



利郎 LILANZ

CHINA LILANG LIMITED

中國利郎有限公司

Stock Code 股份代號 : 1234

2025

Annual Results

利郎 LESS IS MORE

利郎 LESS IS MORE

Agenda



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

01

Results Highlights



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Results Highlights



Annual Revenue

RMB **4,070** mn
YoY **↑ 11.5%**

Profit Attributable to Equity Shareholders

RMB
502 mn

Gross Profit Margin

reached **49.6%**
YoY **↑ 1.9p.p.**

The core collection generated initial operational benefits during the year after transitioning to the DTC model by reclaiming distribution rights from distributors since last year

Revenue increased by **6.0%**

The smart casual collection "LESS IS MORE" and other collections, leveraging its fully direct-to-retail mode and shopping mall store network,

achieved revenue growth of **28.4%**



New retail channels transformed from inventory clearance to primary new product sales platform, with e-commerce business outperforming the overall performance during the year.

YoY increase of **25%**



Continued advancement of the "multi-brands and internationalization" strategy: synchronized online-offline expansion of golf brand MUNSINGWEAR and the opening of 4 overseas stores in Malaysia.



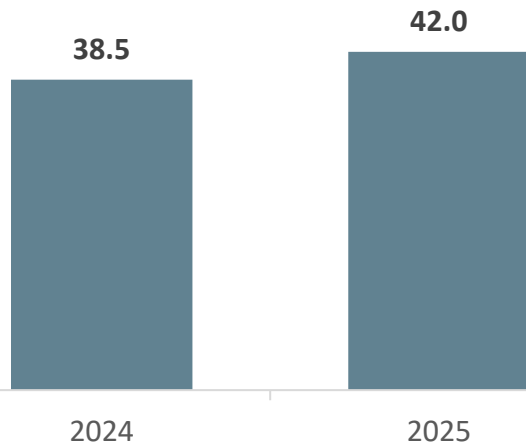
ESG Management Upgrade
MSCI upgraded the Group's ESG rating to **BB**.



Results Highlights

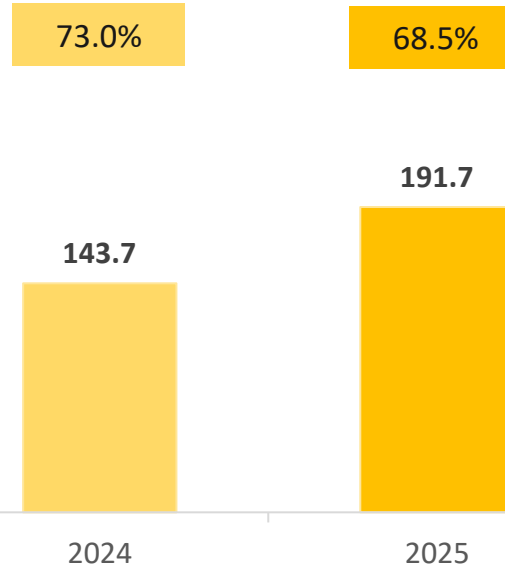
Earnings per share (basic)

■ Earnings per share (basic RMB cents)

