



Evergreen International Holdings Limited

Annual Results 2010

21 March 2011



This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Evergreen International. These forward-looking statements represent Evergreen International's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied in such statements.




- Financial Highlights
- Business and Operational Review
- Prospects
- QA



Captured opportunities amid the rapid growing domestic consumer market with satisfactory results

- Revenue reached RMB600.1M, up 46.7% y-o-y
- Gross profit margin increased by 3.6% points to 64.2%
- Profit attributable to shareholders rose by 45.8%, amounting to RMB153.0M
- The Group's self-operated store number increased by 58.3% to 114 stores
- Same store sales (SSS) growth for V.E. Delure and Testantin was 33.6% and 28.4% respectively
- The Board declared a final dividend of HK 7.5 cents (equivalent to RMB6.3 cents) per share for the year
- Listed on HKEx on 4 November 2010 and raised funds to a net of HK\$1,167M (US\$149.6M)

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2010 Financial Highlights

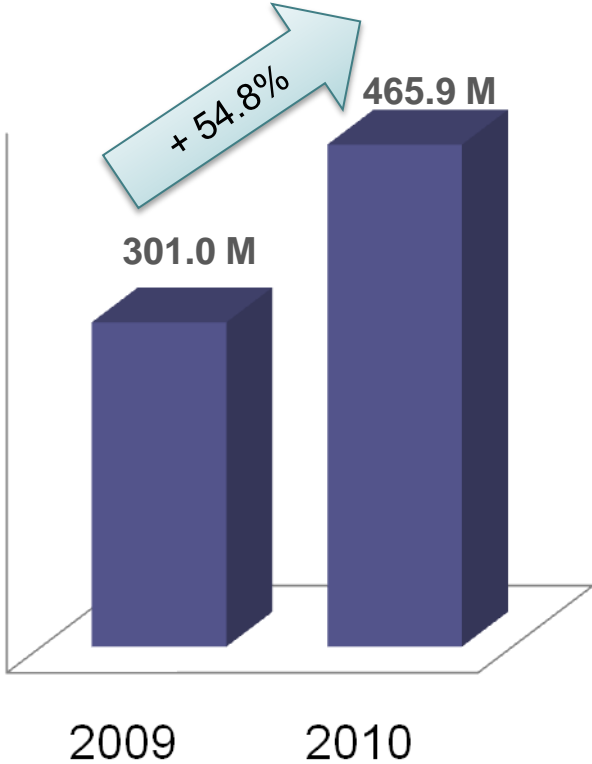


(RMB million)	For the year ended		
	2010	2009	Change (%)
Revenue	600.1	409.0	+46.7%
Gross profit	385.4	247.9	+55.5%
<i>Gross margin (%)</i>	64.2%	60.6%	+3.6 ppt
Operating profit	190.7	138.0	+38.3%
<i>Operating margin (%)</i>	31.8	33.7	-1.9 ppt
EBITDA	194.4	141.4	+37.5%
Profit attributable to shareholders	153.0	104.9	+45.8%
<i>Net margin (%)</i>	25.5%	25.6%	-0.1 ppt
EPS – Basic (RMB cents)	23.2	17.5	+32.6%
Dividend per share – Final (HK cents)	7.5	--	--

