



Evergreen International Holdings Limited

Stock code: 238

Annual Results 2012

March 2013

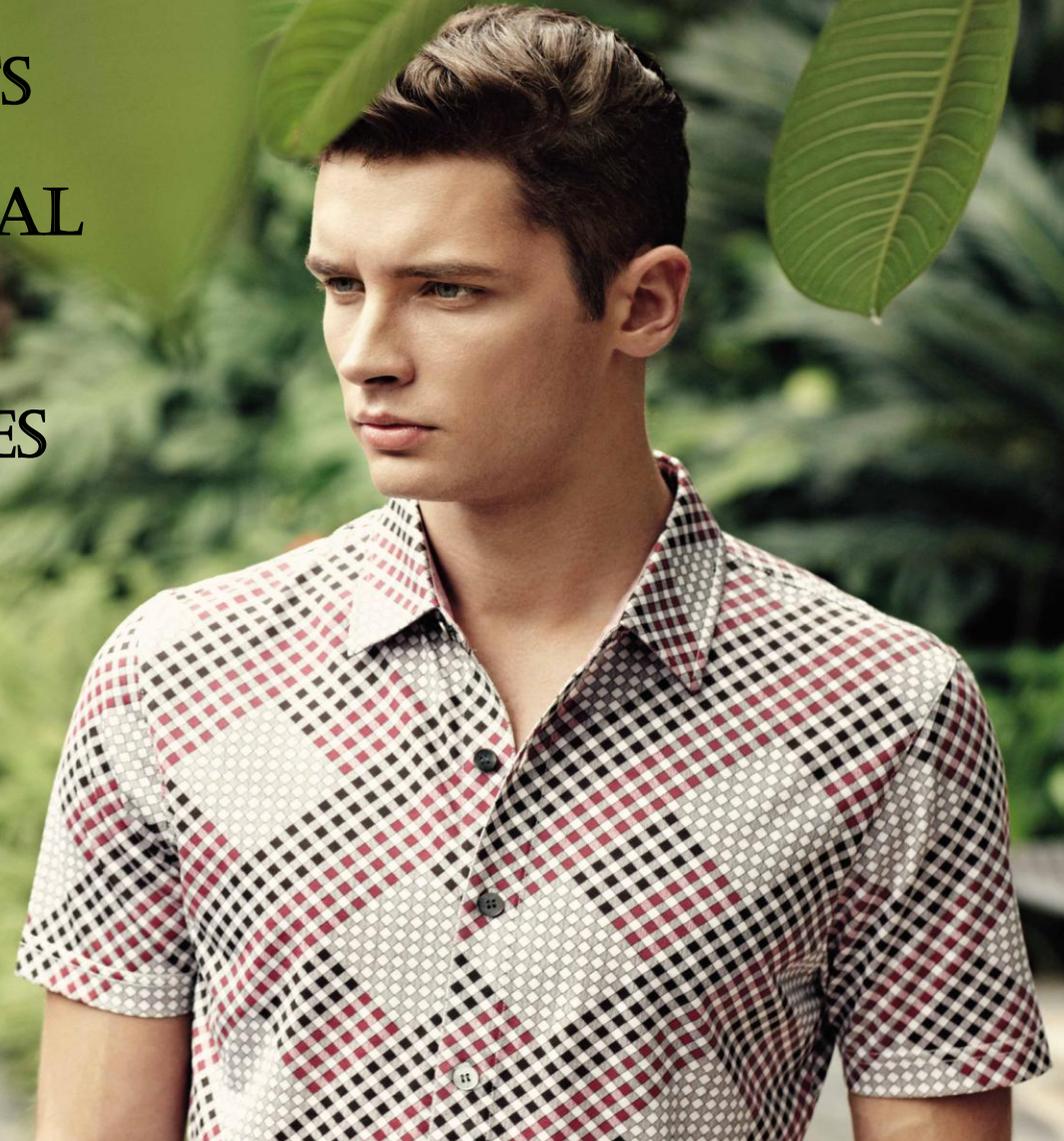


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- FINANCIAL HIGHLIGHTS
- BUSINESS & OPERATIONAL REVIEW
- PROSPECTS & STRATEGIES
- Q&A