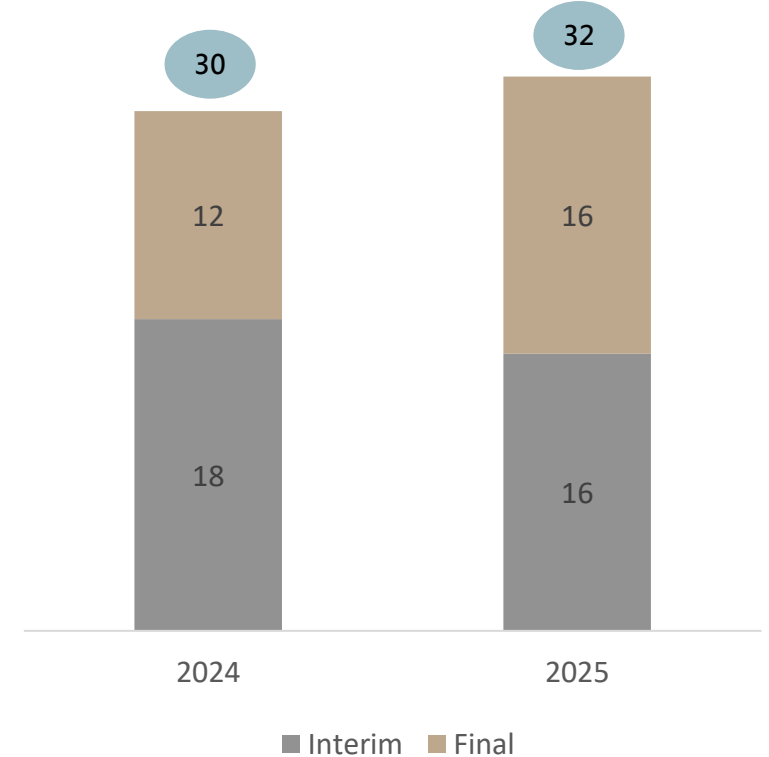


Accumulated dividends (HKD 100mn) and dividend payout ratio

(HKD mn)



Dividends per share



- Final dividend of HK13 cents per share (2024: HK9 cents per share) and special final dividend of HK3 cents per share (2024: HK3 cents per share)
- Total dividends amounted to HK\$191.6 million (equivalent to approximately RMB172.2 million)
- The company has paid out a total of HK\$7.7 billion in dividends since its listing, with a dividend of HK\$6.42 per share.

02

Financial
Review



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张亮

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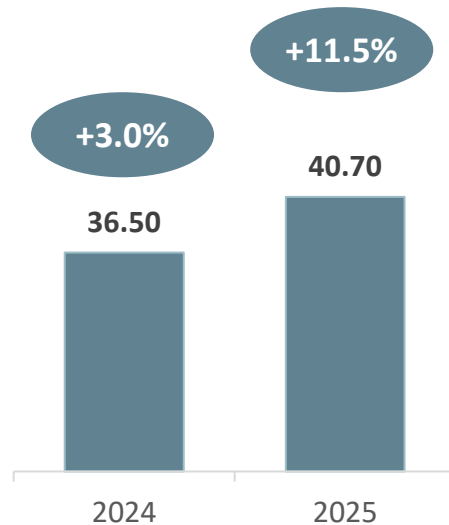
Operational Performance- Revenue, Gross Profit and Profit

Dual Growth in Revenue and Gross Profit

increased investment in DTC and new retail led to a slight adjustment in operating profit margin

Revenue & YoY growth rate

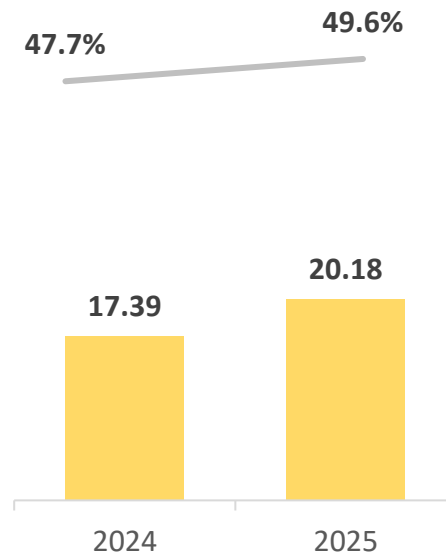
(RMB 100mn)



- Revenue increased by 11.5%, amounted to RMB 4,070 million

Gross Profit & GPM

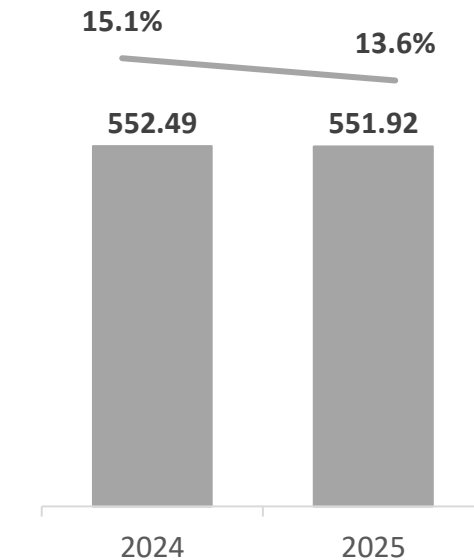
(RMB 100mn)