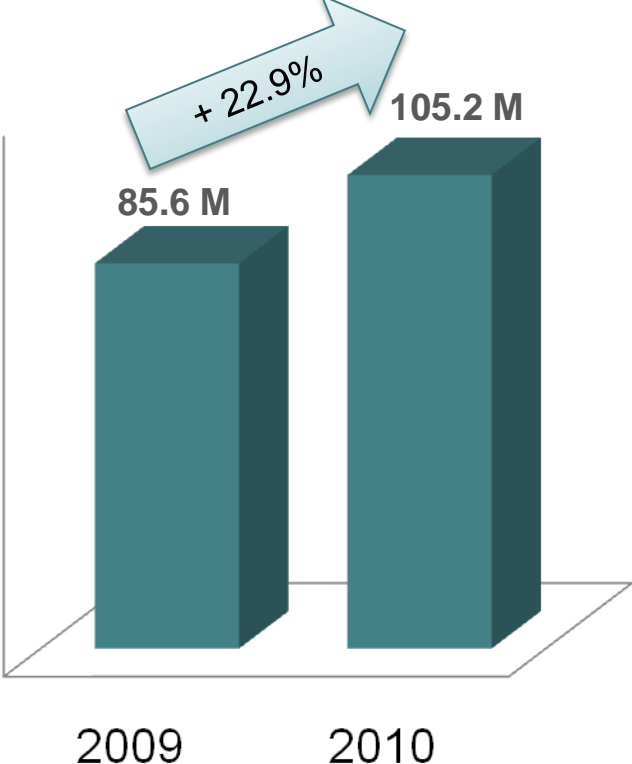
Revenue – By brands



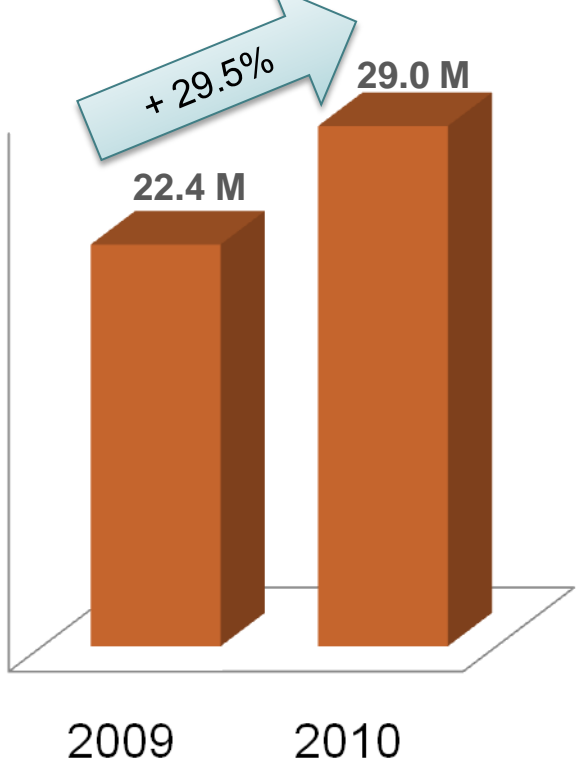
V.E. Delure



Testantin



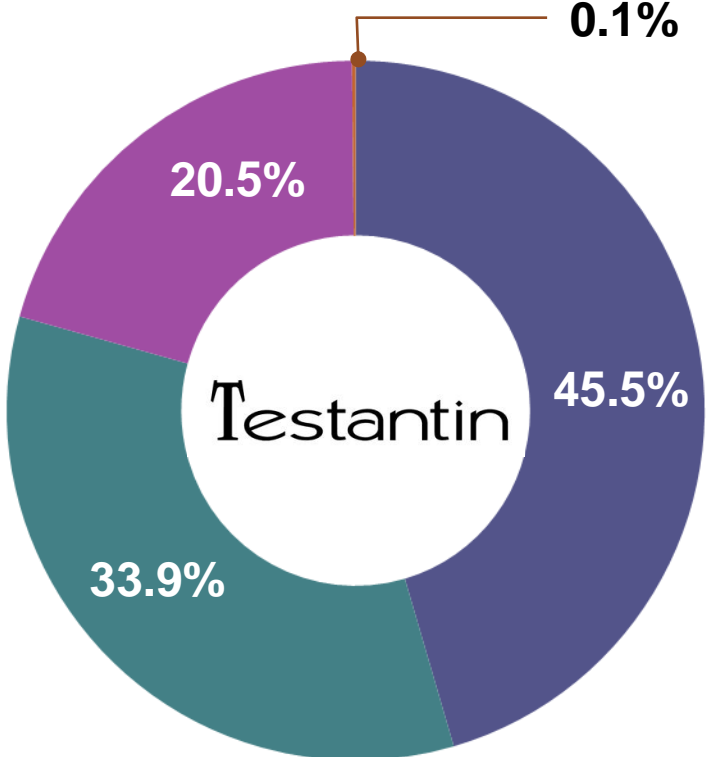
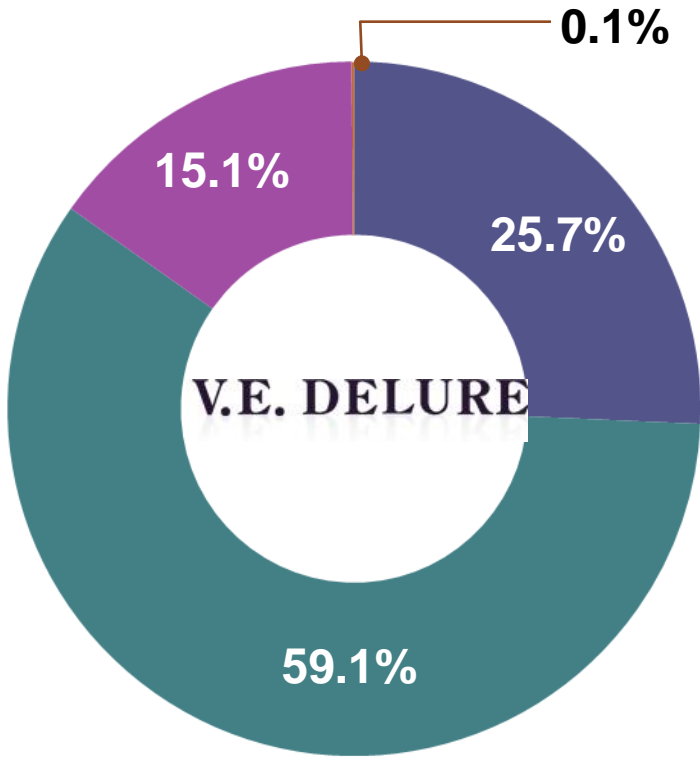
Licensed brands



* Licensed brand – Cartier accessories, and Harmont & Blaine with distributorship agreement terminated .