RESULTS HIGHLIGHTS

- Revenue down by 1.1% y-o-y to RMB749.1M, mainly resulted from the slowdown in sales to distributors, offsetting the growth in sales by self-operated stores
- Gross profit margin increased by 1.9 percentage points to 67.3%,
- Profit attributable to shareholders down by 18.3% to RMB155.3M
- Turnover of V.E. DELURE self-operated stores up 10.4% to RMB382.1M
- Turnover of TESTANTIN self-operated stores up 50.8% to RMB85.7M
- Net cash of RMB704M as at 31 Dec 2012
- Total number of stores increased by 10 to 432 stores
- The Board proposed final and special final dividends of HK6.2 cents (RMB 5.0 cents) and HK7.0 cents (RMB 5.6cents) respectively



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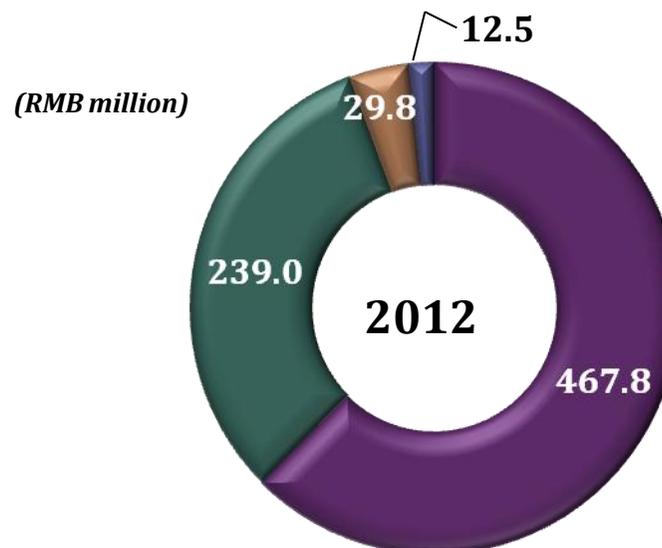
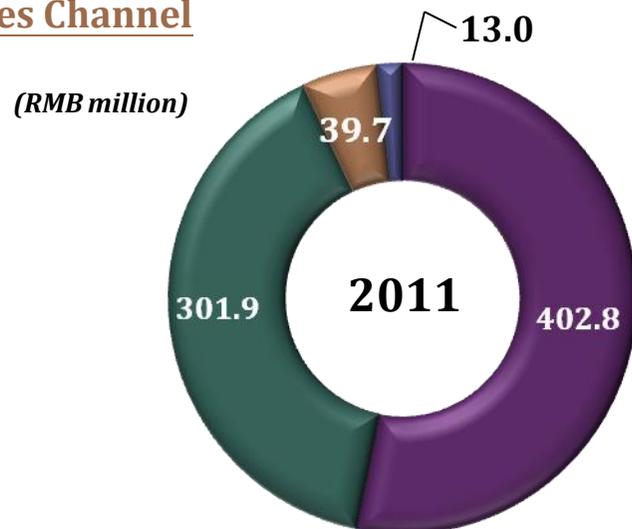
FINANCIAL HIGHLIGHTS

(RMB million)	Year ended 31 December		
	2011	2012	Change
Revenue	757.4	749.1	-1.1%
Gross profit	495.1	504.4	+1.9%
<i>Gross profit margin (%)</i>	65.4%	67.3%	+1.9 ppt
Operating profit	206.7	184.3	-10.8%
<i>Operating profit margin (%)</i>	27.3%	24.6%	-2.7 ppt
Profit attributable to shareholders	190.1	155.3	-18.3%
<i>Net profit margin (%)</i>	25.1%	20.7%	-4.4 ppt
EPS* – Basic (RMB cents)	19.7	16.4	-16.8%
Dividend per share			
- Interim (HK cents)	4.4	5.0	+13.6%
- Final	8.6	6.2	-28.0%
- Special final	8.6	7.0	-18.6%
Dividend payout ratio	90%	90%	-
A&P expenses (as percentage of turnover)	3.4%	2.9%	-0.5 ppt
Effective tax rate	25.2%	27.2%	+2.3 ppt

