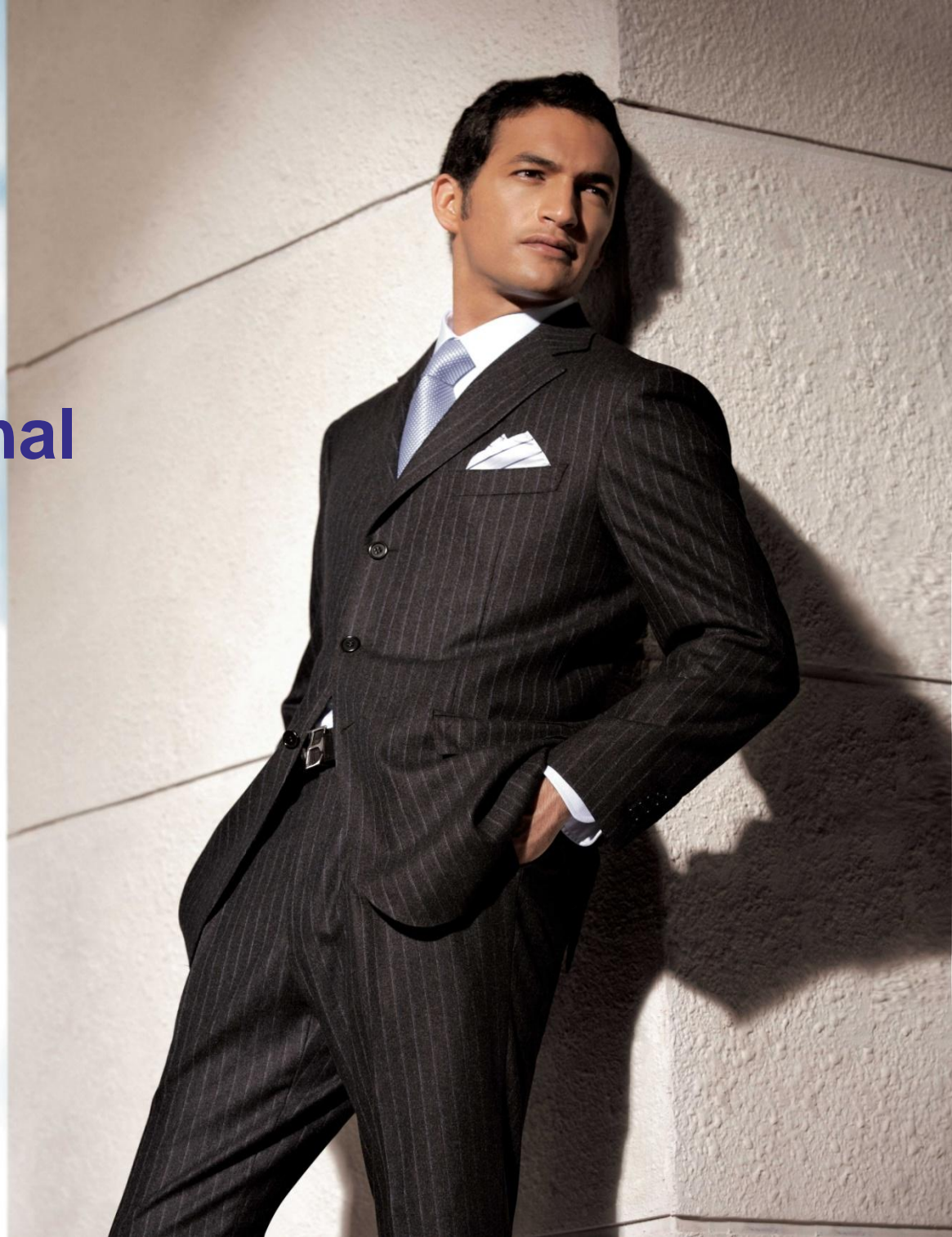




Evergreen International Holdings Limited

Interim Results 2011

23 August 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
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Captured opportunities amid the stable growing domestic consumer market with satisfactory results

- Revenue reached RMB332.0M, up 33.2% y-o-y
- Gross profit increased by 33.1% to RMB222.2M
- Profit attributable to shareholders rose by 25.7%, amounting to RMB88.4M
- The Group's self-operated store number increased by 19.3% to 136 stores
- Same store sales (SSS) growth for V.E. Delure and Testantin was 35.0% and 36.3% respectively
- The Board declared an interim dividend of HK4.4 cents (equivalent to RMB3.7 cents) per share for the period under review.



