



Evergreen International Holdings Limited

Stock code: 238

Interim Results 2012
August 2012



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- FINANCIAL HIGHLIGHTS
- BUSINESS & OPERATIONAL REVIEW
- PROSPECTS & STRATEGIES
- Q&A



RESULTS HIGHLIGHTS

- Revenue amounted to RMB338.0 M, up 1.8% y-o-y
- Gross profit margin increased by 1.4 percentage points to 68.3%
- Profit attributable to shareholders decreased by 19.5% to RMB71.1M, mainly due to the decrease in sales to distributors and increase in selling and distribution expenses of self-operated stores
- Net cash of RMB822.8 M as at 30 Jun 2012
- Total number of stores increased by 23 to 445 stores
- Turnover of self-operated stores increased by 26.0%, contributing 64.8% of the total turnover
- The Board declared an interim dividend of HK5.0 cents (equivalent to RMB4.1 cents) per share for the six months ended June 2012





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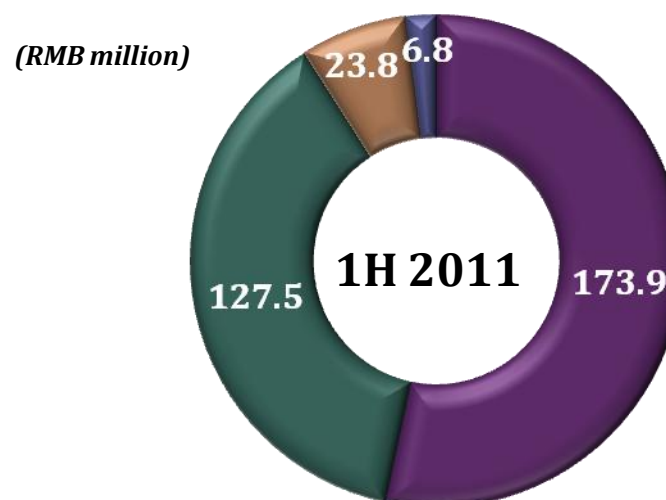
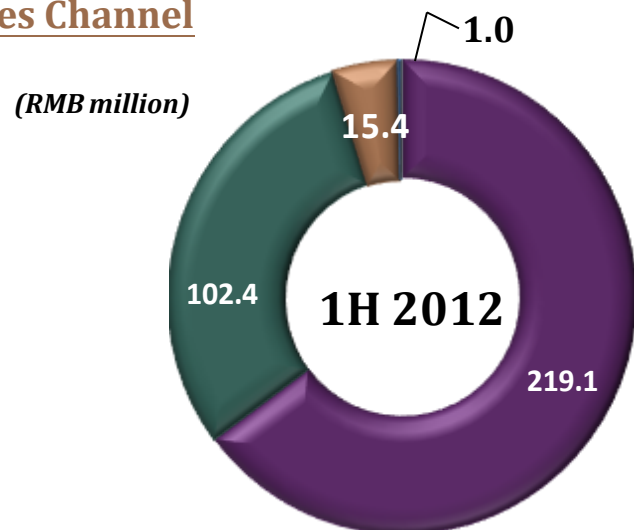
FINANCIAL HIGHLIGHTS

(RMB million)	Six months ended 30 June		
	2012	2011	Change
Revenue	338.0	332.0	+1.8%
Gross profit	230.7	222.2	+3.8%
<i>Gross profit margin (%)</i>	68.3%	66.9%	+1.4 ppt
Operating profit	79.5	97.0	-18.0%
<i>Operating profit margin (%)</i>	23.5%	29.2%	-5.7ppt
Profit attributable to shareholders	71.1	88.4	-19.5%
<i>Net profit margin (%)</i>	21.0%	26.6%	-5.6 ppt
EPS* - Basic (RMB cents)	7.5	9.0	-16.7%
Dividend per share - Interim (HK cents)	5.0	4.4	+13.6%
Dividend payout ratio	54.7%	41.2%	+13.5ppt
Effective tax rate	27.9%	24.3%	+3.6ppt