REVENUE ANALYSIS

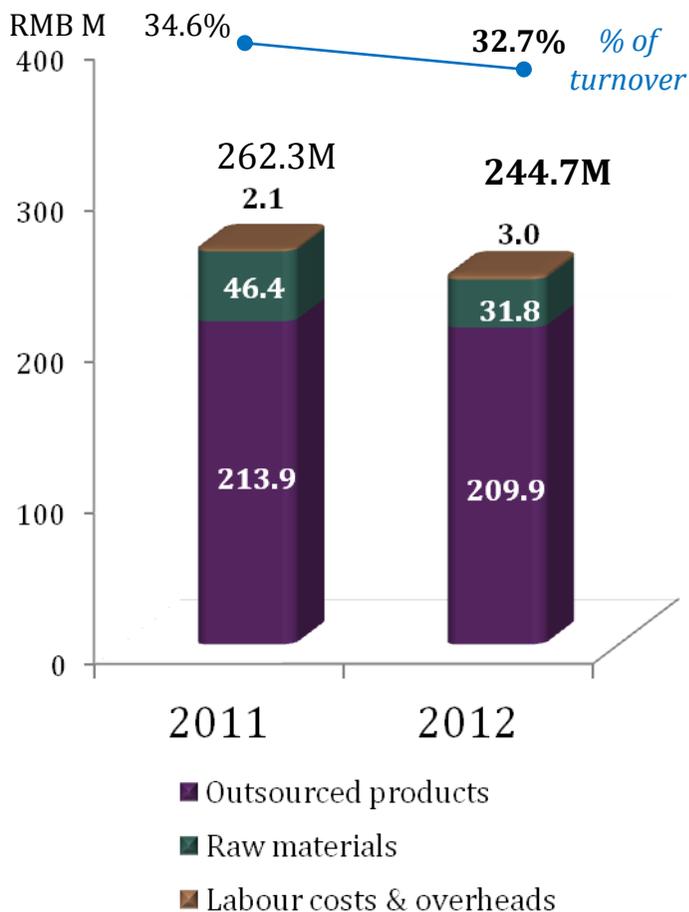
By Brand	2011 (RMB million)	2012 (RMB million)	% Change
V.E. DELURE	597.8	594.5	-0.5%
- Self-operated stores	346.0	382.1	+10.4%
-Distributors	238.8	199.9	-16.3%
-Corporate sales	13.0	12.5	-3.4%
TESTANTIN	119.9	124.8	+4.1%
- Self-operated stores	56.8	85.7	+50.8%
- Distributors	63.1	39.2	-38.0%
LICENSED brands	39.7	29.8	-25.0%
Total	757.4	749.1	-1.1%