- Gross profit margin increased by 1.9 p.p. to 49.6%

Profit from Operations & OPM

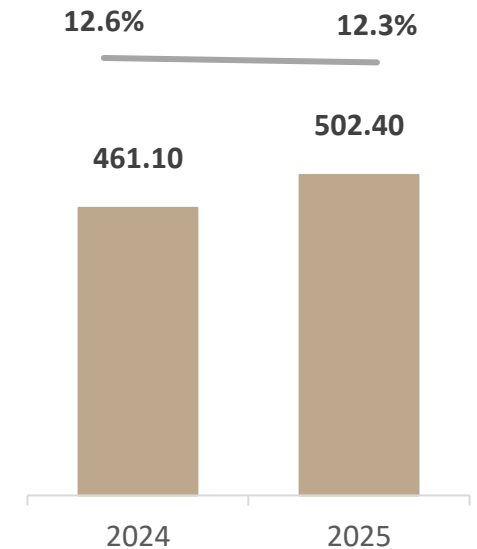
(RMB mn)



- Operating profit decreased by 0.1 p.p.
- OPM decreased to 13.6%

Profit Attributable to Equity Shareholders & NPM

(RMB mn)



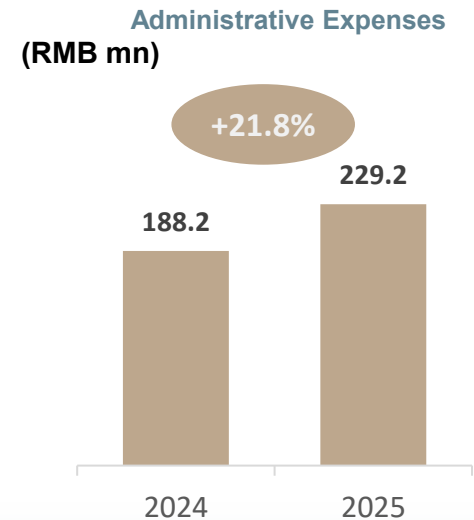
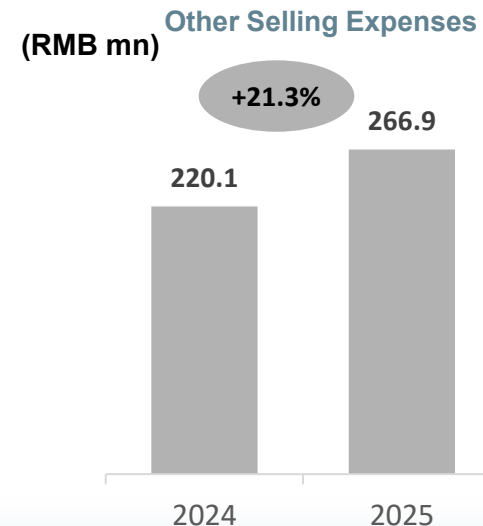
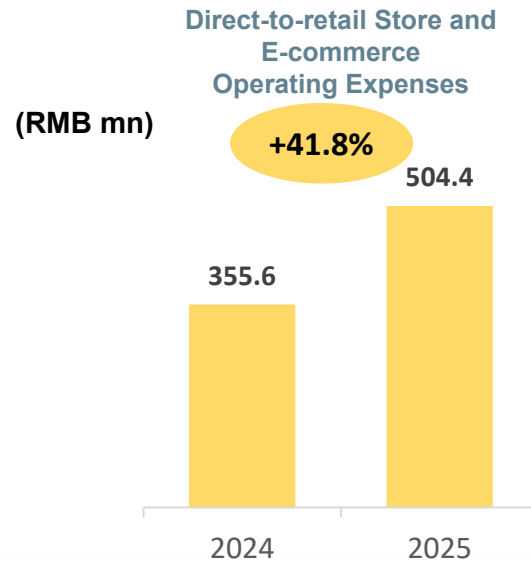
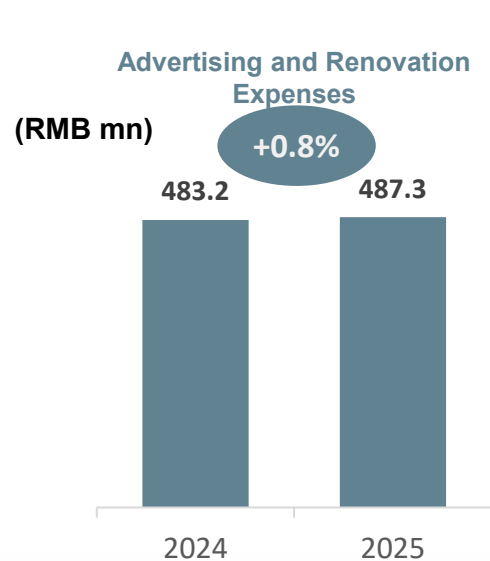
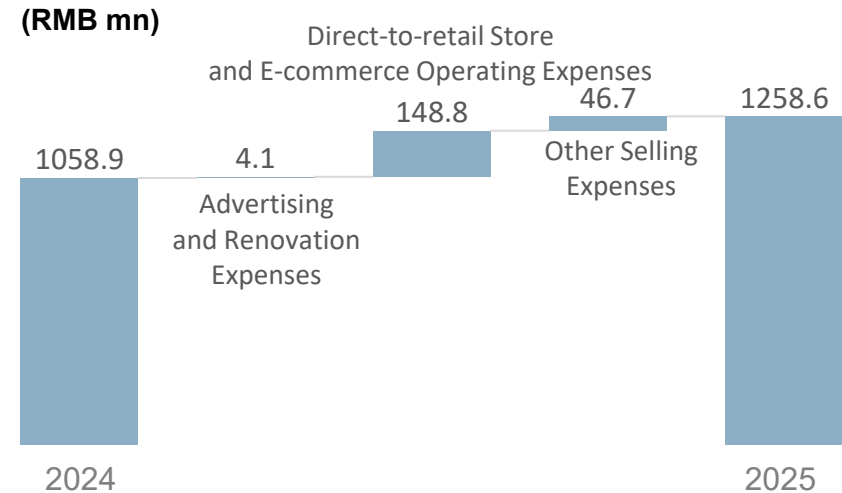
- The profit margin attributable to equity shareholders increased by 9.0%
- NPM decreased to 12.3%