■ Financial Highlights

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1H 2011 Financial Highlights



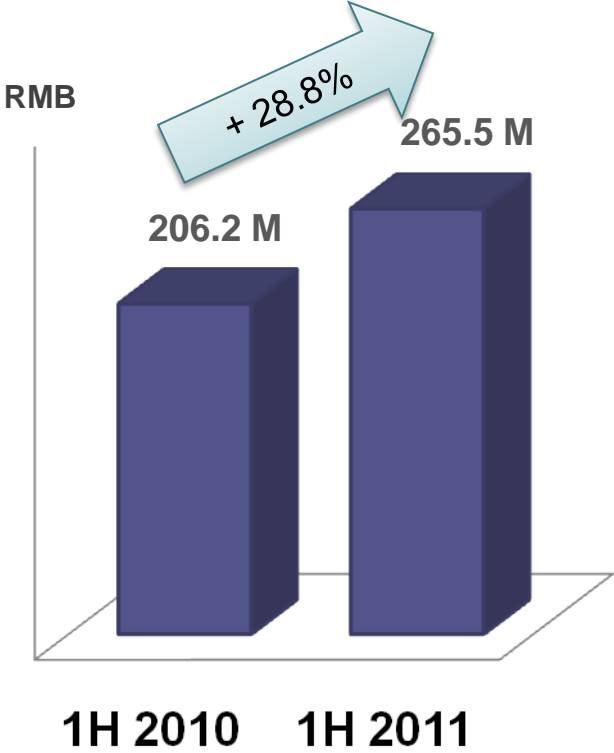
(RMB million)	For the six months ended 30 June		
	2011	2010	Change (%)
Revenue	332.0	249.2	+33.2%
Gross profit	222.2	166.9	+33.1%
<i>Gross margin (%)</i>	66.9%	67.0%	-0.1ppt
Operating profit	97.0	89.9	+7.9%
<i>Operating margin (%)</i>	29.2%	36.1%	-6.9ppt
EBITDA	102.5	78.3	+30.9%
Profit attributable to shareholders	88.4	70.3	+25.7%
<i>Net margin (%)</i>	26.6%	28.2%	-1.6ppt
EPS* – Basic (RMB cents)	9.0	11.7	-23.1%
Dividend per share – Interim* (HK cents)	4.4	7.3	-39.7%

* EPS decreased due to the increased number of shares after IPO in November 2010.