REVENUE ANALYSIS

By Brand	1H 2012 (RMB million)	1H 2011 (RMB million)	% Change
V.E. DELURE	264.7	265.5	-0.29%
- Self-operated stores	180.3	151.7	+18.9%
-Distributors	83.5	107.0	-22.1%
-Corporate sales	1.0	6.8	-85.3%
TESTANTIN	57.8	42.7	+35.3%
- Self-operated stores	38.8	22.2	+74.5%
- Distributors	19.0	20.5	-7.4%
LICENSED brands	15.4	23.8	-34.9%
Total	338.0	332.0	+1.8%

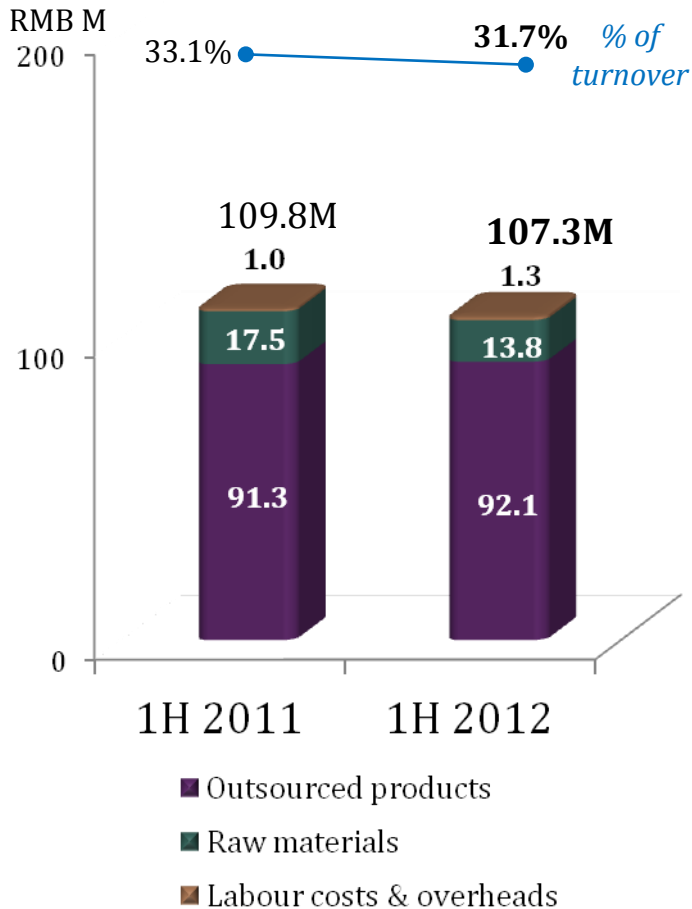
By Sales Channel



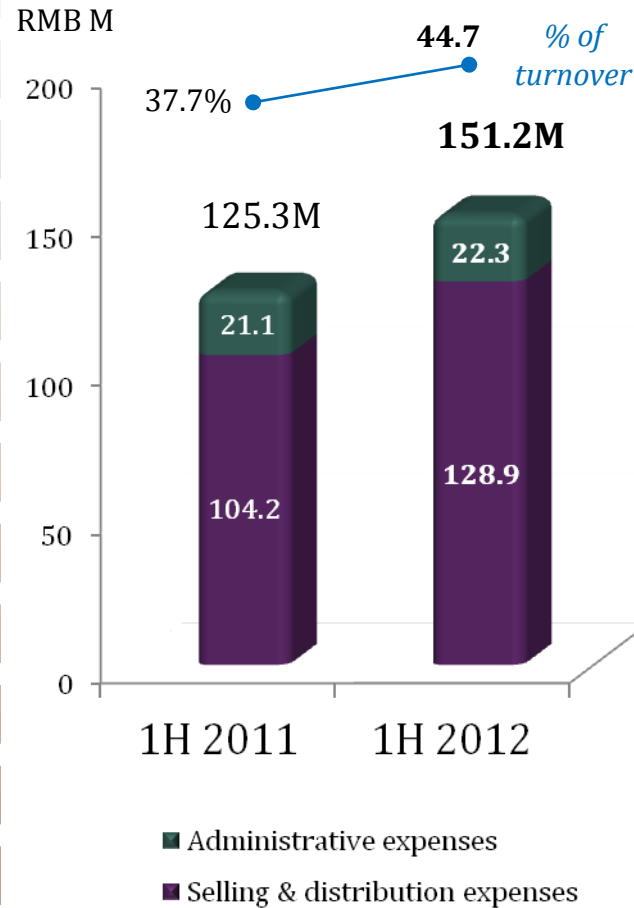
Self-operated stores
 Distributors
 Licensed brands
 Corporate sales