Operational Performance - Cost Expenses

Selling, Distribution and Administrative Expenses

- Selling and distribution expenses increased by RMB199.6 million to RMB1258.6 million during the period.
 - Advertising and renovation expenses increased by RMB4.1 million to RMB487.3 million, accounting for 12.0% of total revenue
 - Direct-to-retail store and e-commerce operating expenses increased by RMB148.8 million to RMB504.4 million, accounting for 12.4% of total revenue
 - Other selling and distribution expenses increased by RMB 46.7 million to RMB 266.9 million, accounting for 6.5% of total revenue
- Administrative expenses amounted to RMB229.2 million, representing 5.6% of sales

Selling and distribution expenses YoY change

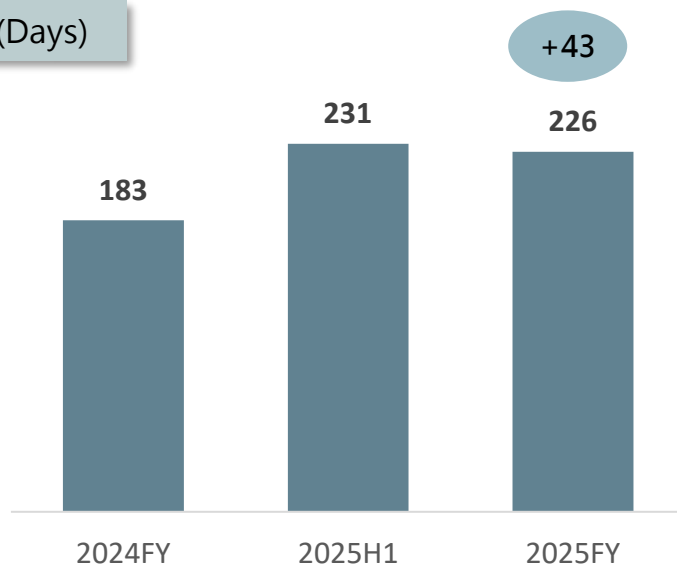


Inventories and Operating Indicators