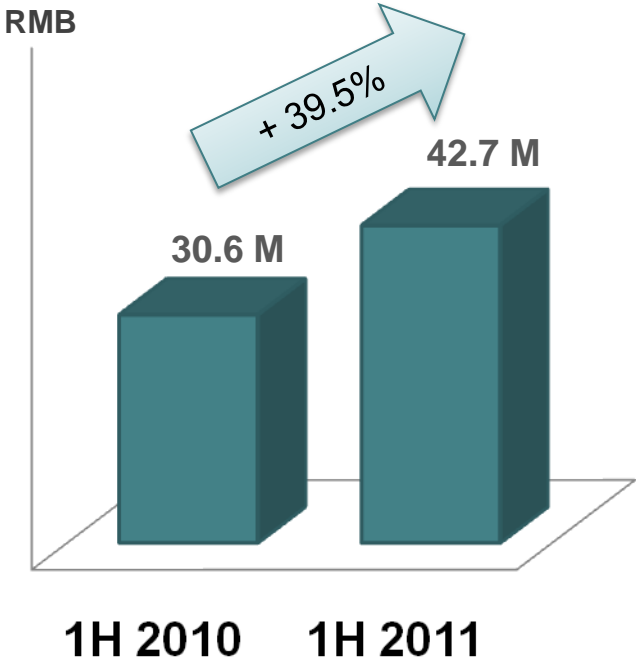
Revenue – By brands



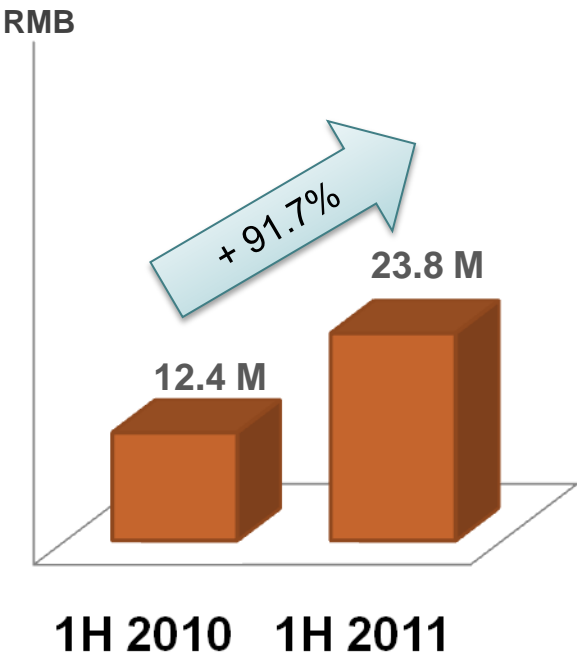
V.E. Delure



Testantin

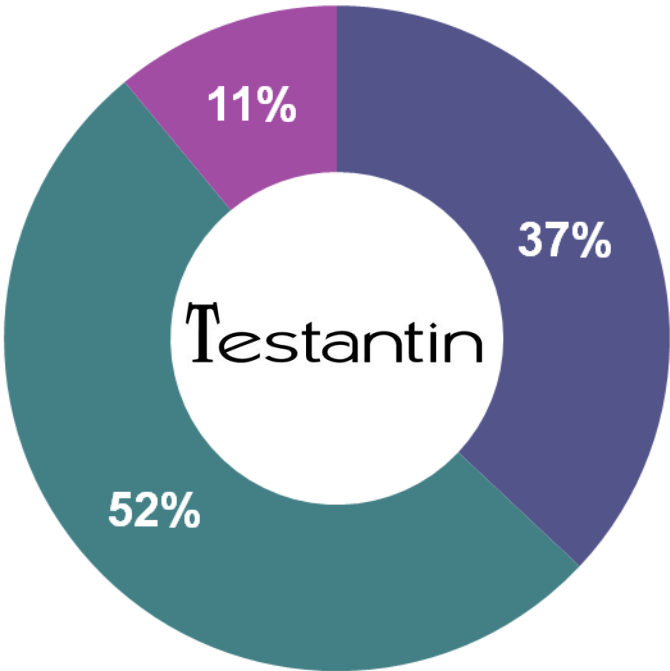
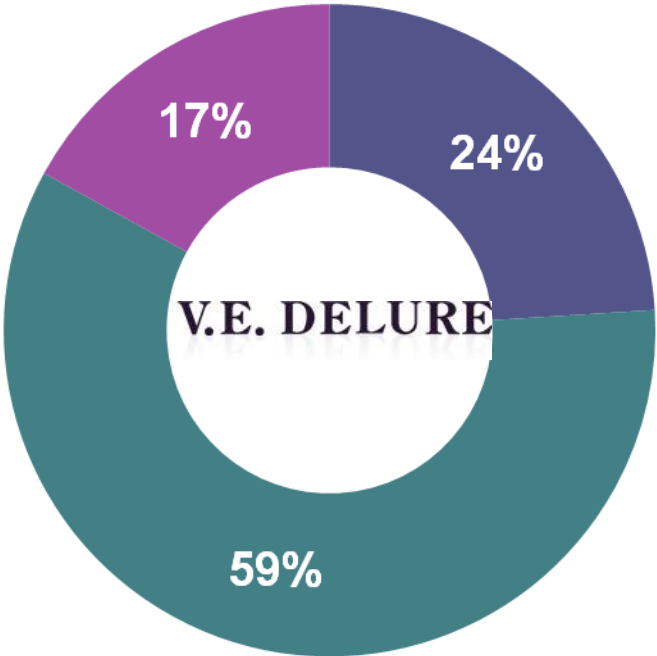