EXPENSE ANALYSIS

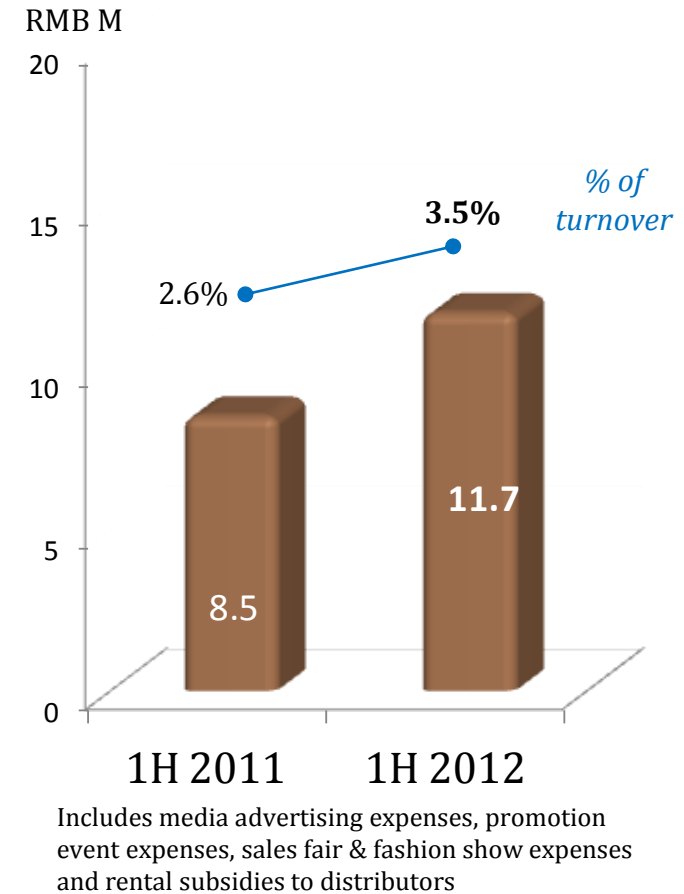
Cost of sales



SD&A

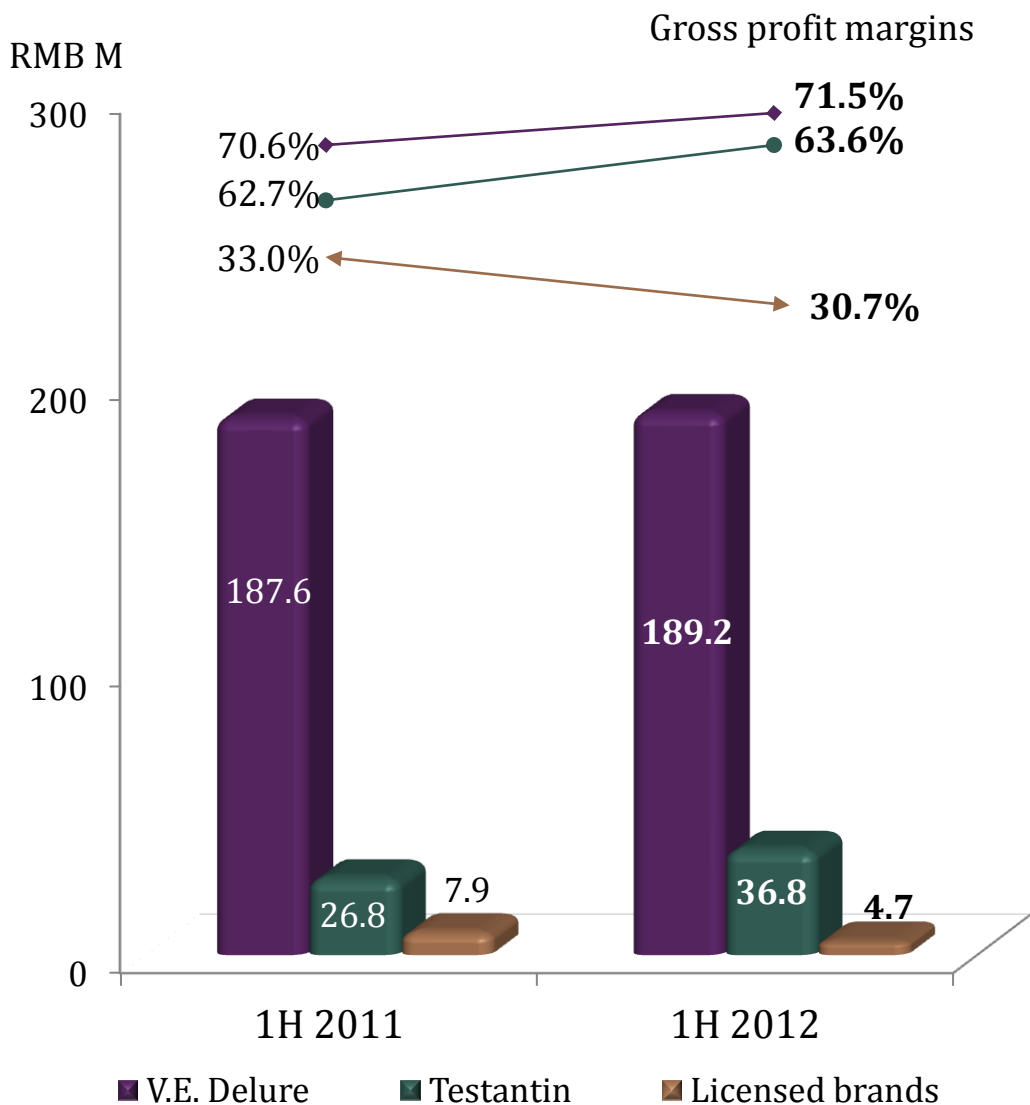


A&P

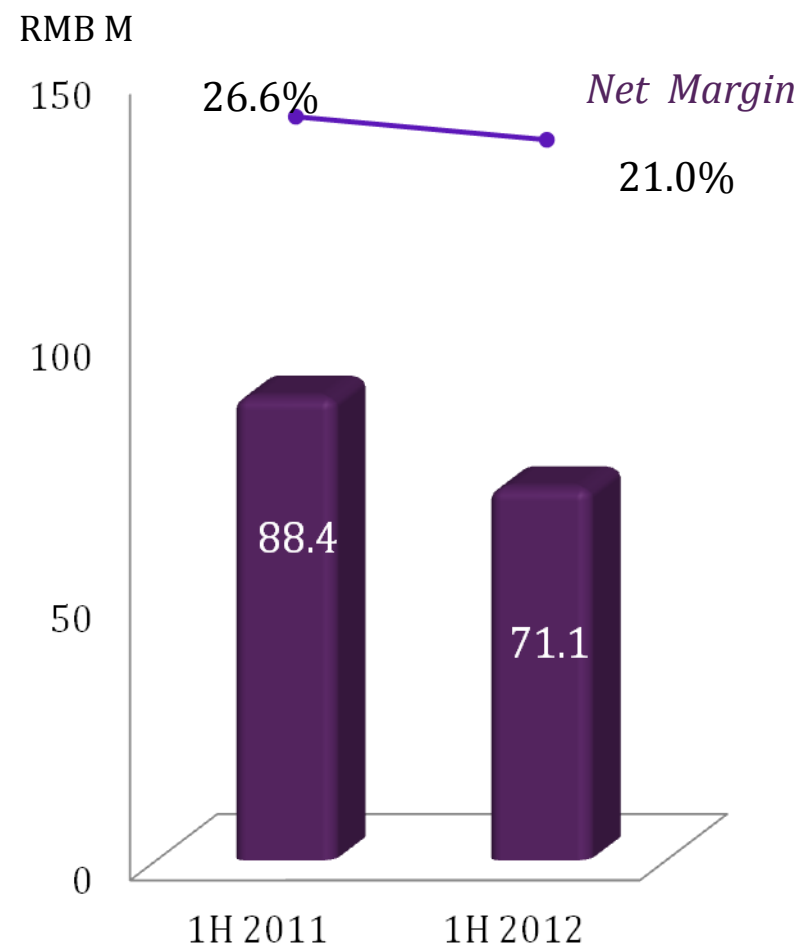


PROFIT & MARGIN

Gross profit & margin



Net profit & margin





KEY FINANCIAL INDICATORS

