

利郎

LILANG

CHINA LILANG LIMITED

中國利郎有限公司

Stock Code 股份代號 : 1234

# 2025 Interim Results

利郎 LESS IS MORE



# Agenda

- 01** Results Highlights
- 02** Financial Review
- 03** Business and Operational Review
- 04** Outlook and Strategy
- 05** Open Forum



# 01 Results Highlights



# Results Highlights

Revenue increased by 7.9% to RMB 1,730 mn, profit attributable to equity shareholders was RMB 242 mn, and gross profit margin was 50.2%

Smart casual collection recorded revenue growth of 31.8%, continuing the positive momentum from 2024

DTC model for core collection launched in the North-Eastern China and Jiangsu province progressing well, with retail sales surpassing our overall growth rate

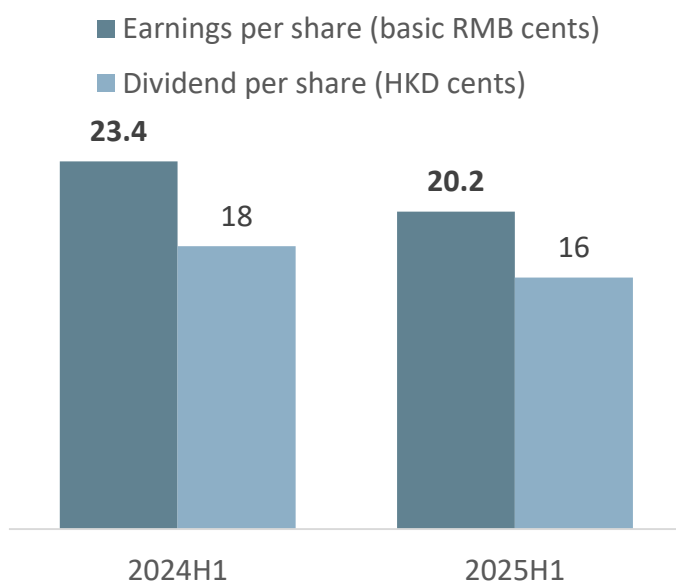
New retail sales recorded rapid growth of 24.6%, demonstrating the Group's increased investment in TikTok and other e-commerce platforms has yielded remarkable results.

Continued to explore new and diversified marketing approaches, built market leadership through multi-dimensional initiatives such as brand upgrades, celebrity endorsements and digital marketing

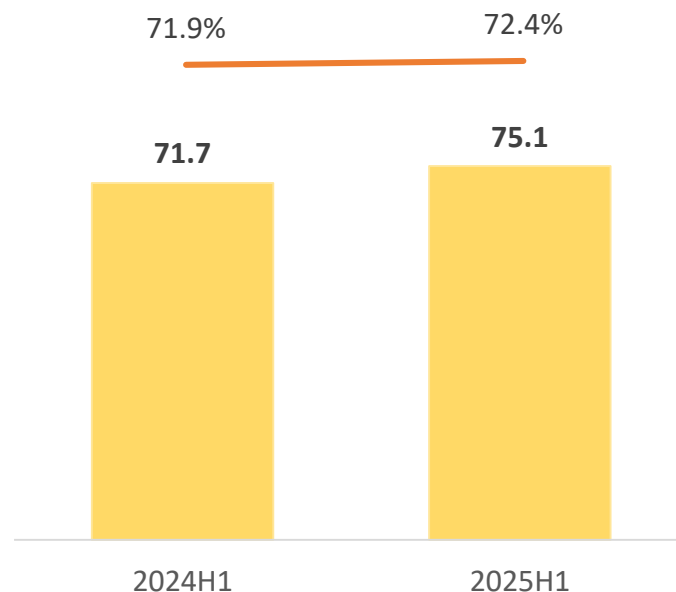


# Results Highlights

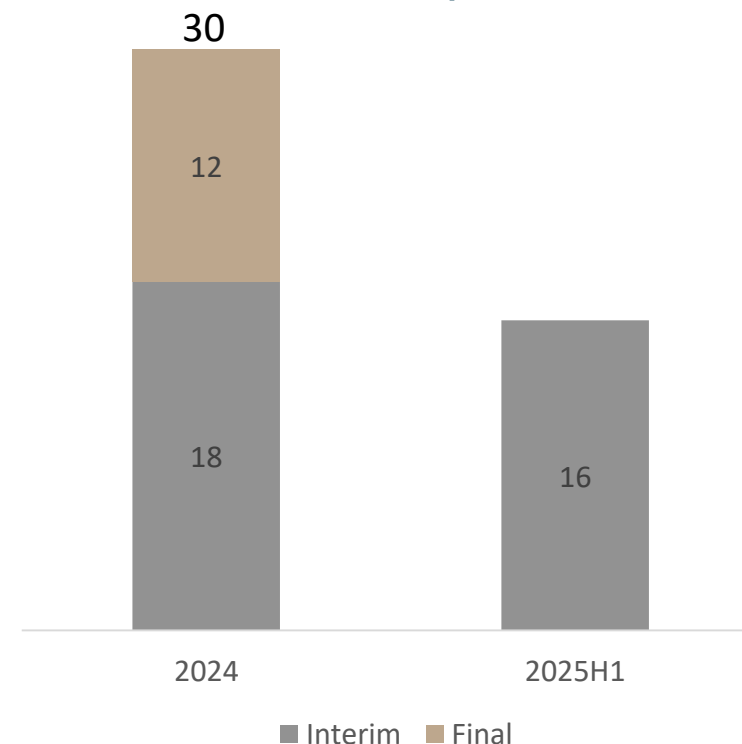
Earnings per share (basic) and Dividend per share