Licensed brands



* Licensed brand – Cartier accessories

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

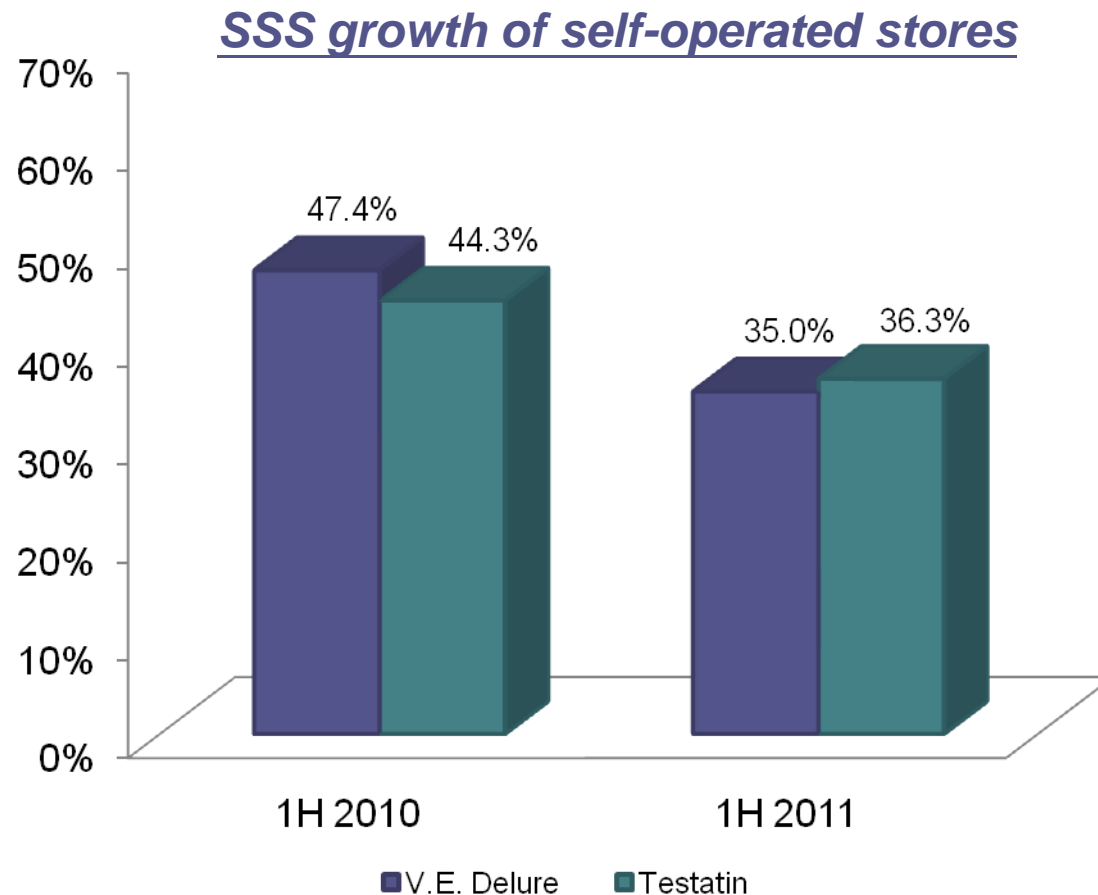


- Tier 1 Beijing, Shanghai, Guangzhou and Hong Kong
- Tier 2 provincial capital cities excluding Beijing, Shanghai, and Guangzhou
- Tier 3 prefecture-level cities excluding provincial capital cities

Same Store Sales (SSS) growth



- Both V.E. Delure and Testatin registered above 35% SSSG for the first half of 2011, better than expectation.
- High SSSG in the first half of 2010 was mainly due to the low base effect as the market in the corresponding period of 2009 was weak.



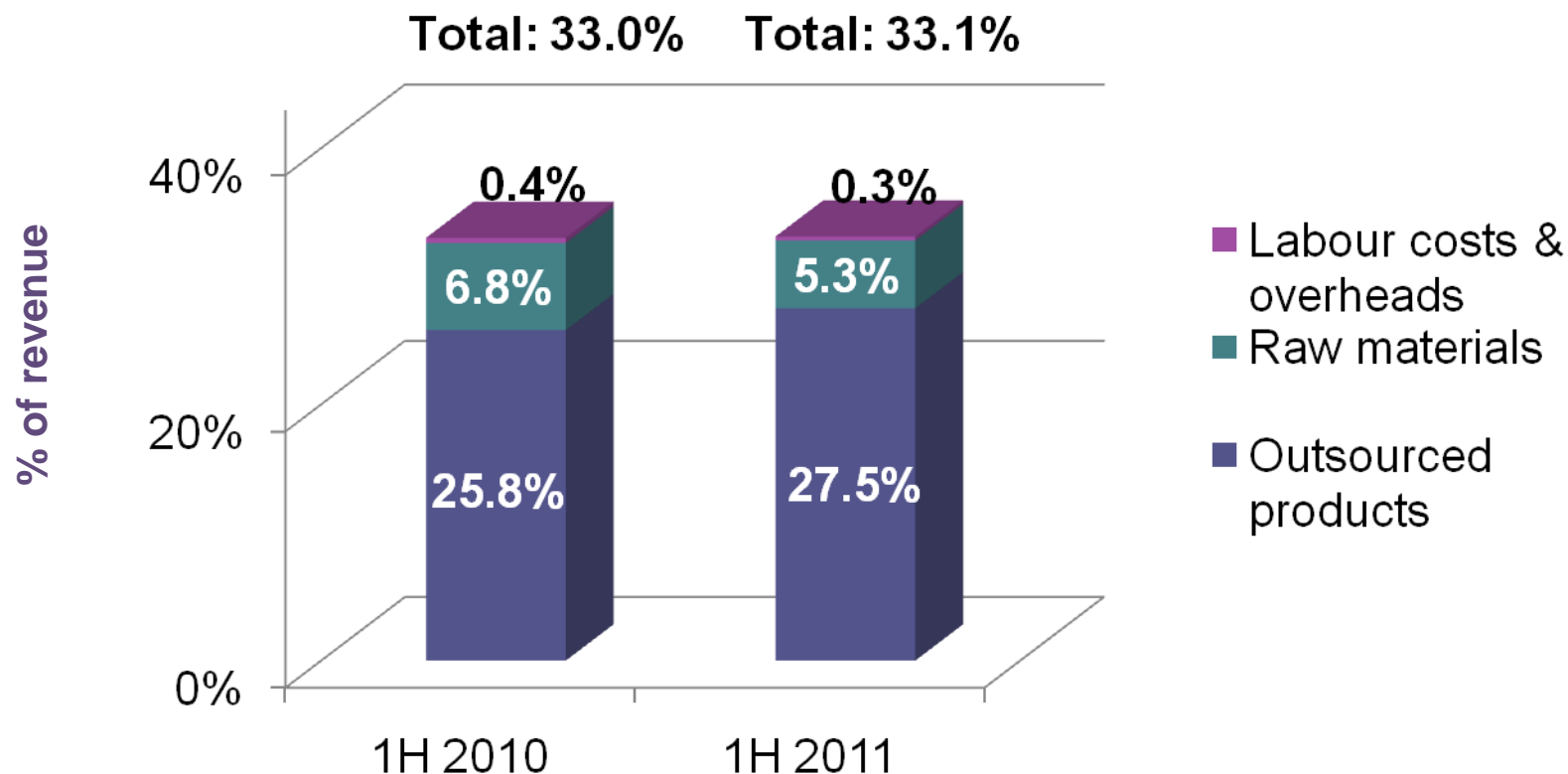
Average Selling Price (ASP) – Self-operated stores