Working Capital Turnover Days

Inventory Turnover Days

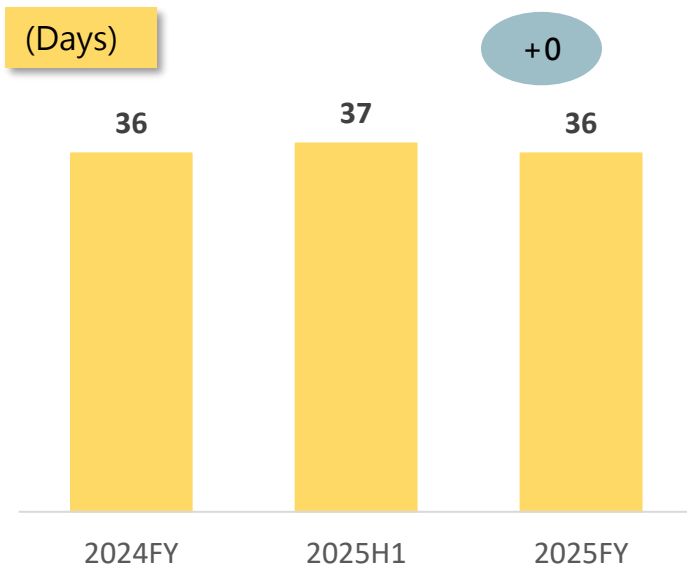
(Days)



- The increase in average inventory turnover days was mainly due to the increased proportion of direct-to-retail sales and consignment sales during the year. Total inventory balance increased by RMB 365.3 million.
- Inventory provision: RMB 56.3 million

Trade Receivables Turnover Days

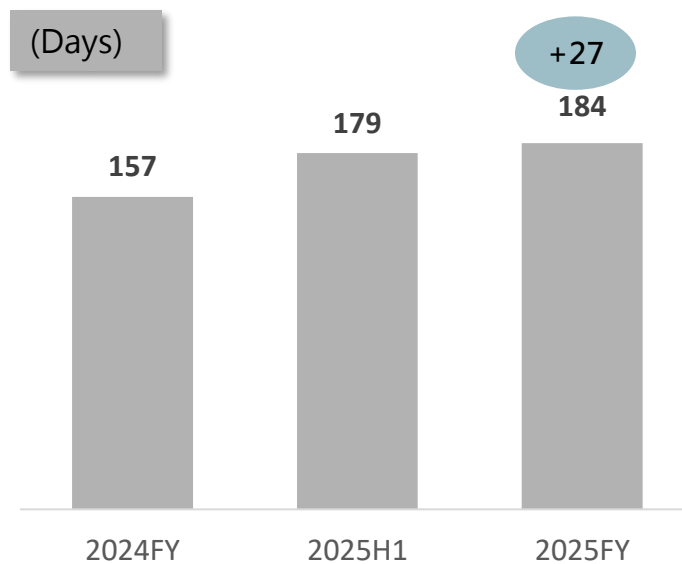
(Days)



- Provision for trade receivables: RMB 13.8 million

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

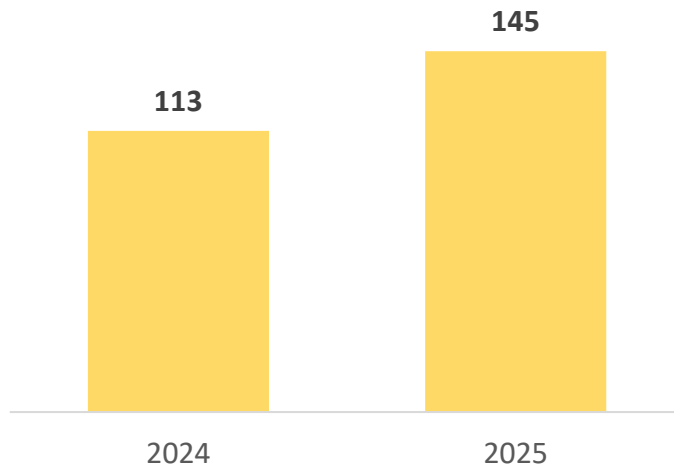
Cash Flow

(RMB mn)

	2024	2025
Net Cash Generated from Operating Activities	527	538
Net Cash Used in Investing Activities	(306)	570
Net Cash Used in Financing Activities	(472)	(816)
Cash Balance	827	1,117

