

[For Immediate Release]



China Lilang Announces 2016 Autumn Trade Fair Results Overall Sales Orders Decline but “LILANZ” Order Volume Grows

(24 March 2016 – Hong Kong) **China Lilang Limited** (“China Lilang” or the “Company”, which together with its subsidiaries, is referred to as the “Group”; stock code: 1234) is pleased to announce the results of its 2016 Autumn Trade Fairs.

The 2016 Autumn trade fair orders was affected as expected, as sales performance of the retail stores in the fourth quarter of 2015 was slower than expected due to the economic environment and extreme weather, which led to a higher level of channel inventories of the 2015 fall collections than in the previous year. In the trade fair, average selling price of the Group’s core brand “LILANZ” declined as the Group appropriately adjusted the product price to suit the current market conditions while implementing the strategy of “improving product quality without raising the price”, hence total sales orders of “LILANZ” recorded a high single-digit percentage decline. Nevertheless, the order volume of “LILANZ” products grew slightly. At the 2016 Autumn Fair, sub-brand “L2” recorded mid-teens percentage decline in total order value and a mid single-digit percentage decline in average selling price. Delivery of the above orders is expected to commence in June 2016.

The Group endeavors to maintaining the channel inventories healthy and continuing with the strategy of “improving product quality without raising the price” in order to drive the same-store sales growth of the distributors.

The 2016 Autumn Trade Fairs of “LILANZ” and “L2” had just been held in Jinjiang and Shanghai, respectively, each of which showcased 1,500 to 2,000 new products of apparel, shoes and accessories.

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About China Lilang

China Lilang is one of the leading PRC menswear enterprises. As an integrated fashion enterprise, the Group designs, sources and manufactures high-quality business casual and fashion casual menswear and sells under its core brand “LILANZ” and sub-brand “L2” across an extensive distribution network, covering 31 provinces, autonomous regions and municipalities in the PRC.

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