Financial position

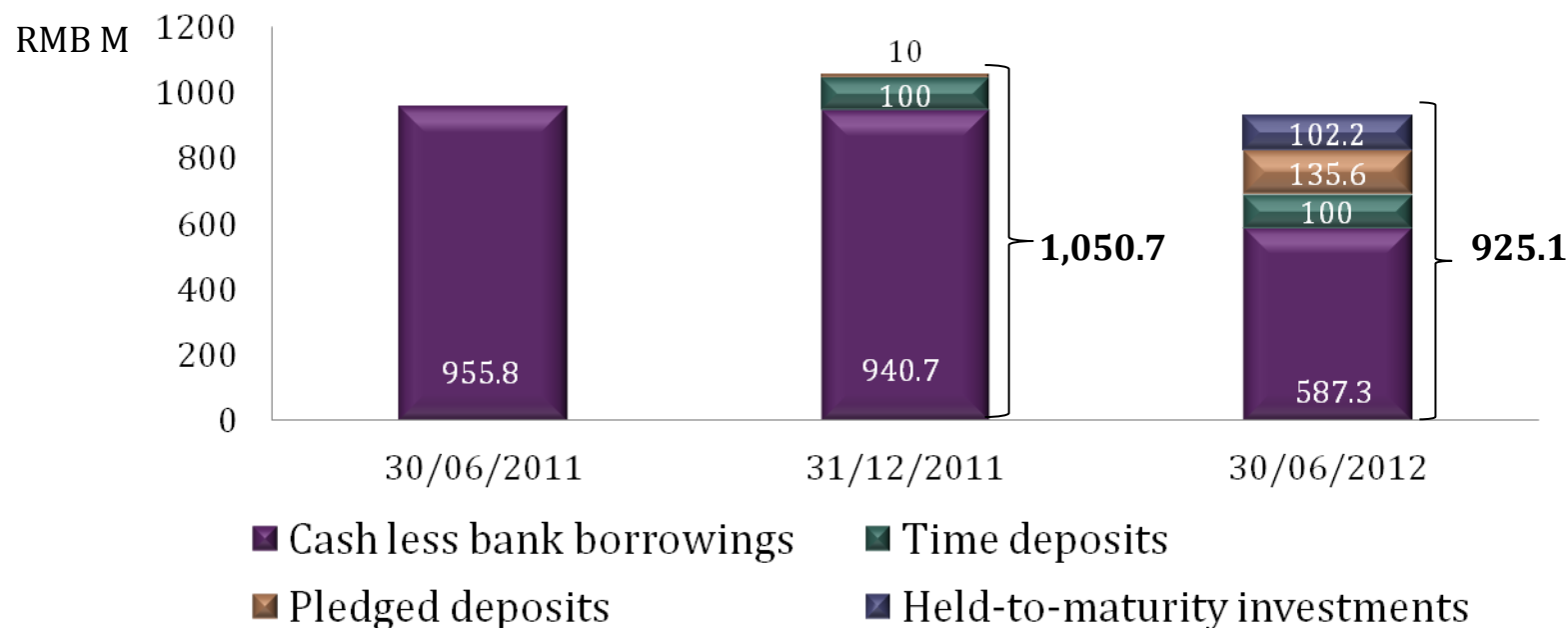
	30 June 2012	31 December 2011	Change
Trade receivables turnover days	71	70	+1 day
Trade payables turnover days	75	79	-4 days
Inventory turnover days	430	325	+ 105days
<i>Exclude licensed brands</i>	417	317	+ 100days
Inventory balance (RMB Million)	228.7	284.6	-19.6%
Net working capital turnover days	426	316	+110days
Cash and cash equivalents (RMB Million)	716.3	940.7	-23.9%
NAV per share (HK\$)	1.75	1.87	-6.4%
Net cash per share (HK\$)	1.04	1.36	-23.5%