Accumulated dividends (HKD 100mn) and Dividend payout ratio



Dividends per share



- Interim dividend of HK11 cents per share (2024: HK13 cents per share) and special interim dividend of HK5 cents per share (2024: HK5 cents per share)
- Total dividends amounted to HK\$191.6 million (equivalent to approximately RMB175.1 million)



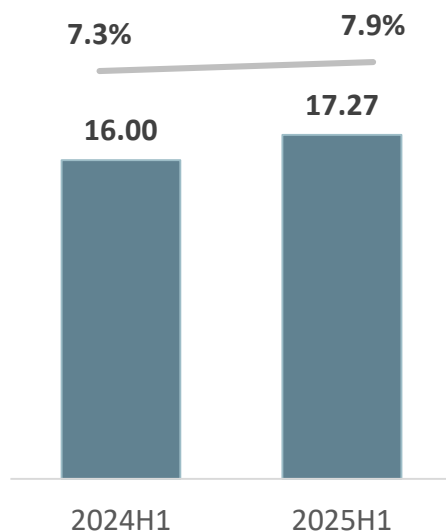
## 02 Financial Review

# Operational Performance- Revenue, Gross Profit and Profit

Dual Growth in Revenue and Gross Profit,  
Operating and Net Profit Margins Slightly Decline Due to Investments in DTC and E-commerce Platforms

Revenue & YoY growth rate

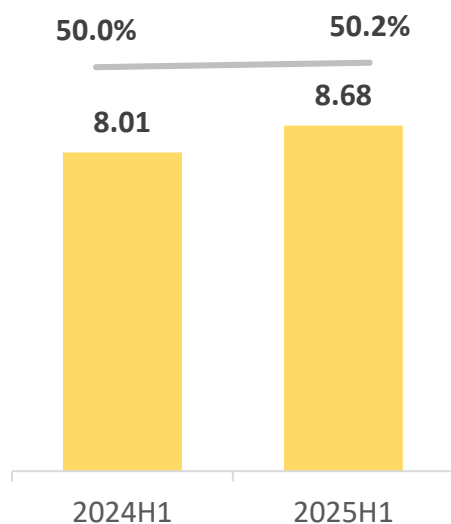
(RMB 100mn)



- Revenue increased by 7.9%, amounted to RMB 1,727 million

Gross Profit & GPM

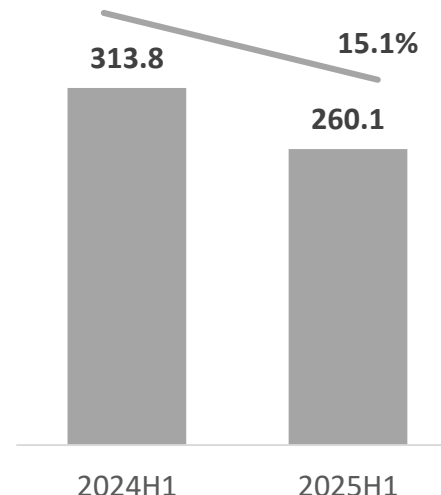
(RMB 100mn)



- Gross profit margin increased by 0.2 p.p. to 50.2%

Profit from Operations & OPM

19.6%

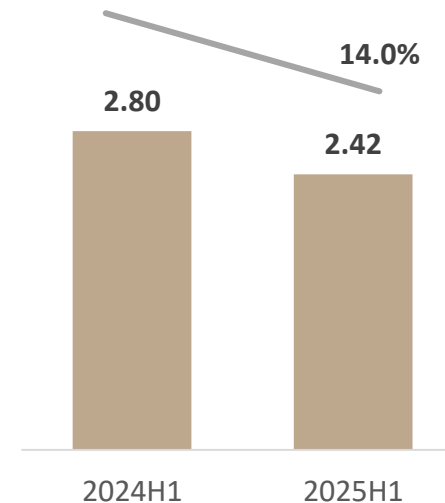


- Operating profit margin narrowed by 4.5 p.p. to 15.1%

Profit Attributable to Equity Shareholders & NPM

17.5%

(RMB 100mn)