By Sales Channel

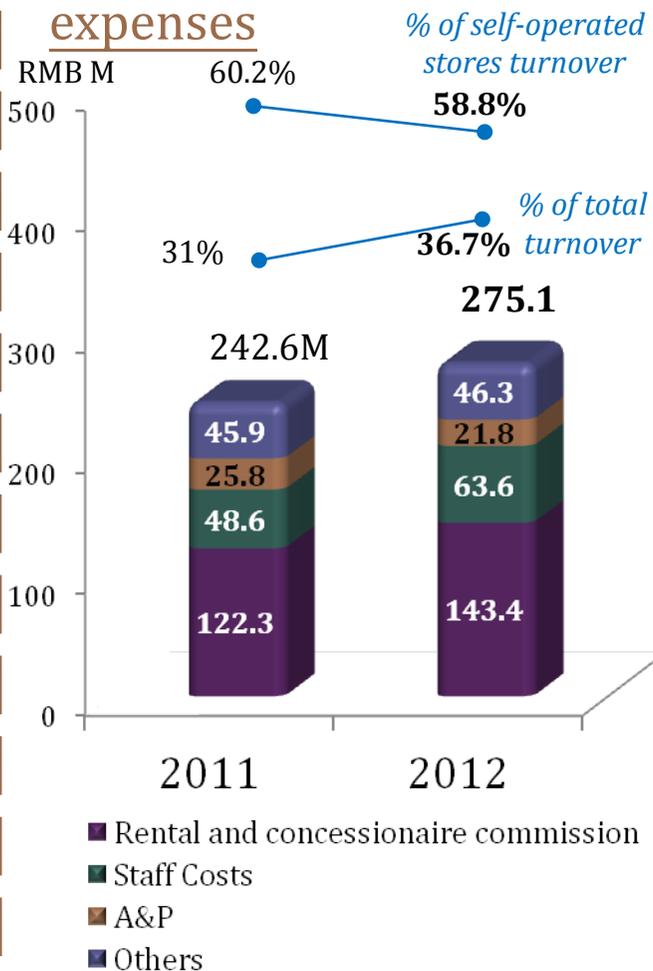


Self-operated stores
 Distributors
 Licensed brands
 Corporate sales

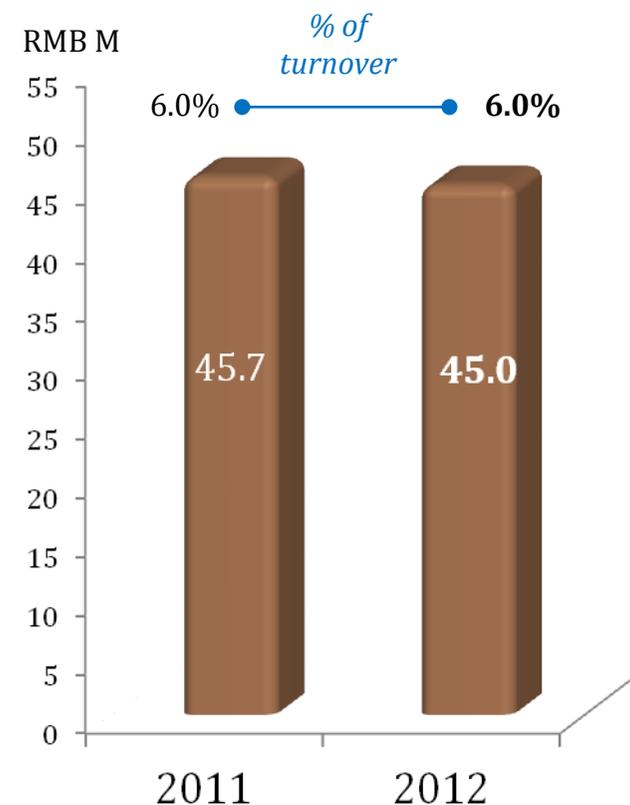
Cost of sales



Selling & distribution expenses

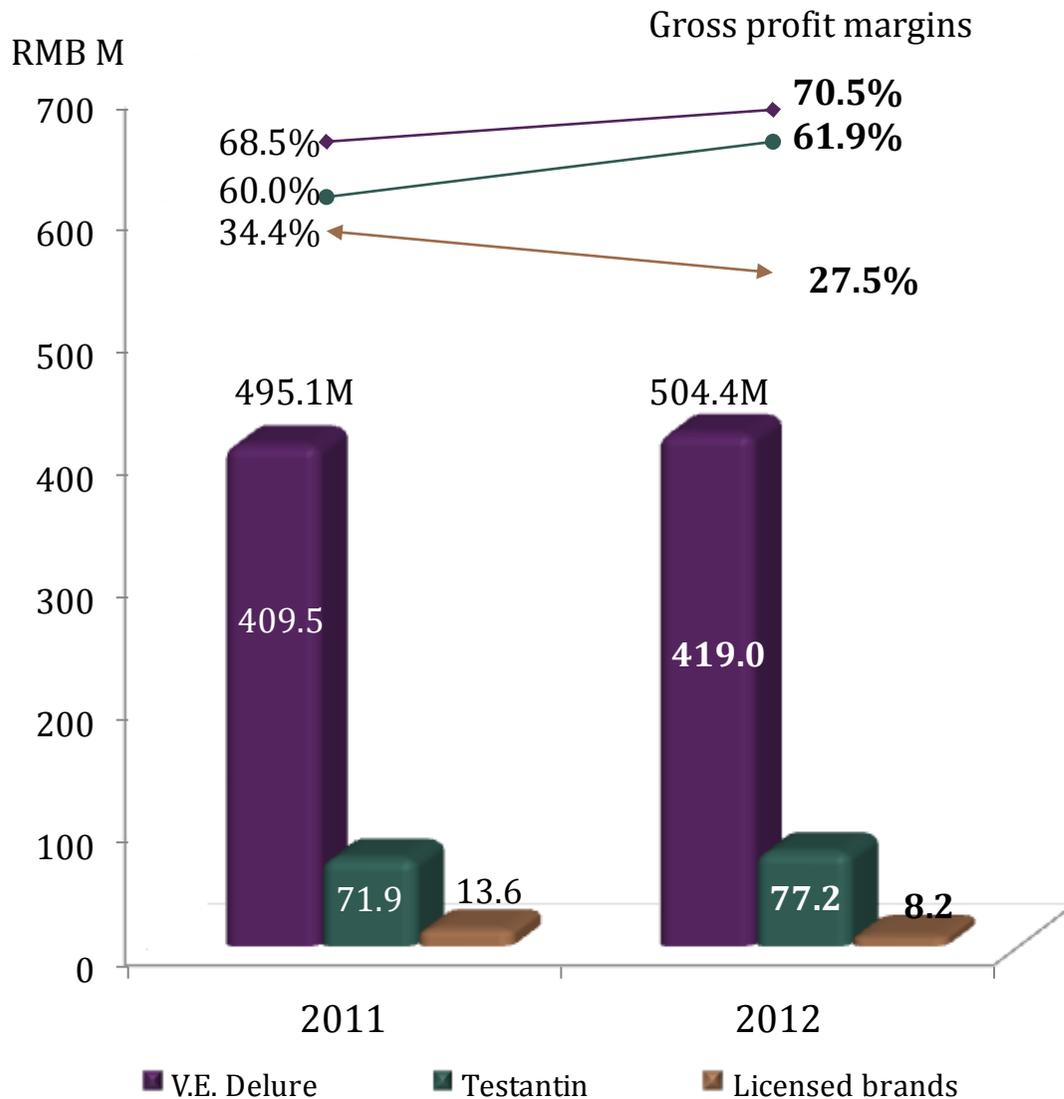


Administrative expenses

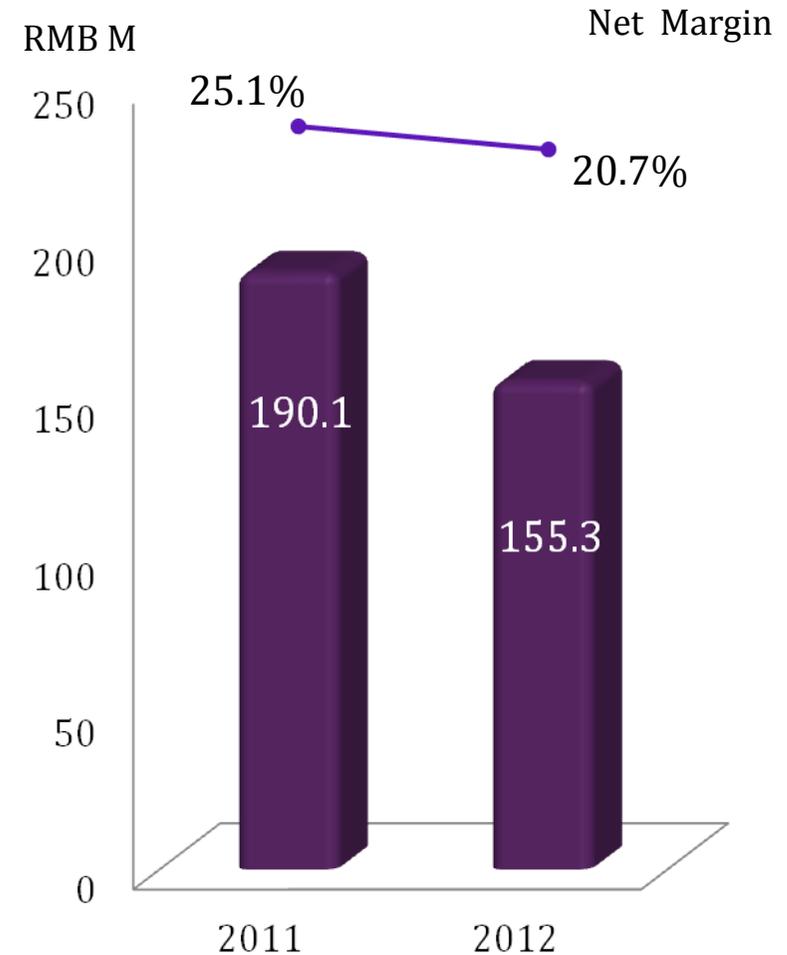


PROFIT & MARGIN

Gross profit & margin



Net profit & margin



KEY FINANCIAL INDICATORS

Financial position

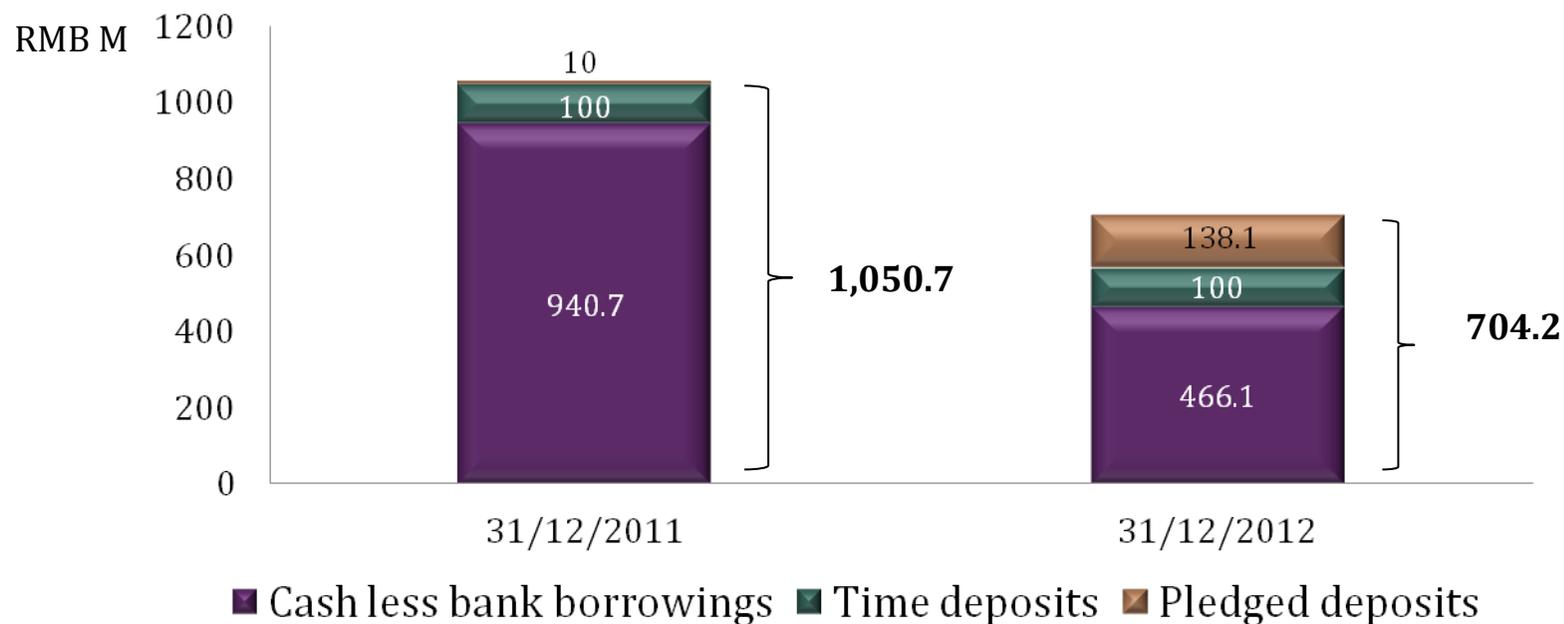
	FY 2011	1H 2012	FY 2012	y-o-y Change
Trade receivables turnover days	70	71	71	+1 day
Trade and bills payables turnover days	117	233	123	+6 days
