at 31 December 2011, the Group has 97 distributors with a total of 171 self-operated stores and 251 franchised stores in 30 provinces and autonomous regions, covering 191 cities.

#### **For further information, please contact:**

##### **iPR Ogilvy Ltd.**

Callis Lau/ Karen Tse/ Fiona Tsang/ Shirley Chan

Tel: (852) 2136 6952/ 2136 6950/ 3920 7651/ 3920 7649

Fax: (852) 3170 6606

Email: callis.lau@iprogilvy.com/ karen.tse@iprogilvy.com/ fiona.tsang@iprogilvy.com/  
shirley.chan@iprogilvy.com