Revenue by tier of cities (self-operated stores only)

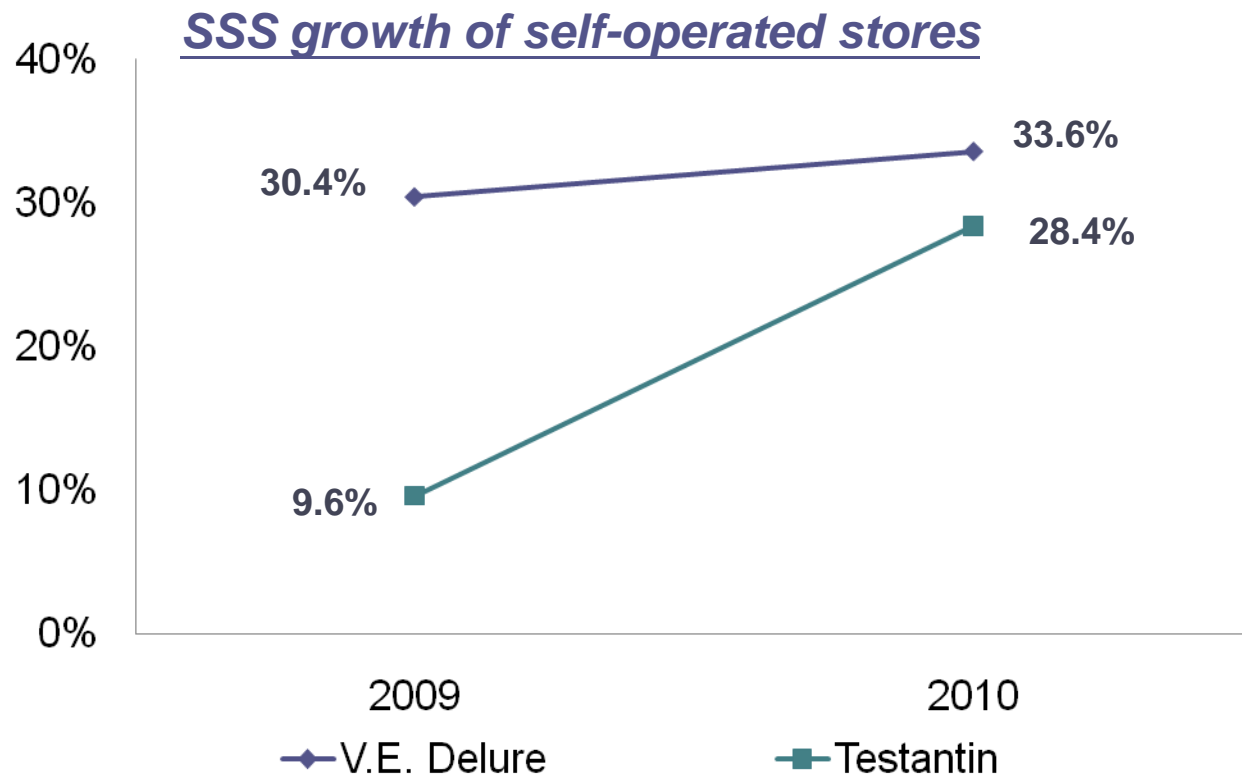


- Tier 1 Beijing, Shanghai, Guangzhou and Hong Kong
- Tier 2 provincial capital cities excluding Beijing, Shanghai, and Guangzhou
- Tier 3 prefecture-level cities excluding provincial capital cities
- Tier 4 county-level cities

Same Store Sales (SSS) growth



- The increase in SSS growth for V.E. Delure and Testantin was mainly due to an increase in overall ASP and sales volume