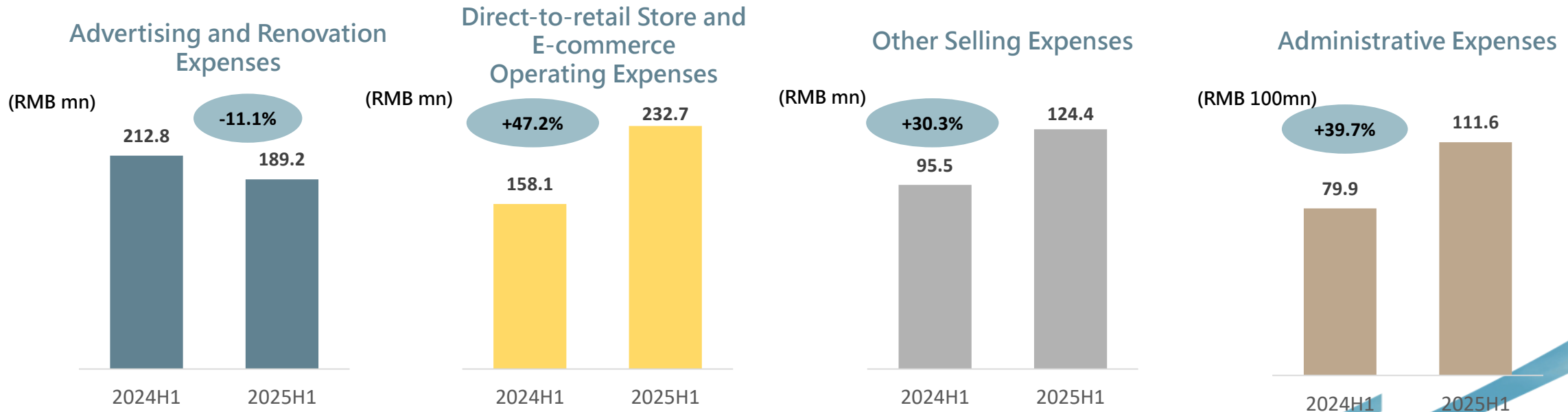
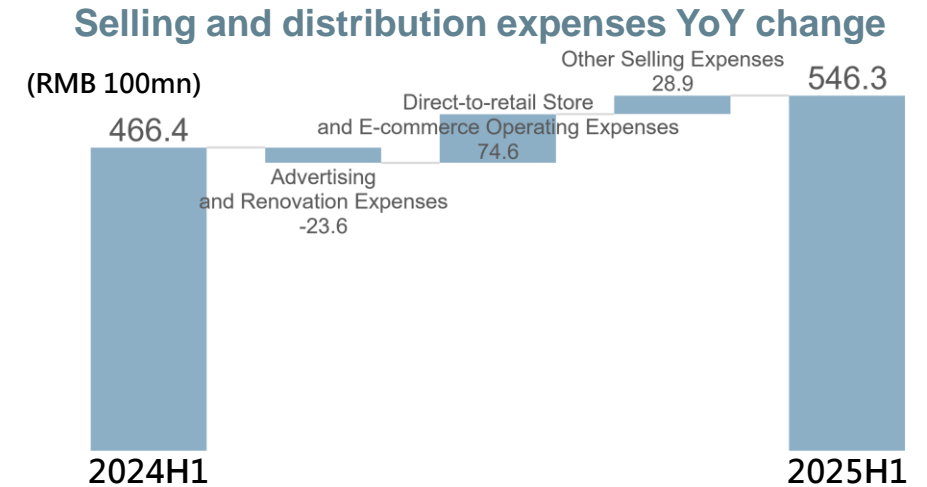


- The profit margin attributable to equity shareholders declined by 3.5 p.p. to 14%

# Operational Performance - Cost Expenses

## Selling, Distribution and Administrative Expenses

- Selling and distribution expenses increased by RMB79.9 million to RMB546.3 million during the period.
  - A. Advertising and renovation expenses decreased by RMB23.7 million to RMB189.2 million, accounting for 11.0% of total revenue
  - B. Direct-to-retail store and e-commerce operating expenses increased by RMB74.6 million to RMB232.7 million, accounting for 13.5% of total revenue
  - C. Other selling and distribution expenses increased by RMB 28.9 million to RMB 124.4 million, accounting for 7.2% of total revenue
- Administrative expenses amounted to RMB111.6 million, accounting for 6.5% of sales