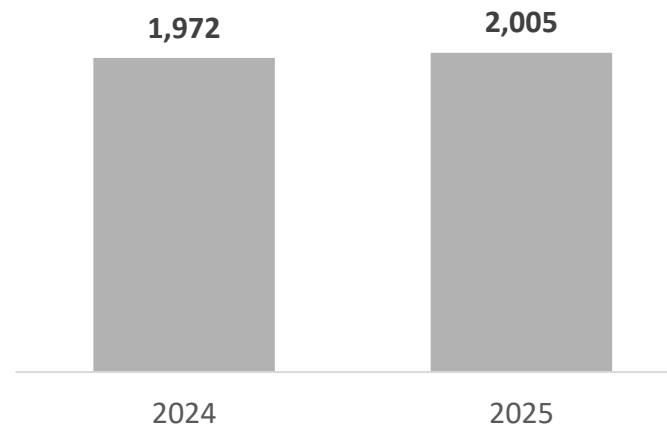
Capital Expenditures

(RMB mn)



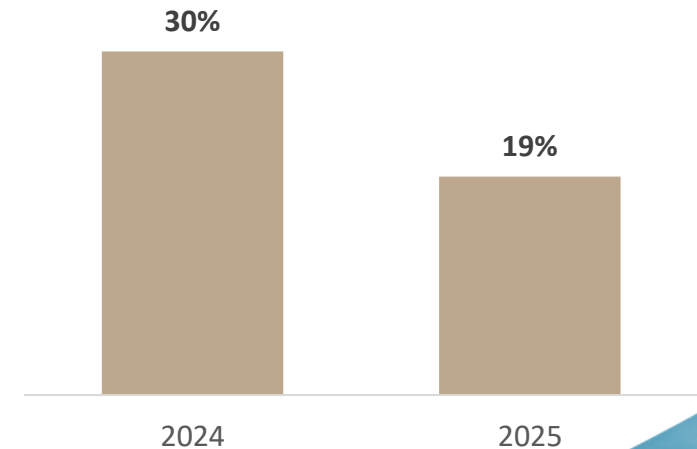
Net cash total (time deposits + cash – bank loans)

(RMB mn)



Debt-to-equity Ratio*

*Debt-to-equity ratio = Total bank loans / Shareholder's equity



03

Business and Operational Review



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Sales by Collection



FY2025 Revenue

↑ 11.5% YoY

Amounted to RMB 4,070 million

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Core collection

Revenue ↑ 6.0%

The benefits of the DTC model have realized;
YoY decrease in the deduction of compensation from revenue

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Smart casual & other collections

Revenue ↑ 28.4%

Robust growth in same-store sales;
outstanding performance of new retail channels

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Sales by Collection

(RMB mn)

2,756 2,922

YOY: +6%

894

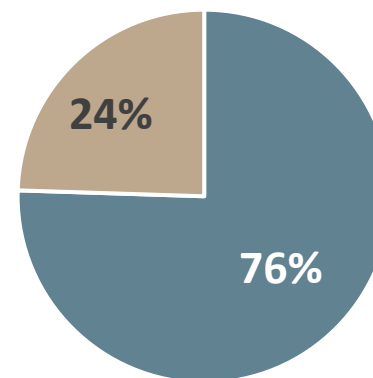
1,147

YOY: +28.4%

Core collection

Smart casual and other collections

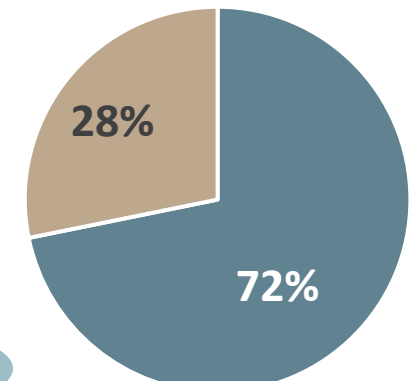
Revenue Structure Changes by Collection



FY2024



±3.7p.p.