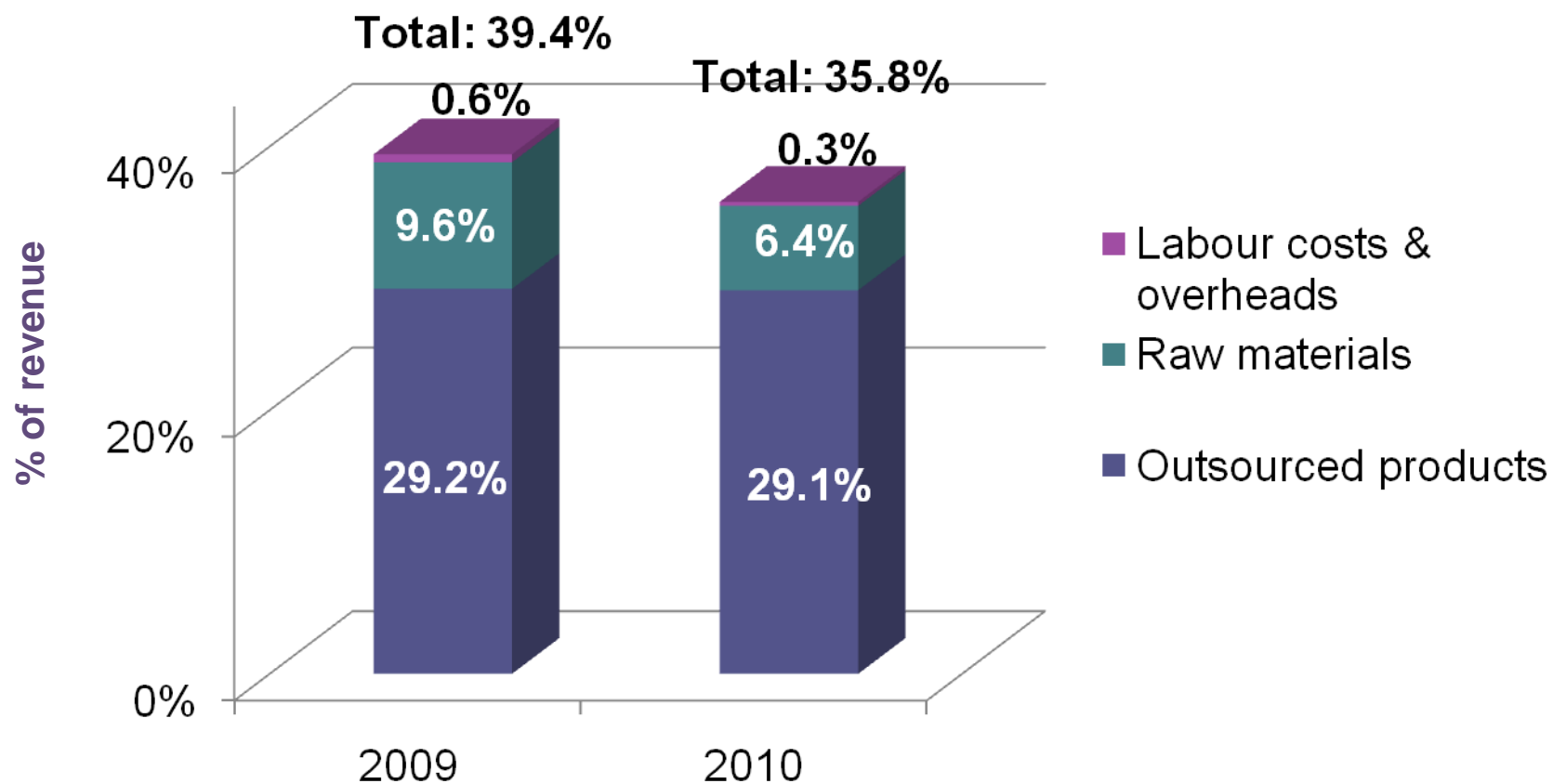
Average Sales Price (ASP) – Self-operated stores