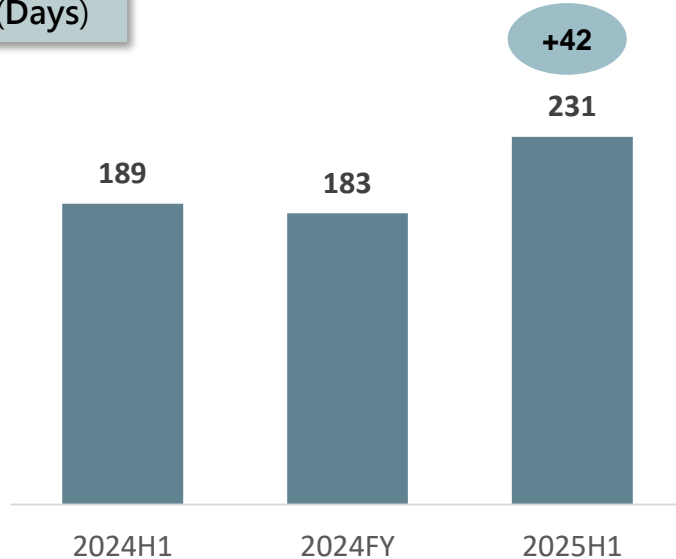


# Inventories and Operating Indicators

## Working Capital Turnover Days

Inventory Turnover Days

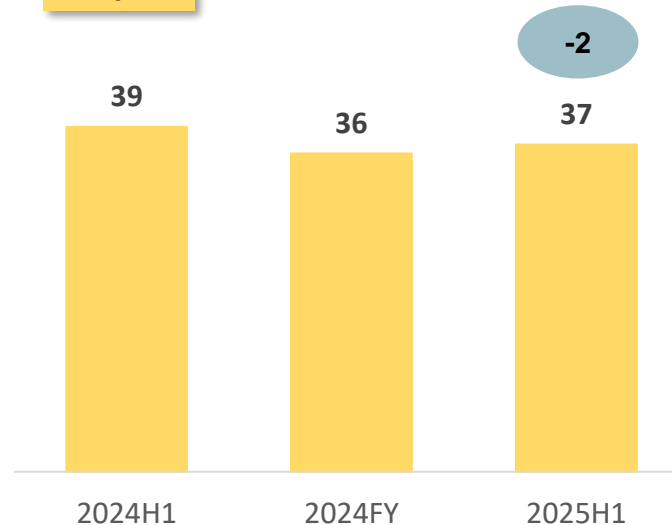
(Days)



- The increase in average inventory turnover days was mainly attributed higher proportion of direct-to-retail sales

Trade Receivables Turnover Days

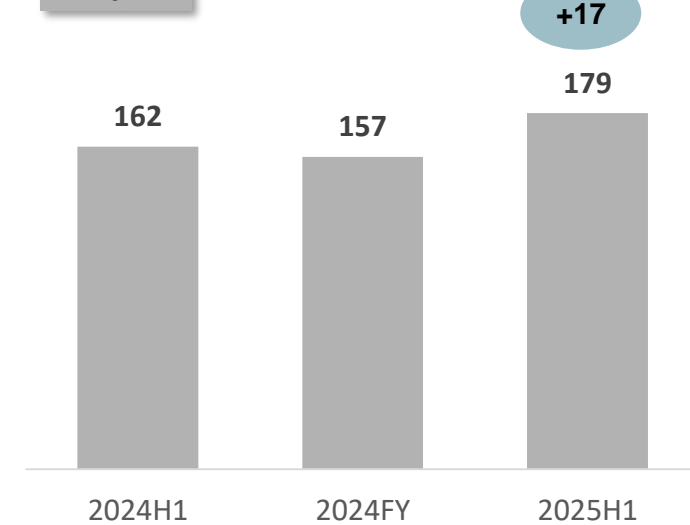
(Days)



- The decrease in trade receivables turnover days was due to an increase in the proportion of sales made through direct-to-retail sales during the period

Trade Payables Turnover Days

(Days)

