[For Immediate Release]

China Lilang Announces 2026 Interim Results

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Revenue Up by 19.5% to RMB2,065 Million
Profit Attributable to Equity Shareholders at RMB233 Million
Interim Dividend of HK14 Cents Per Share

(17 August 2026 – 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 2026.

Mr. Wang Dong Xing, Chairman and Non-Executive Director of China Lilang, said: *"In the first half of 2026, global geopolitical tensions remained high, while China's economy maintained a stable growth momentum, and consumers have become more rational in their purchasing decisions. During the period, China Lilang adjusted its sales strategies in a timely manner to optimize sales performance while upholding its brand positioning and product quality. The Group remained focused on enhancing the competitiveness of both the core collection "LILANZ" and smart casual collection "LESS IS MORE", improving operational efficiency and expanding market share. At the same time, the Group strategically increased the supply of value-for-money products to cater to the needs of a broader range of consumers. In addition, the Group continued to optimize its omni-channel sales and marketing network, actively promoting the integration of online and offline operations while advancing its Multi-brands and Internationalization strategies, further consolidating its leading position in the menswear industry.*

For the six months ended 30 June 2026, the Group's revenue increased by 19.5% to RMB2,064.7 million. Among this, revenue of the smart causal collection and other collections surged 34.7%, mainly driven by strong momentum in its in-store sales and new retail business. The core collection also recorded an increase of 12.7%, primarily driven by the later Lunar New Year, which extended the peak sales season, as well as the rapid expansion of new retail channels and an increased supply of value-for-money offerings, effectively meeting market demand.

Gross profit margin decreased by 1.3 percentage points year-on-year to 48.9%, primarily due to an increase in sales of value-for-money products and a higher proportion of sales of products from large-scale year-end promotional activities, which led to a decrease in average unit price. Profit attributable to equity shareholders for the period was RMB215.4 million (2025 Interim: RMB242.5 million). Profit margin attributable to equity shareholders decreased by 3.6 percentage points year-on-year to 10.4%. Earnings per share were RMB18.0 cents.

The Board of Directors has recommended payment of an interim dividend of HK10 cents (2025 Interim: HK11 cents) per ordinary share and a special interim dividend of HK4 cents (2025 Interim: HK5 cents), thereby maintaining a relatively high payout ratio.

The Group continued to deepen its well-differentiated brand matrix, driven by the dual core collections: the core collection "LILANZ" and the smart casual collection "LILANZ LESS IS MORE". The "LILANZ" core collection continued to consolidate its position in the traditional menswear market. Through optimizing its product portfolio and continuing its strategic transformation towards the Direct-to-Consumer ("DTC") model, and repurchasing the operating rights from its first-tier distributors in Hubei Province during the period, the Group strengthened the brand's influence and penetration among its core customer base, as well as enhanced operational efficiency and market responsiveness.

The "LESS IS MORE" smart casual collection that targets younger consumers continued to operate in a fully direct-to-retail model, with its store opening strategy focused on launching outlets at shopping malls preferred by consumers. Coupled with the seamless integration of online and offline channels, the brand was able to engage consumers more precisely and effectively enhance the consumer experience. As at 30 June 2026, there were 2,465 stores for the core collection and 355 stores for the smart casual collection, bringing the Group's total store count to 2,820, representing a net increase of 3 stores.

During the period, new retail channels were one of the Group's core growth engines, with sales increasing by 39.0% year on year. The Group continues to strengthen mature sales platforms such as Tmall, JD.com, and TikTok, and actively expands into emerging channels such as Pinduoduo, WeChat Channels, Poizon, Xiaohongshu and Weibo, further broadening its online sales coverage, deepening emotional connections with consumers, and opening new growth opportunities for the new retail business.

The Group steadily implemented its "Multi-brands and Internationalization" core strategy during the period. In Chinese Mainland, the Group continued to expand the physical store network of "MUNSINGWEAR", adding 3 new stores during the first half of the year and successfully opening a flagship store at Nanjing Deji Plaza. At the same time, the Group further expanded its online sales channels to achieve synergistic integration between online and offline operations, thereby enhancing brand awareness and market penetration among its target customers, while strengthening its presence in the high-end market segment. In terms of overseas expansion, the Group continued to systematically expand its store network in the Malaysian market, opening 5 stores during the period, and completed the company registration process in the Philippines. The Group has also commenced the company registration process in Vietnam as part of its preparations for entering the local market.

During the period, the Group adheres to the design philosophy of "Simplicity but Not Simple" and continuously deepens its proprietary research and development across its industrial chain, focusing on fabric innovation, craftsmanship upgrades and standard setting to strengthen its competitive advantage of "Technology-Empowered Products", and transform its technological expertise into industry-wide reference standards.

Looking ahead to the second half of 2026, the Group will continue to implement its channel upgrade and high-quality development strategy, focusing on enhancing the operating efficiency and profitability of store network. With Hubei Province having completed its DTC model transformation, the Group will focus on consolidating and developing the operation of the transformed regions and fully leveraging the advantages in management efficiency and market responsiveness brought about by the channel reform. In the future, the Group will prudently evaluate the development of the model and continuously improve the sales network layout, based on the market environment and operating performance in various regions. The Group will continue to focus on potential locations such as high-quality shopping malls and outlets to promote store image upgrades and enhance store efficiency.

In terms of new retail business, the Group will pursue integrated online and offline development, fully leverage its omni-channel advantages to enhance customer engagement and shopping experience. The Group aims to achieve revenue growth of 20% or more for its new retail business in 2026, and overall retail value growth of not less than 10%, further reinforcing its position as a core growth engine of the Group.

The Group will continue to enrich the product portfolio of "MUNSINGWEAR" and expand its retail network layout, thereby enhancing brand influence and market coverage. Regarding international expansion, the Group will gradually expand its local retail network in Malaysia, strengthen its brand-building efforts, and actively accumulate operational experience in overseas markets, thereby laying a more solid foundation for its long-term development.

Mr. Wang Dong Xing, Chairman of China Lilang, concluded: *"Looking ahead to the second half of the year, the Chinese economy still faces the imbalance of 'strong supply and weak demand', which will continue to affect consumer confidence in the short term and pose challenges to the recovery of the consumer market. Amid a complex and ever-changing operating environment, China Lilang will continue to leverage its solid brand foundation and market leadership advantages, adhere to its prudent operating strategy, and further enhance its competitiveness in products, channels and operations. By capturing opportunities arising from industry developments, the Group remains committed to delivering sustainable returns to shareholders."*

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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」. Its products are sold primarily through an extensive retail and distribution network in the PRC and overseas markets.

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