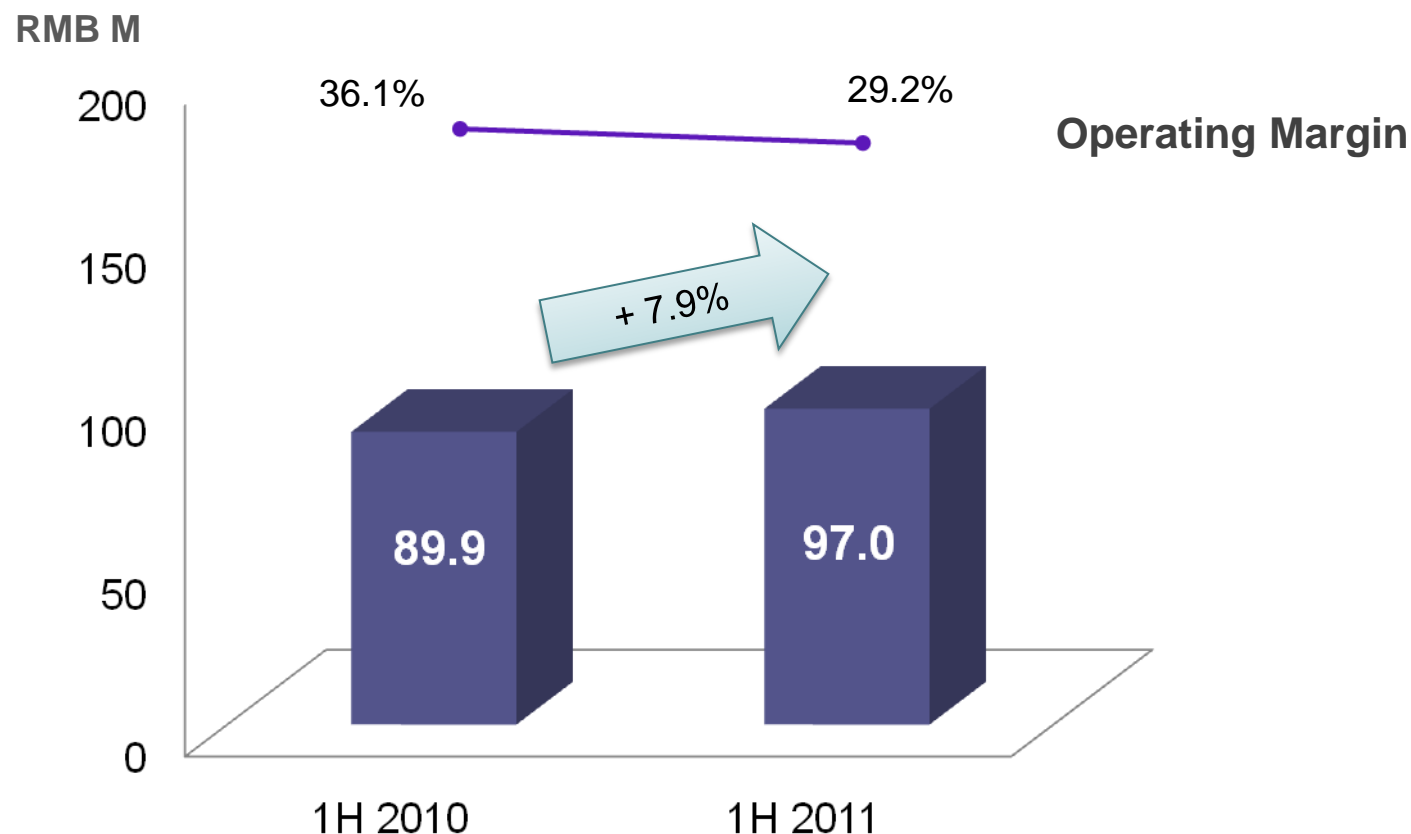
- The increase in ASP of the apparel products for V.E. Delure was due to an increase in demand of our products and the enhanced recognition of the brand in the PRC market.
- Testantin, positioned as a middle-upper brand targeting a younger and more fashion conscious age group, is likely to maintain stable ASP going forward.