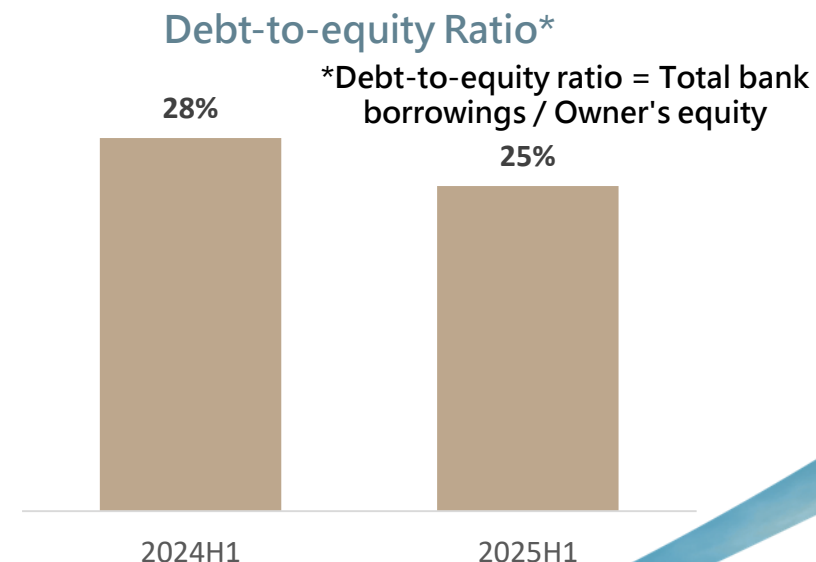
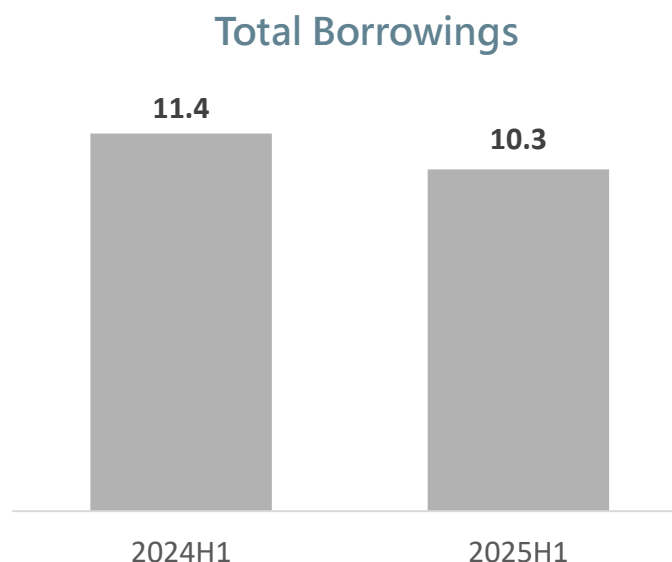
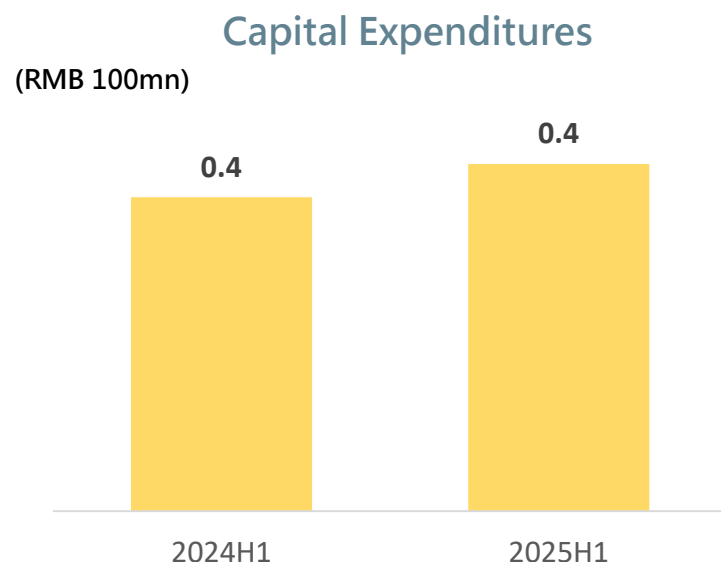


- The increase in trade payables turnover days was due to the increase in usage of trade bills which will be settled in later stage

# Healthy Financial

Cash Balance Decreased Due to Profit Decline and Repayment of Bank Loan, But Overall Liquidity Position Remained at a Healthy Level

(RMB 100mn)	2024H1	2025H1
Net Cash Generated from Operating Activities	2.2	1.2
Net Cash Used in Investing Activities	(1.2)	(0.8)
Net Cash Used in Financing Activities	(2.7)	(3.5)
Cash Balance	9.1	5.2



利郎 LESS IS MORE

# 03 Business and Operational Review



# Sales by Collection



1H 2025 Revenue

↑ 7.9% YoY

Amounted to RM1,727 million



Core Collection

Revenue ↓ 0.2%

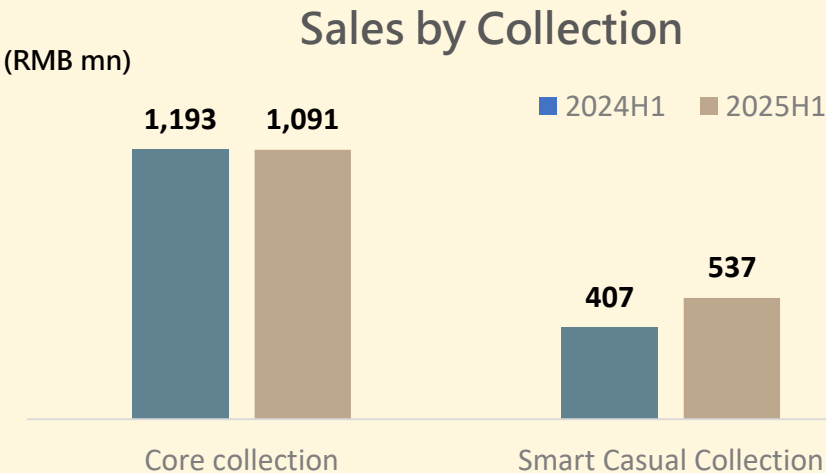
Primarily due to revenue deductions from the Group's DTC business model implementation in Shandong and Chongqing