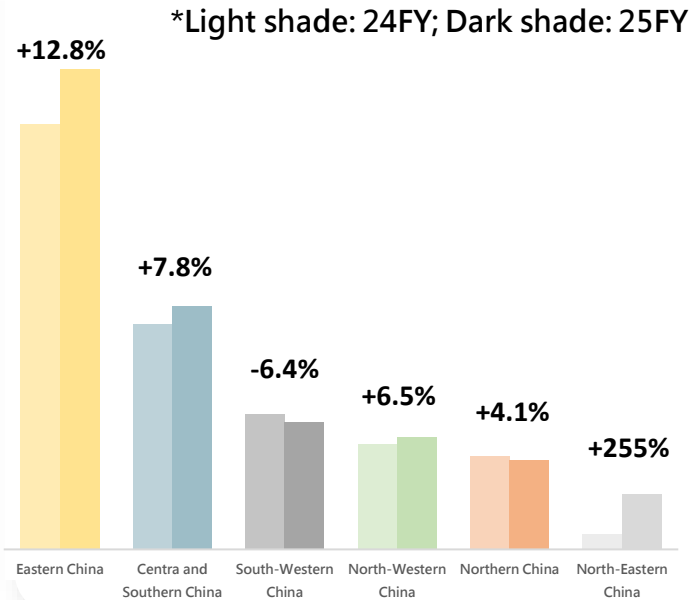


FY2025

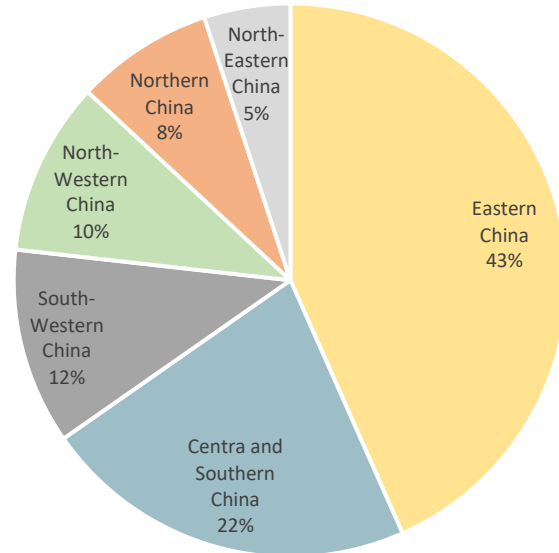
Sales by Region



FY25 Regional Revenue and Growth Rate



FY25 Regional Revenue



FY25 Store Count by Region

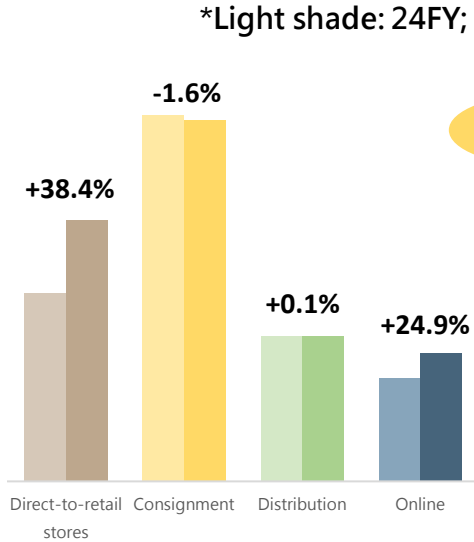
As of Dec. 31, 2025	Number of Stores	Changes
Eastern China	812	23
Centra and Southern China	755	30
South-Western China	445	-43
North-Western China	330	10
Northern China	324	14
North-Eastern China	147	6
Overseas	4	4
Total	2,817	44

- Among all regions, North-Eastern China recorded the most significant growth, with revenue increasing more than 2.5 times. This was mainly due to a one-off deduction in sales revenue caused by compensation for the recovery of distribution rights from distributors last year, as well as the initial benefits from the transition to a DTC operating model during the year
- Eastern China remained the Group's largest sales region, with sales growth of 12.8% during the year. As the majority of the Group's e-commerce sales were attributed to the Eastern China operating region, and most of the sales from the smart casual collection originated from this region, the strong performance of both the new retail and smart casual segments had a direct positive impact on the region's sales
- Sales in Central and Southern China, Northern China and North-Western China recorded single-digit growth, primarily driven by an increase in the number of stores and performance at outlet stores.
- Sales in South-Western China recorded a single-digit decline. This was primarily due to the transition to a DTC operating model in Chongqing during the year, which led to a decrease in the number of stores in the region and a short-term impact on sales during the transition period, coupled with a one-off deduction from sales revenue for compensation paid for reclaiming the distribution rights from distributors.