<i>ASP of the apparel products (RMB)</i>	For the six months ended 30 June		
	2011	2010	Change (%)
V.E. Delure	2,084	1,958	+6.4%
Testantin	1,288	1,268	+1.6%

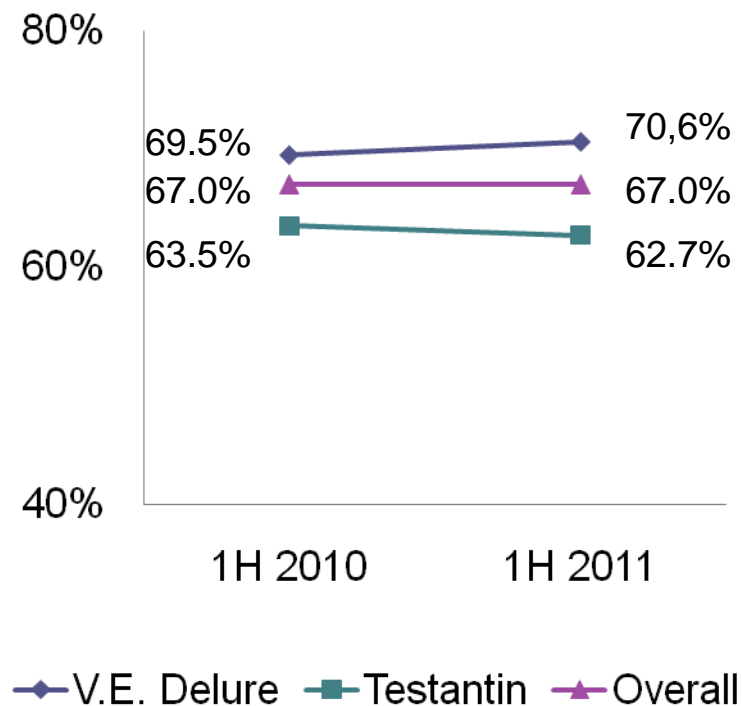
- Despite the continuous rise in cost of raw materials and increasing labour costs, the gross profit margin maintained at 67% with the implementation of effective cost control measures and the growing business from self-operated stores.



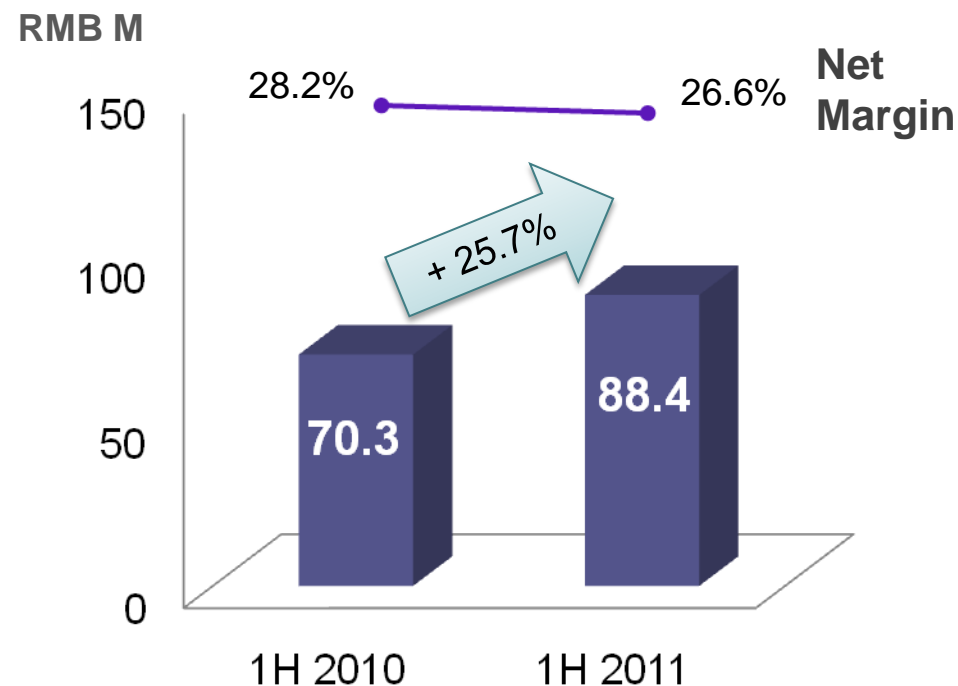
- The decline of 6.9 percentage points in operating profit margin was due to:
 - increasing concessionaire commission paid to shopping malls and department stores to 15.9% of total sales in the first half of 2011 from 11.4% in the same period of 2010.
 - higher employee expenses for adjusted employee benefits of 6.9% of total sales in the first half of 2011, vs 4.7% in the same period last year.