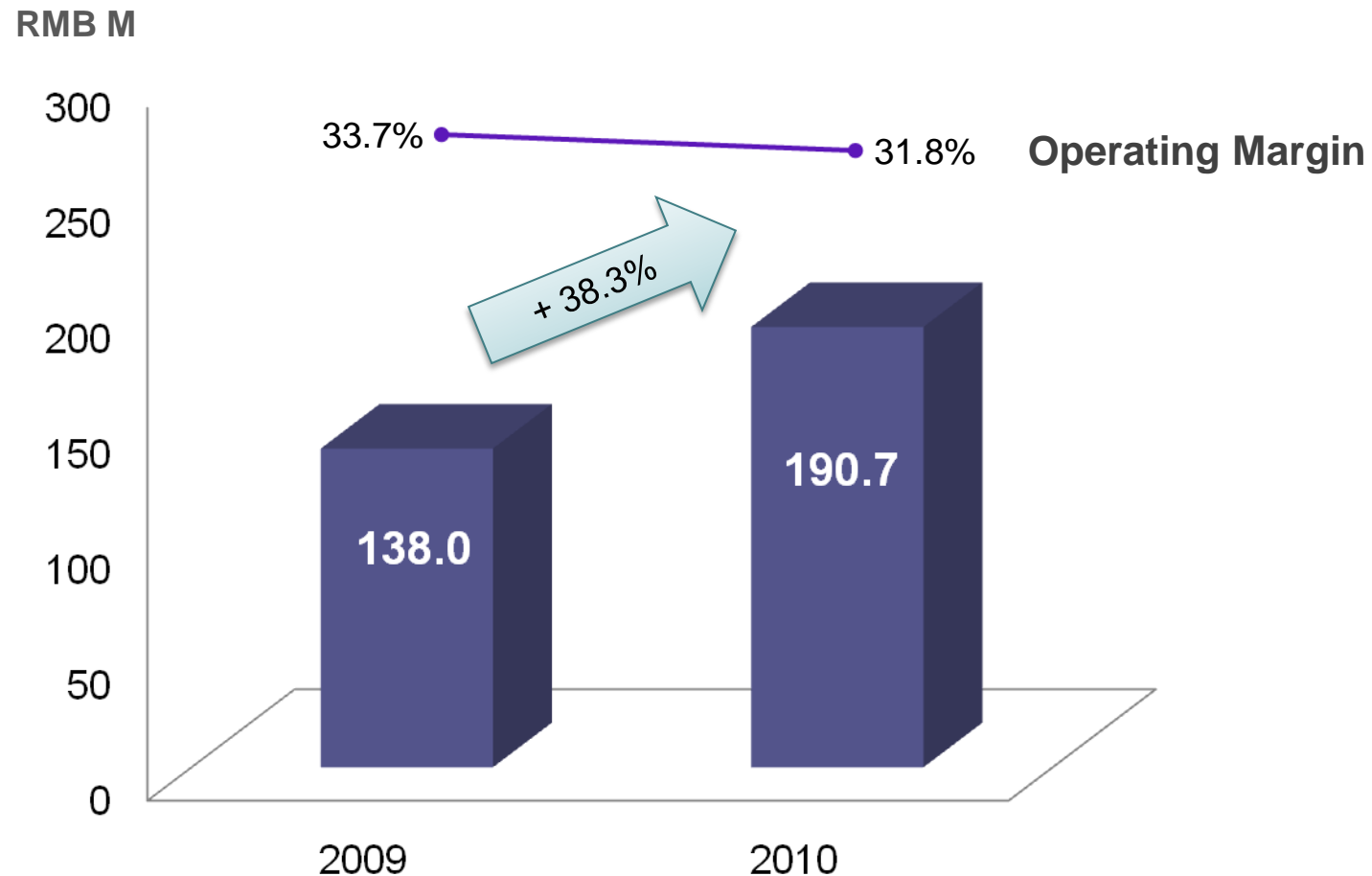
- The increase in ASP of the apparel products for V.E. Delure and Testantin was due to an increase in demand of our products in the PRC and the enhanced recognition of our brands in the market.

<i>ASP of the apparel products (RMB)</i>	For the year ended 31 Dec		
	2010	2009	Change (%)
V.E. Delure	1,922	1,680	+14.4%
Testantin	1,065	944	+12.8%

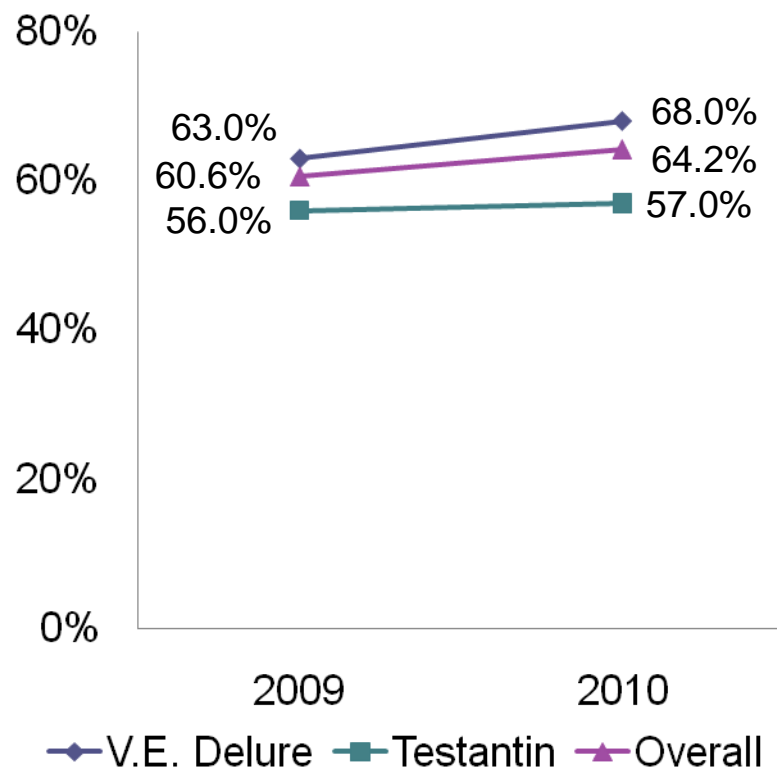
- Given the long-term relationships with suppliers, the cost of sales was effectively lowered from 39.4% in 2009 down to 35.8% in 2010.



