

[For Immediate Release]



Evergreen International Holdings Limited Announces Interim Results 2013

*** **

Revenue Up 10.3% YoY at 372.7 Million
Proposed Interim Dividend of HKD4.5 cents per Share

Financial Highlights:

RMB million	For the six months ended 30 June		
	2013	2012	Change (%)
Revenue	372.7	338.0	+10.3%
Gross profit	251.5	230.7	+9.0%
Gross profit margin	67.5%	68.3%	-0.8 ppt
Operating profit	78.2	77.2	+1.2%
Operating profit margin	21.0%	22.8%	-1.8ppt
Profit attributable to shareholders	61.2	71.1	-13.9%
Basic earnings per share (RMB cents)	6.5	7.5	-13.3%
Interim dividend per share (HK cents)	4.5	5.0	-10.0%
Interim dividend payout ratio	55.4%	54.7%	+0.7ppt

(27 August 2013 – 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 unaudited interim results for the six months ended 30 June 2013.

During the six months ended 30 June 2013, the Group recorded an aggregate turnover of approximately RMB372,652,000 (1H2012: RMB337,969,000), representing an increase of approximately 10.3% compared to the same period of last year. Gross profit for the period increased from RMB230,707,000 to RMB251,465,000, representing an increase of about 9%, while gross profit margin decreased slightly from 68.3% to 67.5%. Profit attributable to shareholders of the Company for the period decreased by about 13.9% to approximately RMB61,201,000 (1H2012: RMB71,103,000). The decrease in profit was mainly attributable to the decrease in non-operating bank interest income of RMB13,116,000 as a result of the decrease in average cash and bank balances. Excluding the effect of the decrease in bank interest income and other non-operating items, operating profit attributable to shareholders remained stable at RMB78,175,000 (1H2012: RMB77,245,000).

In light of the interim results, Mr. Chan Yuk Ming, Chairman and Executive Director of Evergreen Intl, commented, “In the first half of 2013, the economic growth in the PRC continued to slow down and the retail sector remained weak. Amid increasing concerns and uncertainties over economic growth in China, the consumer sentiment continued to weaken during the period. In addition, operating expenses including rentals, wages and salaries, and major raw materials costs continued to surge during the period, which further increased the pressure of retail operators under the current challenging environment. Under the current circumstances, the Group increased resources in strengthening the direct retail business through its self-operated stores, enhanced marketing strategy for brand building, provided the distributors with extensive training and improved operation efficiency and business infrastructure, in order to build a solid business foundation for a prudent, healthy and sustainable growth of the Group in a long term basis.”

-Cont'd-

The sales from V.E. DELURE, TESTANTIN and licensed brands business for the six months ended 30 June 2013 represented about 79.5% (1H2012: 78.3%), 17.2% (1H2012: 17.1%) and 3.3% (1H2012: 4.6%) of the total turnover of the Group, respectively. During the period under review, the Group's two proprietary brands, V.E. DELURE and TESTANTIN, have generated RMB296.4 million and RMB64.0 million in revenue respectively, up 12.0% and 10.7% respectively. Self-operated stores of V.E. DELURE sold 85,121 units of apparel products with an ASP of RMB2,080, while TESTANTIN sold 35,060 units of apparel products with an ASP of RMB1,225. In the first half of 2013, V.E. DELURE and TESTANTIN recorded same store sales growth (SSSG) for the self-operated business of 1.5% and 1.0% respectively.

The aggregate sales from self-operated stores for the six months ended 30 June 2013 achieved an increase of 7.2% as compared to the same period of last year, and accounted for about 63.0% (1H2012: 64.8%) of the total turnover, which was mainly resulted from the increased efforts in self-operated stores business under the current challenging conditions during the period. On the other hand, the aggregate sales to distributors for the six months ended 30 June 2013 recorded an increase of 19.8% as compared to the same period of last year and accounted for about 33.0% (1H2012: 30.3%) of the total turnover, which was contributed by the rebound of sales to distributors of V.E. DELURE during the period.

As at 30 June 2013, the Group had a total of 433 stores in 33 provinces and autonomous regions, covering 192 cities in China. There were 148 self-operated stores of V.E. DELURE in 57 cities in China whilst there were 64 self-operated stores of TESTANTIN in 29 cities in China. In the first half of 2013, the number of V.E. DELURE self-operated stores increased from 143 to 148. The new self-operated stores opened mainly located in second-tier and third-tier cities. Franchised stores operated by the distributors of the Group decreased from 164 to 161. Moreover, during the period under review, the number of TESTANTIN self-operated stores increased from 61 to 64 whilst the number of franchised stores decreased from 64 to 60.

The 2013 Fall/Winter V.E. DELURE and TESTANTIN collections sales fair was held in March 2013. The total order amount from franchised stores operated by the distributors of the Group increased by 7% as compared to that of last year. Delivery of the orders commenced in August 2013. The 2014 SPRING/SUMMER V.E. DELURE and TESTANTIN collections sales fair was held in July 2013. The total order amount from franchised stores operated by the distributors of the Group decreased by 3% as compared to that of last year, mainly because the distributors remained uncertain and cautious towards the retail market. Delivery of the orders will commence in January 2014.

Mr. Chan concluded, "Given the risk of continuing slowdown in economic growth in China, the outlook of retail sector in the second half of 2013 remains uncertain and challenging. The sustained low consumer confidence is likely to further impact the retail sector and create challenges to retail operators in Mainland China. However, as the Chinese government continued to drive domestic consumption to support economic growth, the domestic consumption will remain as the key contributor to GDP growth and achieve healthy and sustainable growth in the long run. As one of the leading menswear enterprises and brands operator in the PRC, the Group will appropriately adjust its strategy in response to the market conditions, to maintain the advantageous position in China's high-end menswear market in the long run. With respect to strengthening the brand equity of V.E. DELURE and TESTANTIN, the Group will focus particularly on the sustainable development in a long term basis and the increase and retention of VIP customers. Despite the challenging business environment, the Group will expand and enhance its retail network prudently to prepare for the long term development, so as to maintain its position as one of the leading high-end menswear brand operators in China."

-End-

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 30 June 2013, the Group has a total of [212] self-operated stores and [221] franchised stores in [33] provinces and autonomous regions, covering [192] cities.

For further information, please contact:

iPR Ogilvy Ltd.

Callis Lau/ Karen Tse/ Andrea Leung/ Venus Wong

Tel: (852) 2136 6952/ 2136 6950/ 3920 7684/ 3920 7649

Fax: (852) 3170 6606

Email: evergreen@iprogilvy.com