

[For Immediate Release]



Evergreen International Holdings Limited Announces Annual Results 2012

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**Net Profit Amounted to RMB 155.3 Million
Proposed Final and Special Final Dividend of HK6.2 and HK7.0 Cents per Share
Respectively**

Financial Highlights:

RMB million	For the year ended 31 Dec		
	2012	2011	Change (%)
Revenue	749.1	757.4	-1.1
Gross profit	504.4	495.1	+1.9
Gross profit margin	67.3%	65.4%	+1.9 p.p.
Profit attributable to shareholders	155.3	190.1	-18.3
Basic earnings per share (RMB cents)	16.4	19.7	-16.8
Full-year dividend per share (HK cents)	18.2	21.6	-15.7
• <i>Interim</i>	5.0	4.4	+13.6
• <i>Final</i>	6.2	8.6	-27.9
• <i>Special</i>	7.0	8.6	-18.6
Dividend payout ratio	90%	90%	-

(25 March 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 annual results for the year ended 31 December 2012.

During the year ended 31 December 2012, the Group recorded an aggregate turnover of approximately RMB749.1 million, representing a mild decrease of approximately 1.1% compared to last year. The decrease in turnover was mainly resulted from the growth in sales by self-operated stores, offsetted by the slowdown in sales to distributors and decrease in sales from licensed brands. Gross profit for the year increased to RMB504.4 million for the year ended 31 December 2012, representing a year-on-year increase of about 1.9%. Gross profit margin also improved to 67.3%. Profit attributable to ordinary equity holders of the Company for the year decreased by about 18.3% to approximately RMB155.3 million and net profit margin for the year decreased by 4.4 percentage points to 20.7%. The decrease in profit and net profit margin was mainly resulted from the decrease in sales to distributors offsetted by the increase in sales from self-operated stores, and also the increase in selling and distribution expenses directly attributable to self-operated stores operation. The Board of Directors recommended the payment of a final dividend of HK6.2 cents per share and a special final dividend of HK7.0 cents per share, representing a dividend payout ratio of 90%.

Mr. Chan Yuk Ming, Chairman and Executive Director of Evergreen Intl, commented, “In view of the challenging environment, we continued to monitor the changes in the market and strategically adjust our development strategy to deal with the turbulent market conditions. During the year, we further increased resources in strengthening the direct retail business through our self-operated retail stores network, adjusted our store opening plan prudently, enhanced operation efficiency of retail and distribution network and improved marketing strategy for brand equity in order to achieve a sustainable and healthy growth of the Group in the long run.”

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Turnover of the Group for the year ended 31 December 2012 comprised sales from self-operated stores of about RMB467.8 million, sales to distributors of RMB239.0 million, corporate sales of RMB12.5 million and sales from the licensed brands business of RMB29.8 million. The aggregate sales from self-operated stores for the year ended 31 December 2012 achieved a steady increase of 16.1% as compared to last year, and accounted for 62.4% of the total turnover, which was mainly attributed to the tactical strategy shift to self-operated stores business under the current challenging environment during the year. On the other hand, the aggregate sales to distributors for the year ended 31 December 2012 recorded a decrease of 20.8% as compared to last year and accounted for about 31.9% of the total turnover, which mainly reflected that the distributors remained uncertain and cautious towards the overall consumer market in the PRC.

During the year, the Group's two proprietary brands, V.E. DELURE and TESTANTIN, have generated RMB594.5 million and RMB124.8 million in revenue respectively, representing a slight decrease of 0.5% and a mild increase of 4.1% respectively. Self-operated stores of V.E. DELURE sold 174,465 units of apparel products with an ASP of RMB2,044, while TESTANTIN sold 73,815 units of apparel products with an ASP of RMB1,089. The Group's two proprietary brands, V.E. DELURE and TESTANTIN, recorded steady same store sales growth (SSSG) for the self-operated stores business of 7.0% and 8.5%, respectively, during the year.

As at 31 December 2012, the Group had a total of 432 stores in 33 provinces and autonomous regions, covering 197 cities in China. In 2012, the number of V.E. DELURE self-operated stores increased from 127 to 143. The new self-operated stores opened are mainly located in second-tier and third-tier cities in China. Franchised stores operated by the distributors of the Group decreased from 174 to 164. It is in line with the Group's strategic shift of strategic focus to increase the proportion of self-operated stores in order to enhance the brand image of V.E. DELURE by direct contact with the target consumers and long term profit quality.

Moreover, the number of TESTANTIN self-operated stores increased from 44 to 61 whilst the number of franchised stores decreased from 77 to 64. It is in line with the focus of the Group in opening self-operated stores to enhance the brand image of TESTANTIN by direct contact with the target consumers to facilitate future growth and to consolidate inefficient stores. The Group increased TESTANTIN self-operated stores in high-tier cities during the year, as a stepping stone to enhance brand influence in the second-tier and third-tier cities in China.

V.E. DELURE and TESTANTIN 2013 Spring and Summer Collections Sales Fair was held in July 2012. The total order amount from franchised stores operated by the distributors of the Group increased by 16% as compared to that of last year. Delivery of the orders has commenced in January 2013. V.E. DELURE and TESTANTIN 2013 Fall and Winter 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 will commence in August 2013.

Mr. Chan concluded, "Looking forward, under the current slowed and challenging business environment, we will execute prudent and responsive business strategy to maintain the advantageous position in the high-end menswear market in Mainland China. We will continue to enhance the brand equity and expand our retail network prudently. With respect to strengthening the brand image of V.E. DELURE and TESTANTIN, we will focus on the long term and sustainable development and the increase and retention of VIP customers. Various specific advertising and promotion activities will continuously be launched to strengthen the competitiveness of the brands.

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Despite the challenging business environment, we will continue to expand and enhance our retail network prudently. The Group plans to increase approximately 50 new retail stores in 2013, of which approximately 28 are self-operated stores with the remaining 22 being franchised stores. In the long run, we are confident in the steady and healthy growth of menswear market in China, especially the mid-end to high-end segments. With the growing people's income, pursuit for higher quality products by consumers and the accelerating urbanization, it is expected that the domestic consumption will continue to grow healthily."

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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 31 December 2012, the Group has 103 distributors with a total of 204 self-operated stores and 228 franchised stores in 33 provinces and autonomous regions, covering 197 cities.

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