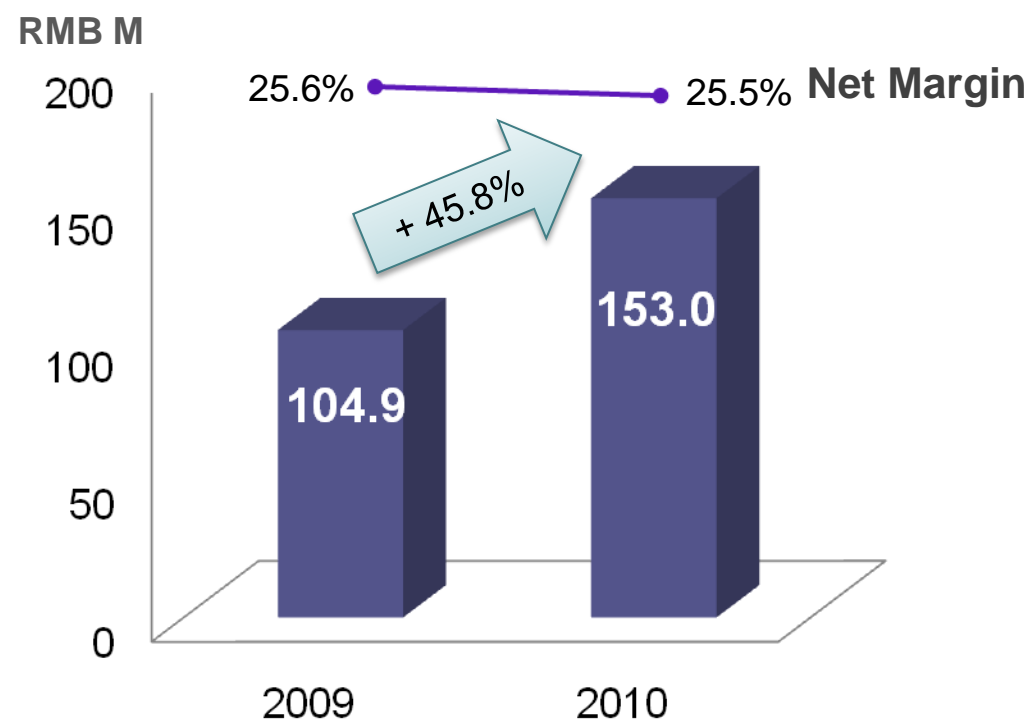
- The decline of 1.9 percentage points in operating profit margin was due to:
 - higher employee expenses for adjusted employee benefits
 - An increase in advertising and promotional expenses to enhance brand awareness.



Gross margin by brands



Net profit & margin



- Gross margin improvement mainly attributable to the enhancement in brand loyalty, allowing an increase in retail price of apparels
- Increase in number of self-operated stores due to its higher gross profit margin is another key reason

Key financial indicators




Financial position

	For the year ended		
	2010	2009	Change
Debtors' turnover (days)	62	62	--
Creditors' turnover (days)	66	65	+1.0
Inventory turnover (days)	281	251	+30.0
Inventory turnover excluding Cartier (days)	264	230	+34.0
Cash and cash equivalents (RMB M)	1,138.0	21.9	+5,096.3%
Current ratio (times)	13.5	1.8	+11.7 times
Loan / Total assets (%)	--	24.6%	--

Operating cash flows

(RMB million)	For the year ended		
	2010	2009	Change
Net cash flow from operating activities	6.8	153.3	-95.6%
Net cash flow from investing activities	103.6	(102.3)	--
Net cash flow from financing activities	1,015.4	(53.2)	--
Net cash flow	1,125.8	(2.2)	--

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Nation-wide retail network – by tier of cities