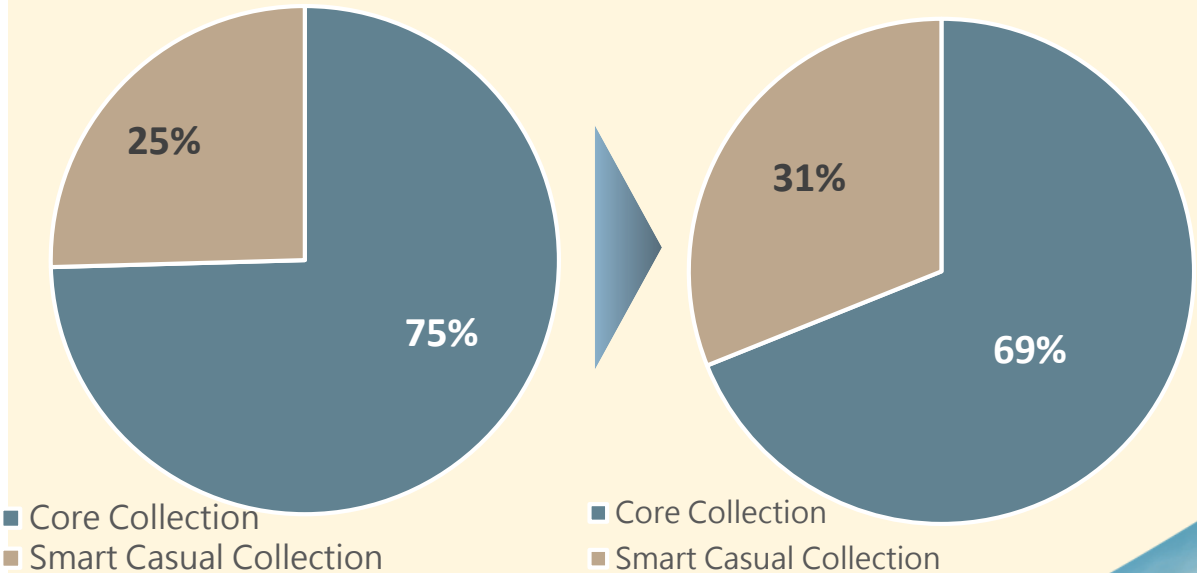
Smart Casual Collection

Revenue ↑ 31.8%

Driven by in-store sales of the smart casual collection and new retail business



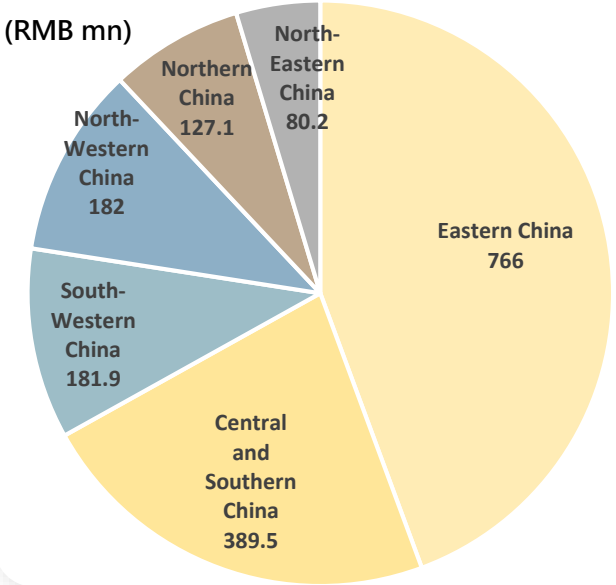
Revenue Structure Changes by Collection



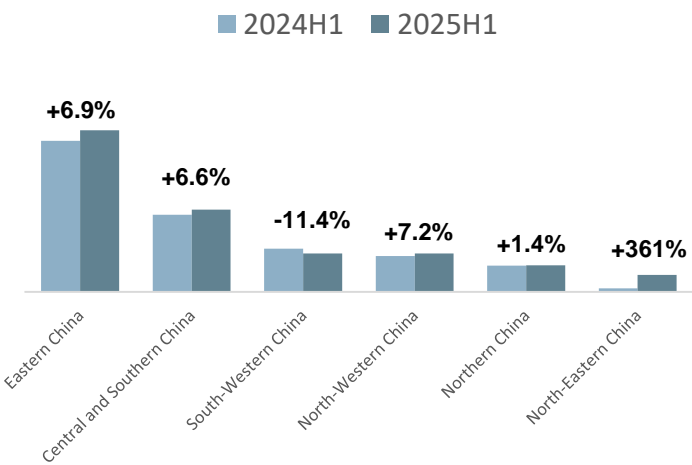
# Sales by Region



25H1 Regional Revenue



25H1 Regional Revenue and Growth Rate



25H1 Store Count by Region

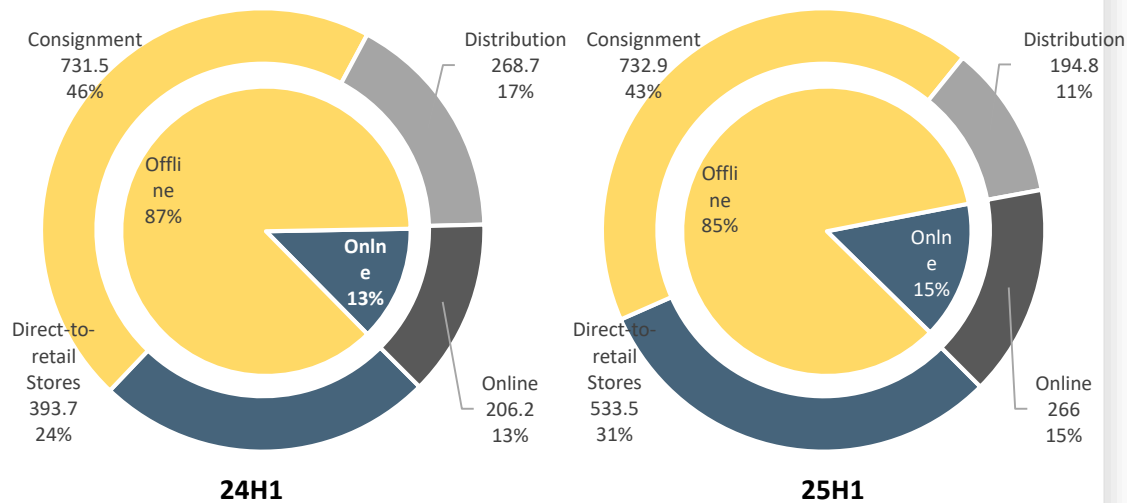
As of June 30, 2025	Number of Stores	Changes
Eastern China	789	0
Central and Southern China	749	24
South-Western China	438	-50
North-Western China	336	16
Northern China	320	10
North-Eastern China	141	0
Overseas	1	1
Total	2774	1

- Among all regions, North-Eastern region saw the most outstanding growth, with sales up by 361.3%. This was mainly due to the lower comparison base in the same period last year when the Group converted the distribution business to the new DTC model, resulting a one-off sales deduction. In addition, sales efficiency from the DTC model was realized in 2025
- Revenue in South-Western China decreased by 11.4%, mainly due to the Group converting the distribution business to the new DTC model, resulting a one-off sales deduction, and the decrease in revenue due to reduction in the number of stores as a result of business adjustments
- Revenue in Northern China increased slightly by 1.4%, lower than the overall growth rate of the Group’ s business, mainly due to the delay in shipment of 2025 autumn collections as a result of hot weather
- All other regions achieved varying degrees of positive growth

# Sales by Channel & Store Status



## 24H1/25H1 Revenue by Channel



- Online channel share increased by 2 p.p., primarily contributed by TikTok
- Direct-to-retail channel share increased by 7%, with revenue growing by 35.5% YoY to RMB 533.5 million