Inventory turnover days	325	430	431	+106 days
<i>Exclude licensed brands</i>	317	417	418	+101days
Inventory balance (RMB Million)	284.6	228.7	294.0	+3.3%
Net working capital turnover days	278	268	379	+101 days
Net cash position (RMB Million)	1,050.7	716.3	704.2	-33.0%
NAV per share (HK\$)	1.87	1.75	1.85	-1.1%
Net cash per share (HK\$)	1.36	1.06	1.04	-23.5%

KEY FINANCIAL INDICATORS (CONT'D)

Cashflows

(RMB Million)	2011	2012
Operating cashflow	144.3	93.9
Investing cashflow	(131.3)	(396.0)
Financing cashflow	(206.2)	(47.4)
Net cash flow	(193.2)	(349.5)

Net Cash Position



USE OF PROCEEDS

	Planned %	Amount of net proceeds (RMB M)	As at 31 December 2012	
			Utilized amount (RMB M)	Remaining amount (RMB M)
Expansion and improvement of retail network	45%	457.8	424.9	32.9
Developing independent lines of branded apparels and accessories	10%	101.7	19.3	82.4
Acquisitions or licensing of additional brands	20%	203.5	-	203.5
Marketing and promotion activities	7%	71.2	14.4	56.8
Upgrade of ERP system and database management system	5%	50.9	1.7	49.2
Hiring international design talent and design consultant firms	5%	50.9	1.0	49.9
General working capital	8%	81.4	31.0	50.4
TOTAL	100%	1,017.4	492.3	525.1