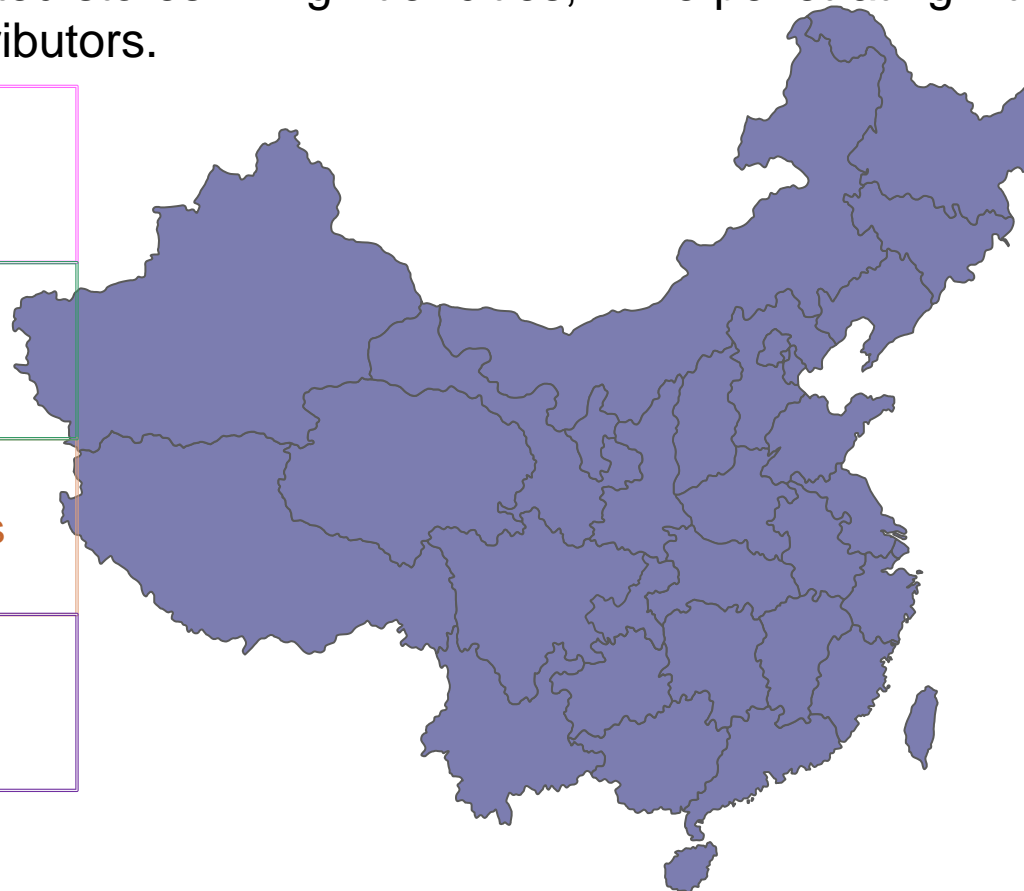
- As of 31 December 2010, the Group has **325** stores in **30** provinces, municipalities and autonomous regions with the coverage of **163** cities.
- Self-operated stores **enhance brand value** and further **strengthen brand image**, while distributorship business model enables expansion of retail network in a short time with **lower capital expenditure** requirements.
- Strategy: Open self-operated stores in high-tier cities, while penetrating into the market in low-tier cities through distributors.

Tier 1 cities -
21 V.E. Delure stores
6 Testantin stores

Tier 2 cities -
77 V.E. Delure stores
17 Testantin stores

Tier 3 cities -
112 V.E. Delure stores
42 Testantin stores

Tier 4 cities -
30 V.E. Delure stores
20 Testantin stores



Nation-wide retail network – by tier of cities



V.E. DELURE



City	2010	2009	Change (no. of stores)	Change (%)
1 st tier	21	15	+6	+40.0%
2 nd tier	77	67	+10	+14.9%
3 rd tier	112	89	+23	+25.8%
4 th tier	30	26	+4	+15.4%
TOTAL	240	197	+43	+21.8%



Nation-wide retail network – by tier of cities



Testantin



City	2010	2009	Change (no. of stores)	Change (%)
1 st tier	6	5	+1	+20.0%
2 nd tier	17	15	+2	+21.4%
3 rd tier	42	30	+12	+40.0%
4 th tier	20	12	+8	+66.7%
TOTAL	85	62	+23	+39.3%



Nation-wide retail network – by store nature



No. of stores	For the year ended			
	2010	2009	Change (no. of shops)	Change (%)
Department store	167	141	+26	+18.4%
Shopping mall	64	52	+12	+23.1%
Specialty store	94	65	+29	+44.6%
TOTAL	325	258	+67	+26.0%



Yanshan Youyi
Beijing



Shin Kong Place
Beijing



Dream Island
Nanning



iSquare
Hong Kong



Hangzhou Tower
Hangzhou



North Mall
Shijiazhuang



Springland
Wuxi



Gingko
Kunming



Hisense Shopping Plaza
Qingdao



Golden Eagle
Nanjing



Charter Shopping Center
Shenyang



Maison Mode
Chongqing

No. of distributors	2010	2009
V.E. Delure	63	66
Testantin	43	33
V.E. Delure & Testantin*	(16)	(9)
TOTAL	90	90