KEY FINANCIAL INDICATORS (CONT'D)

Cashflows

(RMB Million)	For the six months ended 30 June	
	2012	2011
Operating cashflow	14.9	70.2
Investing cashflow	(234.9)	(105.5)
Financing cashflow	(4.1)	(143.9)
Net cash flow	(224.1)	(179.2)

Net Cash Position



USE OF PROCEEDS

	Planned %	Amount of net proceeds (RMB M)	As at 30 June 2012	
			Utilized amount (RMB M)	Remaining amount (RMB M)
Expansion and improvement of retail network	45%	457.8	350.5	107.3
Developing independent lines of branded apparels and accessories	10%	101.7	15.0	86.7
Acquisitions or licensing of additional brands	20%	203.5	-	203.5
Marketing and promotion activities	7%	71.2	9.5	61.7
Upgrade of ERP system and database management system	5%	50.9	1.6	49.3
Hiring international design talent and design consultant firms	5%	50.9	1.0	49.9
General working capital	8%	81.4	-	81.4
TOTAL	100%	1,017.4	377.6	639.8

Self-operated stores only

<i>ASP of the apparel products (RMB)</i>	Six months ended 30 June		
	2012	2011	Change(%)
V.E. DELURE	2,197	2,085	+5.4%
TESTANTIN	1,339	1,289	+3.9%

<i>Sales volume of apparel products (pcs)</i>	Six months ended 30 June		
	2012	2011	Change(%)
V.E. DELURE	75,066	71,028	+5.7%
TESTANTIN	26,819	16,296	+64.6%

<i>SSSG</i>	1H 2012	FY 2011
V.E. DELURE	6.6%	18.5%
TESTANTIN	8.5%	10.7%

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NATIONWIDE RETAIL NETWORK

- **445** stores of V.E. DELURE and TESTANTIN in **33** provinces, municipalities & autonomous regions with the coverage of **196** cities
- Net stores opened in 1H 2012: **23**

Region	No. of shops		Revenue	
	As at 30 Jun 2012	As at 31 Dec 2011	1H 2012 (RMB '000)	1H 2011 (RMB '000)
Central	34	34	21,610	25,993
North Eastern	41	43	28,019	18,700
East	77	70	44,923	44,062
North Western	50	46	36,845	30,453
North	71	72	67,813	59,068
South Western	69	61	34,458	40,843
South	98	91	72,206	78,749
Hong Kong & Macau	5	5	16,653	10,356
TOTAL	445	422	322,527	308,224



V.E. DELURE and TESTANTIN stores in Venetian Macao

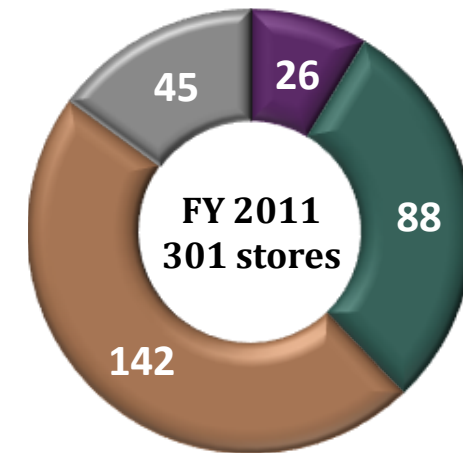
NATION-WIDE RETAIL NETWORK BY BRANDS

V.E. DELURE



	30 Jun 2012	31 Dec 2011	Change (no. of stores)
Self-operated	138	127	+11
Franchised	176	174	+2
TOTAL	314	301	+13

Total number of stores by tier of cities



- **Tier 1:** Beijing, Shanghai, Guangzhou, Hong Kong & Macau
- **Tier 2:** Provincial capital cities excl. Beijing, Shanghai & Guangzhou
- **Tier 3:** Prefecture-level cities excl. provincial capital cities
- **Tier 4:** County-level cities