ASP, SALES VOLUME, SSSG

Self-operated stores only

<i>ASP of the apparel products (RMB)</i>	Year ended 31 Dec		
	2011	2012	Change(%)
V.E. DELURE	2,054	2,044	-0.5%
TESTANTIN	1,121	1,089	-2.9%

<i>Sales volume of apparel products (pcs)</i>	Year ended 31 Dec		
	2011	2012	Change(%)
V.E. DELURE	157,264	174,465	+10.9%
TESTANTIN	47,483	73,815	+55.5%

<i>SSSG</i>	FY 2011	1H 2012	FY 2012
V.E. DELURE	18.5%	6.6%	7.0%
TESTANTIN	10.7%	8.5%	9.5%

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NATIONWIDE RETAIL NETWORK

- **432** stores of V.E. DELURE and TESTANTIN in **33** provinces, municipalities & autonomous regions with the coverage of 197 cities
- The Group made a tactical shift of strategy to self-operated stores business under the current challenging environment during the year
- Net stores opened in 2012: **10**

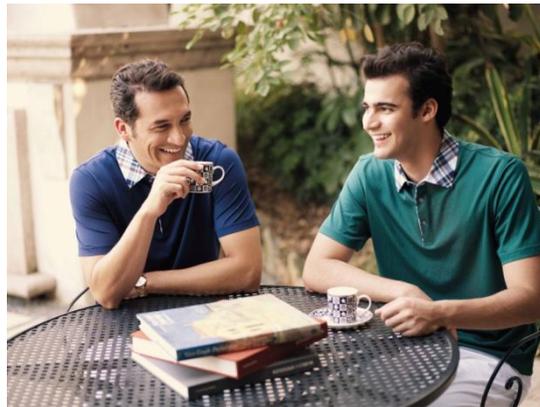
Region	No. of shops		Revenue	
	2011	2012	2011 (RMB '000)	2012 (RMB '000)
Central	34	29	58,996	50,919
North Eastern	43	43	47,440	66,456
East	70	74	94,200	91,988
North Western	46	47	75,214	85,226
North	72	73	144,227	140,318
South Western	61	71	93,728	90,178
South	91	90	216,898	188,648
Hong Kong & Macau	5	5	26,708	35,368
TOTAL	422	432	757,411	749,101



V.E. DELURE and TESTANTIN stores in Venetian Macao

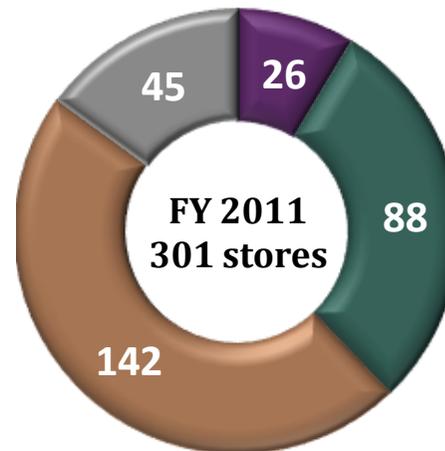
NATION-WIDE RETAIL NETWORK BY BRANDS

V.E. DELURE



	2011	2012	Change (no. of stores)
Self-operated	127	143	+16
Franchised	174	164	-10
TOTAL	301	307	+6

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)

	2011	2012	Change (no. of stores)
Self-operated	44	61	+17
Franchised	77	64	-13
TOTAL	121	125	+4