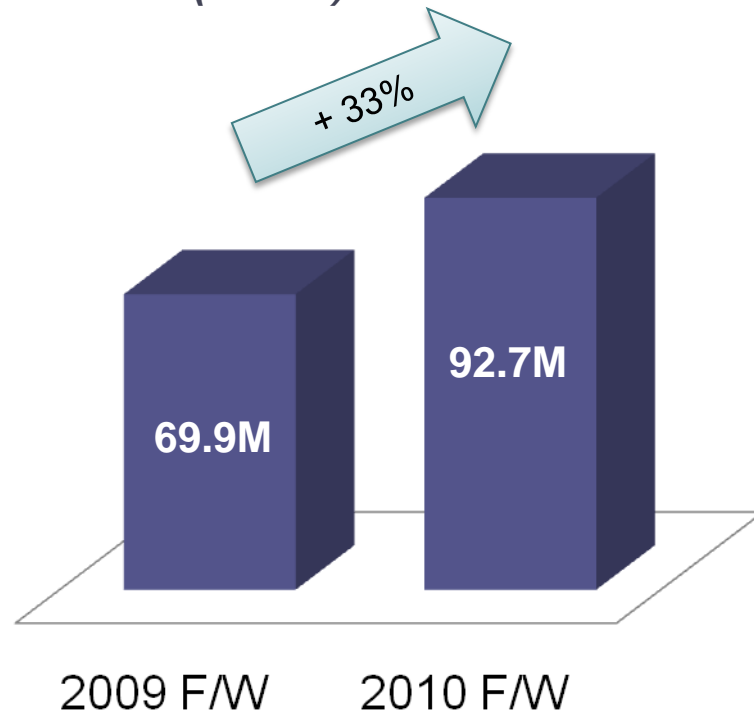
* These distributors carried both brands and need to subtract from total to avoid double counting.

- Distributor numbers remain stable to facilitate efficient management.
- The Group has completed the online connection for 64 distributors stores to the Enterprise Resources Planning (ERP) system to obtain the real-time operation data of distributors, further enhancing the inventory control and financial management.
- The Group expects all distributors stores to be connected to the ERP system within 18 months.

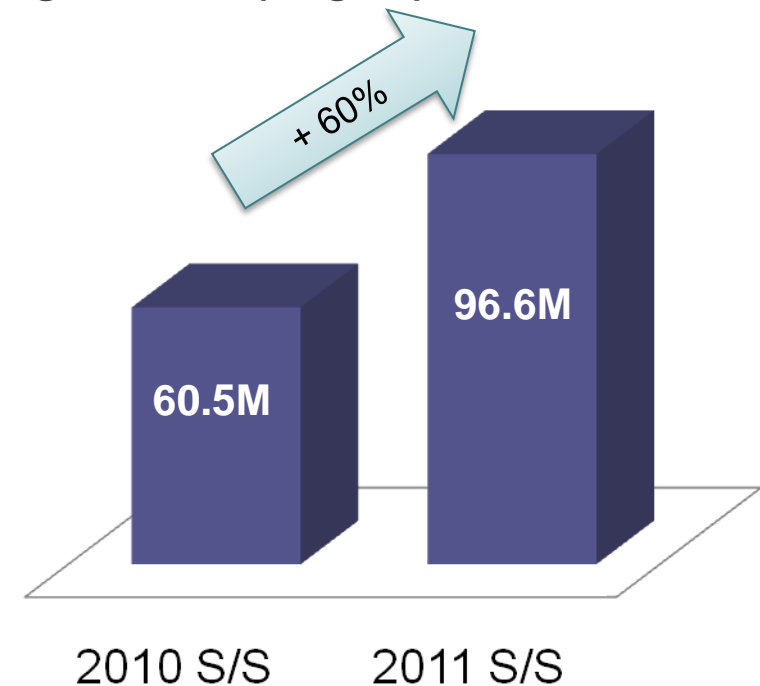
The Group organizes two sales fairs every year – Fall/Winter in March and Spring/Summer in August.

- For Fall/Winter sales fair in March 2010, sales order increased by 33% y-o-y
- For Spring/Summer sales fair in August 2010, sales order increased by 60% y-o-y

Fall/Winter (March)



Spring/Summer (August)



- The Group has exclusive sponsorships of formal attire of the PRC national table tennis team and badminton team with sponsorship period until 2015.
 - Elite athletes are often invited to participate in appropriate promotional events and charity activities of the Group.
- The Group has engaged Guangzhou Oltrefrontiera Trading Co., Ltd to assist in product display.



OLTREFRONTIERA
PROGETTI



“V.E. Delure爱心火炬传递筹款活动” in Suzhou, Xiamen, Changchun, Guangzhou and Chengdu.

Product display.by Oltrefrontiera

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Our Strategy – sales network expansion

- Expand and improve sales network with focus on opening **self-operated stores** in prestigious department stores or shopping malls:
 - **V.E. DELURE** : Prime locations in 1st & 2nd tier cities and establish flagship stores to enhance brand awareness
 - **Testantin** : Prime locations in 2nd, 3rd and 4th tier cities
- Plan to open about 152 new retail stores in 2011, of which 86 are V.E. Delure stores and 66 are Testantin stores



Our Strategy - others

- Cautiously select suitable brands for **merger and acquisition** to enrich brand portfolio
- Enhance **ERP system** for long-term development
- Reasonably **raise prices** to minimize impact of rise in raw materials costs
- Increase **marketing and promotion** to increase brand awareness
- Implement measures to **enhance cost controls**
- Seeking design talents to complement existing design team and plan to establish a **research design centre** in 2H2011

Become the leading operator in the mid to high-end menswear market

to high-end menswear market
Become the leading operator in the mid



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Evergreen International
Holdings Limited



Thank You!