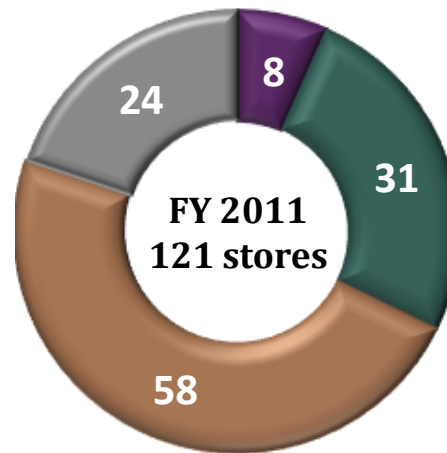
NATION-WIDE RETAIL NETWORK BY BRANDS (CONT' D)

	30 Jun 2012	31 Dec 2011	Change (no. of stores)
Self-operated	57	44	+13
Franchised	74	77	-3
TOTAL	131	121	+10

Testantin  *Collection*



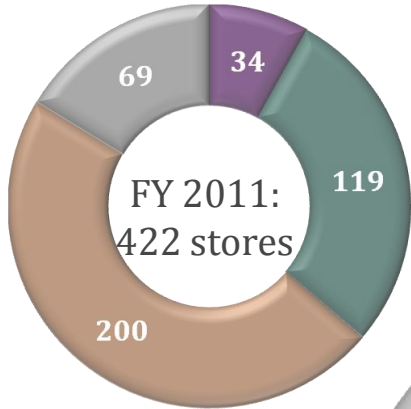
Total number of stores by tier of cities



- **Tier 1:** Beijing, Shanghai, Guangzhou, Hong Kong & Macau
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NATION-WIDE RETAIL NETWORK BY TIER OF CITIES

Total number of stores by tier of cities



- **Tier 1:** Beijing, Shanghai, Guangzhou, Hong Kong & Macau
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Yanshan Youyi, Beijing



Shin Kong Place, Beijing



Dream Island, Nanning



iSquare, Hong Kong



Gingko, Kunming



North Mall, Shijiazhuang



Springland, Wuxi



Golden Eagle, Nanjing



Maison Mode, Chongqing



Hisense Shopping Plaza
Qingdao



Charter Shopping Center
Shenyang



Hangzhou Tower
Hangzhou

Franchised stores only

<i>(RMB)</i>	Order Amount	Delivery commences
Fall/Winter 2012	156.1M	August 2012

<i>(RMB)</i>	Order Amount	Delivery commences
Spring/Summer 2013	110.6M	January 2013



- Continued commitment to innovative product designs and strict quality control, and launched unique product portfolios for its dual proprietary brands, V.E. DELURE and TESTANTIN
- Design team at the Guangzhou headquarters expanded from 20 staff to 22 staff during the period under review, which is led by an experienced chief supervisor with substantial design experience in the industry

New "V.E. Series" under V.E. DELURE to be launched in 2012 F/W



NEW RETAIL LAYOUT & DESIGN

- The Group considers stores as one of the important channels to promote and enhance brand image
- During the period, the two brands continued to carry out retail shop image upgrade work, broaden the display space, to further enhance its high-end brand image in order to more effectively promote the brands and attract more customers



Various TESTANTIN shops renovated in China displaying new design and layout



New V.E. DELURE shop in Venetian Macao



Events

- Exclusive sponsorships of formal attire of the **PRC national table tennis team and badminton team** with sponsorship period until 2015



- Sponsored the “**25th Table Tennis Asia Cup 2012**” which was held in Guangzhou in April 2012

- Collaborated with China National Badminton Team and famous shopping malls to organise “**V.E. DELURE Torch Relay Love Journey**” (“迪萊火炬傳遞愛心之旅”) in Wuhan in May 2012
- The event will continue to take place in other cities in China with an aim to gather social force to participate in the charity activities





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SALES NETWORK EXPANSION

- Plans to open approximately 55 new retail stores in the second half of 2012 (FY 2012: 78 stores), of which approximately 25 would be self-operated stores, while the remaining 30 will be franchised stores
- Self-operated stores in higher-tier cities help enhance brand influence in lower-tier cities
- **Overall strategy:** open self-operated stores in high-tier cities, while penetrating into the market of low-tier cities through franchised stores



OTHER STRATEGIES

- will continue to enhance our **brand image**
- Strengthen **VIP programs** to establish long-term relationship
- Organise various **specific marketing initiatives** to strengthen the brand recognition and value



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

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