Gross profit margin by brands



Net profit & margin



- Gross margin remained relatively stable, mainly attributable to the increase in number of self-operated stores for its higher gross profit margin than distributors stores

Key financial indicators



Financial position

	As at 30 Jun 2011	As at 31 Dec 2010	Change
Debtors' turnover (days)	62	62	—
Creditors' turnover (days)	50	66	-16
Inventory turnover (days)	320	281	+39
Cash and cash equivalents (RMB M)	955.8	1,138.0	-16.0%
Current ratio (times)	15.5	13.4	+2.1times
Loan / Total assets (%)	—	—	—

Cash flows

(RMB million)	For the six months ended		
	2011	2010	Change
Net cash flow from operating activities	70.2	29.5	+137.8%
Net cash flow from investing activities	-105.5	70.2	—
Net cash flow from financing activities	-143.9	84.9	—
Net cash flow	-179.2	184.6	—



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Nation-wide retail network – by tier of cities



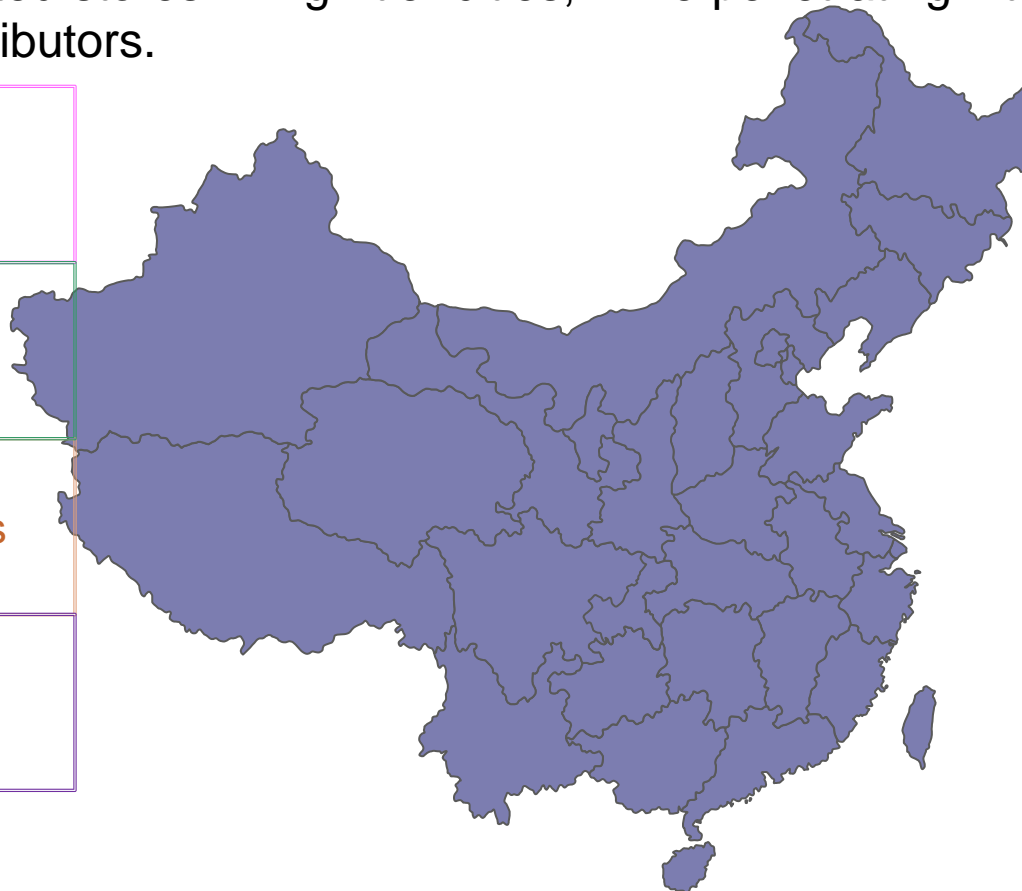
- As of 30 June 2011, the Group has **360** stores in **24** provinces, municipalities and autonomous regions with the coverage of **170** cities.
- Self-operated stores **enhance brand value** and further **strengthen brand image**, while distributorship business model enables expansion of retail network 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 -
23 V.E. Delure stores
7 Testantin stores

Tier 2 cities -
76 V.E. Delure stores
22 Testantin stores

Tier 3 cities -
123 V.E. Delure stores
50 Testantin stores

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



Nation-wide retail network – by tier of cities



V.E. DELURE



City	As at 30 Jun 2011	As at 31 Dec 2010	Change (no. of stores)	Change (%)
1 st tier	23	21	+2	+9.5%
2 nd tier	76	77	-1	-1.3%
3 rd tier	123	112	+11	+9.8%
4 th tier	36	30	+6	+20.0%
TOTAL	258	240	+18	+7.5%



Nation-wide retail network – by tier of cities



Testantin



City	As at 30 Jun 2011	As at 31 Dec 2010	Change (no. of stores)	Change (%)
1 st tier	7	6	+1	+16.7%
2 nd tier	22	17	+5	+29.4%
3 rd tier	50	42	+8	+19.0%
4 th tier	20	20	-	-
TOTAL	99	85	+14	+16.5%



Nation-wide Retail Sales Network – by store nature



No. of Stores	As at 30 Jun 2011	As at 31 Dec 2010	Change (no. of shops)	Change (%)
Department store / mall	249	231	+18	+7.8%
Specialty store	108	94	+14	+14.9%
TOTAL	357	325	+32	+9.8%