- Distribution and consignment channel share decreased by 6% and 3% respectively



## Store Count Changes by Brand and Channel

Channel structure	Store count By period-end	Changes	Core collection By period-end	Changes	Smart casual collection By period-end	Changes
Direct-to-retail stores	407	25	81	17	326	8
Consignment	1102	108	1102	108	0	-
Distribution	1265	-132	1260	-133	5	1
Street stores	1335	-95	1328	-87	7	-8
Stores in shopping malls	957	24	725	14	232	10
Outlet stores	121	18	69	16	52	2
Shop-in-shops in department stores	361	54	321	49	40	5
Total number of stores	2774	1	2443	-8	331	9

- There is a net increase of 1 store and total area grew by 8,469 sqm. Direct-to-retail stores increased by 25, consignment increased by 108, while distribution decreased by 132.
  - Core collection distribution stores decreased by 133, consignment stores increased by 108, direct-to-retail stores increased by 17
  - Smart casual collection direct-to retail stores increased by 8, distribution stores increased by 1

# New Products and Promotion

The Group Drives Full-Chain Proprietary R&D in Fabrics, Craftsmanship, and Technology to Strengthen Core Brand Advantages, Achieving Recognized Breakthroughs in Anti-Wrinkle, Quick-Drying, and Wash-Resistant Features Applied to New Products



The Group's "Water Repellent Down 3.0", featuring Hoplion Downtek PFC Free™ non-fluorinated, ultra-strong water-repellent down, has earned dual certifications WRCA. Additionally, it has garnered seven international awards, including the Gold Award at the MUSE Design Awards in the United States.



The actor Li Guangjie visited Lilang's product laboratory to gain an indepth understanding of the innovative technology behind the ice touch polo shirts. The event was broadcasted live, strengthening the brand's professional image in functional apparel.