Testantin  *Collection*



Total number of stores by tier of cities



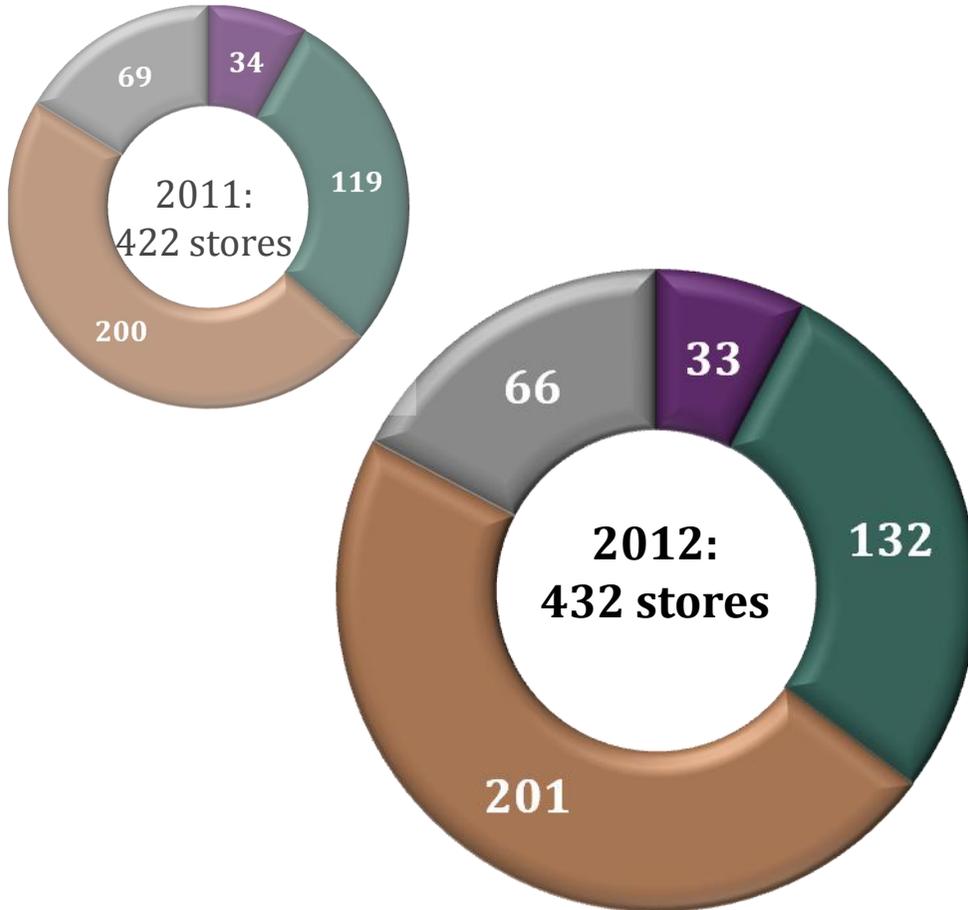
- **Tier 1:** Beijing, Shanghai, Guangzhou, Hong Kong & Macau
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NATION-WIDE RETAIL NETWORK BY TIER OF CITIES



Evergreen International

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
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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>	Growth Rate	Delivery commences
Spring/Summer 2013	+16%	January 2013

<i>(RMB)</i>	Growth Rate	Delivery commences
Fall/Winter 2013	+7%	August 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 teams at the Guangzhou headquarters are led by experienced chief supervisors with substantial design experience in the industry

New “V.E. Series” under V.E. DELURE to be launched in 2013 S/S



NEW RETAIL LAYOUT & DESIGN

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



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



- Spring/Summer 2013 Sales Fair



- Fall/Winter 2013 Sales Fair

V.E. DELURE



TESTANTIN

TESTANTIN



- GrandBuy Night – V.E. Delure Chairty Event 2013 (廣百之夜-迪萊2013慈善活動)



- In view of the expansion of business, the Group purchase offices on the 18th-21st Floor at One Bravo (中國廣東省廣州市天河區金穗路1號邦華環球廣場)
- The total consideration was approximately RMB329,426,100 (equivalent to approximately HK\$408,844,983) which will be settled by the internal resources of the Group
- The Group expects to move in early 2014. The offices will serve as its headquarters office, design centre and products showroom.

One Bravo



Zhujiang New Town

AGENDA

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SALES NETWORK EXPANSION

- Continue strategy shift to self-operated stores
- Plans to open approximately 50 new retail stores in 2013, of which approximately 28 would be self-operated stores, while the remaining 22 will be franchised stores
- Plans to open TESTANTIN self-operated stores in higher-tier cities help enhance brand influence in lower-tier cities



OTHER STRATEGIES

- Set out **5-year development plan** for TESTANTIN, with the aim to refine positioning in terms of **branding, products and sales channels**
- Focus on the **long term development** and the increase and retention of **VIP customers**
- Various specific **advertising and promotional** activities such as outlet sales event
- Grasp opportunities arising from the growth and development of **menswear market** in China
- Providing consumers with **prestigious, contemporary and classic** menswear products



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

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