Yanshan Youyi
Beijing



Shin Kong Place
Beijing



Dream Island
Nanning



iSquare
Hong Kong



Hangzhou Tower
Hangzhou



North Mall
Shijiazhuang



Springland
Wuxi



Ginkgo
Kunming



Hisense Shopping Plaza
Qingdao



Golden Eagle
Nanjing



Charter Shopping Center
Shenyang



Maison Mode
Chongqing

No. of distributors	As at 30 Jun 2011	As at 31 Dec 2010
V.E. Delure	63	63
Testantin	40	43
V.E. Delure & Testantin*	(14)	(16)
TOTAL	89	90

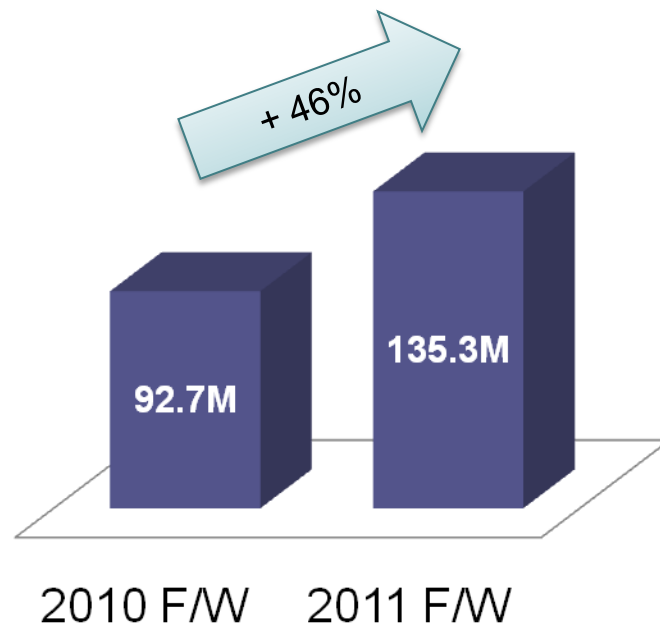
* These distributors carried both brands and need to subtract from total to avoid double counting.

- Distributor number has been relatively stable in recent years.
- Featuring a distribution model comprising of only one level without sub-distributors, the Group's distributors structure is simpler than that of other operators, enabling the Group to closely monitor the business performance and inventory of each distributors store.
- The Group has completed the online connection for 90 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 by the end of 2012.

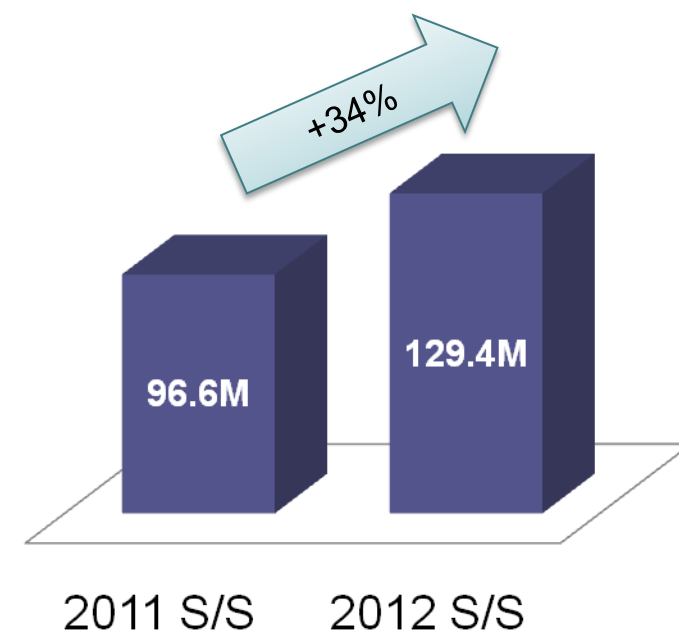
The Group organizes two sales fairs every year – Fall/Winter in February/March and Spring/Summer in July/August.

- For 2011 Fall/Winter sales fair in February 2011, sales order increased by 46% y-o-y
- For 2012 Spring/Summer sales fair in July 2011, sales order increased by 34% y-o-y

Fall/Winter (February)



Spring/Summer (July)



- The Group initiated charity activities such as “Evergreen International Chinese Art Journey” (長興國際中國藝術之旅) and the education sponsorship for disadvantaged children.
- “V.E. DELURE VIP Equestrian Family Carnival” (迪萊VIP馬術親子嘉年華) was held in Nanning in July 2011 with an aim to increase its VIP customers’ understanding of the brand concept.
- 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.





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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** : in higher tier cities and establish flagship stores to enhance brand awareness
 - **Testantin** : in lower tier cities and penetrate to the market through direct managed distributors
- Target to open about 120 new retail stores by end of 2011, of which 68 are V.E. Delure stores and 52 are Testantin stores.



Our Strategy - others

- Cautiously select suitable brands for **merger and acquisition** to enrich brand portfolio
- Strengthen **VIP programs** to establish long-term relationship
- Enhance **ERP system** for long-term development
- Reasonably **raise prices** to minimize impact of rise in raw materials costs
- Seeking design talents to strengthen the design team

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!

