



China Lilang Announces 2025 Interim Results

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Revenue Up by 7.9% to RMB1,727 Million

Net Profit at RMB243 Million

Interim Dividend of HK16 Cents Per Share

(12 August 2025 – Hong Kong) **China Lilang Limited** (“China Lilang” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1234) today announced its interim results for the six months ended 30 June 2025.

Mr. Wang Dong Xing, Chairman and Non-Executive Director of China Lilang, said: *“In the first half of 2025, international trade environment became increasingly harsh and complex. During the period, consumer spending in the mainland gradually recovered, but consumers remained cautious about spending on non-essential goods. China Lilang prides a well-differentiated brand matrix that has enabled it to penetrate and have a strong foothold in the menswear market. It appealed to its target customer base through precise product positioning and channel strategies, and launched a number of ‘LILANZ’ and ‘LESS IS MORE’ brand products to meet the needs of the consumer market. In addition, the Group actively deployed omni-channel marketing to enhance the popularity of the Lilang brands and improve the efficiency of online and offline sales channels to boost overall sales and operational competence.”*

For the six months ended 30 June 2025, the Group’s revenue increased by 7.9% to RMB1,727 million. Among this, revenue of the smart casual collection and other collections surged 31.8%, mainly driven by strong performance in in-store sales of the smart casual collection and new retail business. The core collection recorded a slight decrease of 0.2%, primarily due to one-off revenue deduction resulting from the promotion of DTC business model in Shandong Province and Chongqing City.

Gross profit margin increased by 0.2 percentage points year-on-year to 50.2%, mainly due to the increase in average unit price as a result of higher proportion of the direct-to-retail operation in sales revenue. Profit attributable to equity shareholders for the period was RMB242.5 million (2024 Interim: RMB280.1 million). Profit margin attributable to equity shareholders was 14.0%. Earnings per share were RMB20.2 cents.

During the period, the Group maintained a healthy financial position with sufficient cash flow. The Board of Directors has recommended payment of an interim dividend of HK11 cents (2024 Interim: HK13 cents) per ordinary share and a special interim dividend of HK5 cents (2024 Interim: HK5 cents) per ordinary share, thereby maintaining a stable payout ratio.

The Group diligently advanced its strategic transformation during the period, plus continued to implement its “Multi-brands and Internationalization” development strategy to expand business. The core collection “LILANZ” has continued to consolidate its competitive advantage in the traditional menswear market and successfully amplified its brand awareness and market share. The repurchase and transformation of distribution and agency rights in North-Eastern China and Jiangsu Province were completed last year. During the period, the Group has repurchased the operating rights from distributors in the entire Shandong province and Chongqing city and adopted the DTC model. The “LESS IS MORE” smart casual collection that targets younger consumers continued to operate in a fully direct-to-retail mode. The newly opened stores of the smart casual collection were mainly in South-Western China and Central and Southern China. As at 30 June 2025, there were 2,443 stores for the core collection and 331 stores for the smart casual collection.

During the period, the Group continued to optimize its sales channels, opening new stores in shopping malls and outlet stores in prime locations as planned. By incorporating tech-savvy visual aesthetics and youthful, fashionable layouts, the Group has brought the brand’s “Simplicity but not Simple” philosophy to life, thereby enhancing its brand image and driving sales. As at June 30, 2025, the number of stores located in shopping malls rose to 957 (31 December 2024: 933), the store count of outlet stores increased to 121 (31 December 2024: 103), with a total of 2,774 retail stores.

The Group completed strategic transformation of its new retail business, upgrading it from an inventory clearance channel into a major new product sales platform, which reported a remarkable 24.6% increase in revenue for the period. While continuing to strengthen its presence on established sales platforms like Tmall, JD.com and TikTok, the Group has also expanded into emerging channels such as Pinduoduo, Wechat Channels and Poizon, creating diversified online sales network all together. It has kept enhancing its e-commerce strategy and leveraged social media platforms such as Xiaohongshu and Weibo to keep releasing high-quality content. This approach has deepened its emotional connection with consumers and presented it with new business opportunities.

In terms of “Multi-brands and Internationalization” development strategy, the business of “MUNSINGWEAR” was successfully handed over to the Group in the first half of the year. The Group plans to open its first batch of physical stores in the second half of the year. The Group has opened its first store in Malaysia, which started trial operation in May, marking a significant step in overseas expansion.