The winter LILANZ X CHENPENG "Cheng Qi" capsule series, co-created by Chinese designer Chen Peng and the Lilang team, drawing inspiration from the aesthetics of traditional wood-fired ceramics of Jingdezhen, and well-received by consumers



The "Advice From the South" brand short film, conveys the message of "True Cold Resistance: Stand Strong Against Dampness" to bring out the advantages of Water Repellent Down 3.0 - "Fearless of Wet and Cold, Water-Resistant and Warmer"



利郎 LESS IS MORE

# New Products and Promotion

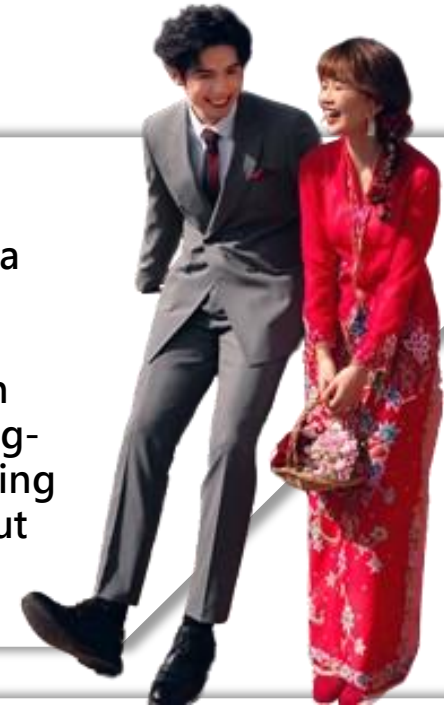
Focused on “Innovative Quality and Youthfulness” , Leveraging Celebrities, IP, and Tactics to Reach Consumers Across All City Cities and Diverse Age Groups



The Group to artically organize the unique “#Loving You SO SMART#” wedding season event for Lilang SMART elite suit collection



Fourteen couples donned Lilang suits and set off on a romantic tour of their hometowns, blending formal business attire with warm and inviting wedding-themed scenes, exemplifying the brand's “Simplicity but not Simple” philosophy



Spring and summer collection “THE ENDLESS HOLIDAY” in collaboration with PRONOUNCE. The collection has contemporary artistic expression infused into the brand's “Simplicity but not Simple” philosophy, impressing with fresh and vibrant aesthetics.

Lilang partnering with Biz Travel enlisted the comedian Yan Peilun as the ambassador of its wash-resistant polo shirts. Embracing the concepts of “one click to travel” and “one piece to look stylish”, the campaign focused on the shirts' efficiency and fashion appeal, which resonated with the business crowd.



利郎 LESS IS MORE

# ESG

Two levels up! Lilang's MSCI ESG rating rose to BB, ranking among the top in mainland menswear sector

CHINA LILANG LIMITED (1234)

Textiles, Apparel & Luxury Goods | CN

MSCI  
ESG RATINGS



Released first separated  
ESG report  
"Create a Better Life  
Together"



Set up ESG Committee,  
incorporating ESG into strategic  
planning and core values



## Eco-friendly Technology

- 54.24% of garments produced using **eco-friendly fabrics**, with annual output reaching 6,406,700 pieces
- **Innovative washing technology** reduces water consumption by 20% in jeans production
- **Zero-dye suit technology** enables zero water consumption in the dyeing process, reducing carbon emissions by about 30% and water consumption by more than 70% per meter of fabric
- Established a **raw material traceability system**, tracing of cotton used in more than 50% of the products
- Wuli factory obtained **ISO14001** environmental management system certification

## Corporate Governance

- Nearly 100 middle and senior management employees all together received more than 200 hours of specialized ESG training
- Rolled out evaluation of 825 suppliers, with annual evaluation rate of 100%
- Achieve a full-year safety and integrity record with "0 work-related fatalities" and "0 fraud lawsuits"



利即 LESS IS MORE

## 04 Outlook and Strategy

# Outlook and Strategy

## Channel Upgrade

- Enlarge and relocate stores to improve store efficiency
- Net increase of **50-100 stores**

## DTC Transformation

- Further develop in North-Eastern China and Jiangsu
- Extend to Shandong and Chongqing

## New Retail

- Increase investment in live-stream e-commerce
- Strengthen membership management capabilities
- Expand new channels
- Achieve **20% growth** for the year

## Multi-brands & Internationalization

- Continue to explore the Southeast Asia market
- Steadily develop MUNSINGWEAR brand

Retail sales goal: **10+% increase YoY**



# MUNSINGWEAR & Overseas

## Multi-brands



- The business of “MUNSINGWEAR” online sales platform was launched and received better than expected market response.
- The Group will deepen product development in the second half year, focusing on the needs of the new middle class for personalized, functional and sustainable fashion.

## Internationalization



- First overseas store opened in Malaysia in May.
- The Group will take the Southeast Asia market as a launching pad to steadily establish its global operation network, exploring new room to boost sales and drive long-term growth.

# 05 Open Forum



# DISCLAIMER

---

The information contained in this presentation is intended solely for your personal reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning China Lilang Limited (the “Company”). The Company makes no representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

In addition, the information contains projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities or financial instruments or to provide any investment service or investment advice, and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.