For the research, development and innovation and brand marketing, the Group is committed to achieving breakthroughs in fabrics, craftsmanship and technologies by pursuing proprietary research and development across its industrial chain, with the goal of enhancing the brand's core competitive advantages. During the period, the Group's original durable white non-iron shirts, "Water Repellent Down 3.0" and the wash-resistant polo shirts have obtained multiple certifications for their anti-wrinkle, quick-drying, and wash-resistant features, successfully driving sales growth. To step up brand transformation aiming at youth consumers, the Group has harnessed celebrity influence, collaborated with cultural IPs, and employed immersive marketing tactics to engage consumers across various age groups and city tiers.

Looking ahead to the second half of 2025, the development of domestic consumer market continues to be challenging. As an industry leader, China Lilang will press on with applying its strengths, following shifts in the consumer market and technological advancement, to promote transformation and to enhance brand influence, achieving sustainable sales and profit growth.

In the second half year, the Group will continue to push forward with transformation. It will continue to capitalize on the operational advantages of the DTC model in North- Eastern China, Jiangsu Province, Shandong Province and Chongqing City to achieve healthy expansion, tailoring implementation taking into account the specific conditions of each market to further achieve optimal operational performance. For the smart casual collection, which is operated entirely in the direct-to-retail mode, will have its development foundation strengthened to help maintain its strong development momentum. The Group expects the DTC model to unleash its potential further in the second half year and contribute to sales growth.

On the other hand, the Group will continue to leverage the advantages of its sales channel reform, focusing on opening stores in prime locations in premium shopping malls in provincial capitals and prefecture-level cities, and closing the underperforming stores to achieve better overall store performance. At the same time, the Group will prudently expand the layout of outlet stores and increase the number of stores to speed up inventory clearance. The Group aims to achieve a net increase of 50-100 stores in 2025.

To achieve both the online and offline development, the Group will accelerate its new retails business by leveraging various platforms to engage young customer groups and strengthen brand market penetration. By increasing brand exposure through multi-dimensional initiatives, the Group aims to increase online sales of new products, expecting a rise to 80% of total e-commerce sales. It will work on optimizing the respond time of its supply chain to meet customers' needs, via including continuously upgrading its the smart logistics center.

With a solid domestic foundation, the Group is confident of accelerating implementation of its “Multi-brands and Internationalization” development strategy. As a key project of its multi-brand strategy, “MUNSINGWEAR” will continue to focus on product development in the second half year to meet the needs of the new middle class for personalized, functional and sustainable fashion. For its overseas business, the Group will open more stores in Malaysia in the second half year to better tap the Malaysian market, as well as actively deploy plans to expand business coverage to other Southeast Asian markets. Furthermore, the Group will promote its brand popularity through collaboration with IPs, as well as enhancing interaction with consumers through precise social media marketing and membership programs to foster customer loyalty and capture bigger market share.

Mr. Wang Dong Xing, Chairman of China Lilang, concluded: *“While China’s consumer market remains challenging, the Group maintains cautious optimism toward the retail sector given the government’s implementation of multiple consumption-stimulus measures. The ‘LILANZ’ core collection and the ‘LESS IS MORE’ smart casual collection have both undergone innovative transformation, emerging with clearer positioning. This will enable the Group to enhance precision and efficiency in product development, design, marketing promotion and sales, and ultimately drive the long-term growth. On the other hand, as a steadfast practitioner of sustainable development, the Group has deeply embedded ESG principles into its corporate strategy, consistently driving green innovation and social shared value. During the period, we issued our first independently compiled ESG report titled “Creat a Better Life Together” and formally established an ESG Management Committee, integrating ESG governance into strategic planning and core values – demonstrating our commitment to long-term value creation. Notably, the Group achieved an MSCI ESG rating upgrade to BB, ranking among China’s top menswear industry peers. Looking ahead, the Group will continue to reinforce its leadership in the domestic menswear sector and strive to achieve sustainable growth through implementing flexible marketing strategy and continuous innovation, to the ultimate end of generating greater value for shareholders, its employees and customers.”*

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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 and casual apparel for men and sells under brands of 「利郎 LILANZ」及「利郎 LESS IS MORE」 across an extensive distribution network, mainly covering 31 provinces, autonomous regions and municipalities in the PRC.

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