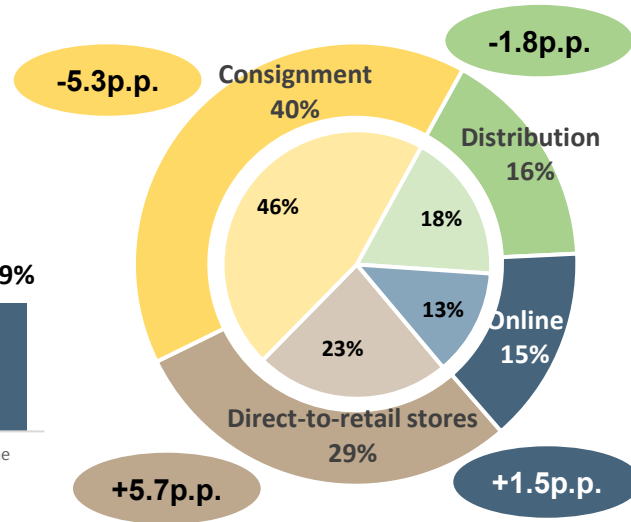
Sales by Channel & Store Status



Changes in Channel Revenue



Changes in Channel Structure



- Advanced DTC transformation in Chongqing and Shandong, continuously increasing the proportion of direct sales revenue
- Deepened the presence across various online channels, with TikTok revenue showing a significant YoY increase of 39%



Store Count Changes by Brand and Channel

Channel Structure	Store count by period-end	Changes	Core collection by period-end	Changes	Smart casual and other collections by period-end	Changes
Direct-to-retail stores	457	75	92	28	365	47
Consignment	983	-11	983	-11	0	-
Distribution	1,377	-20	1,371	-22	6	2
Street stores	1,311	-119	1,303	-112	8	-7
Stores in shopping Malls & Outlet stores	1,135	99	813	49	322	50
Shop-in-shops in department stores	371	64	330	58	41	6
Total number of stores	2,817	44	2,446	-5	371	49

- The total number of stores increased by 44, with the total area up by 27,690 square meters; Direct-to-retail stores increased by 75, consignment stores decreased by 11, and distribution stores decreased by 20
 - Core collection direct-to-retail stores increased by 28, consignment stores decreased by 11, and distribution stores decreased by 22
 - Smart casual and other collections direct-to-retail stores increased by 47, Distribution stores increased by 2

New Products and Promotion

Deepened youth-focused brand transformation, Focused on "Innovation & Quality", Engaging Consumers Across Various Age Groups and City Tiers Through a Diversified Marketing Mix



Contextualized marketing deepens brand concept

- During CNY and Valentine's Day, the "#Loving You SO SMART#" wedding season campaign was launched to deeply integrate suit products with wedding-themed scenes
- The "Advice From the South" short film was produced by the Group in partnership with New Week, strengthening cultural resonance and brand warmth
- revealing the secrets of technological fabrics through a livestream from Li Guangjie's laboratory, strengthening the brand's functional and professional image



Cross-sector collaboration & IP partnerships to expand brand influence

- partnered with Biz Travel to appoint Yan Peilun as ambassador for its wash-resistant polo shirts, which resonated with businesspeople
- launched co-branded collections with PRONOUNCE and XANDER ZHOU, impressing with fresh, vibrant and fashionable aesthetics
- pioneering a "Wet and Cold Grading System", collaborated with China Weather.com and model Zhang Liang to create a promotional film titled "A Special Catwalk", to deepen consumer understanding of the products' core advantages



Offline experience and multi-brand channels upgraded simultaneously

- Lilang LESS IS MORE: invited artists such as Kenji Wu, Wang Heye and Penny Tai to host brand meet-and-greet events across the country, embodying the core proposition of "Young Business, Effortless Essence"
- Lilang's minimalist menswear: conveyed its "Simplicity but Not Simple" brand philosophy through immersive campaigns such as Hu Xia's "One Day Manager" event

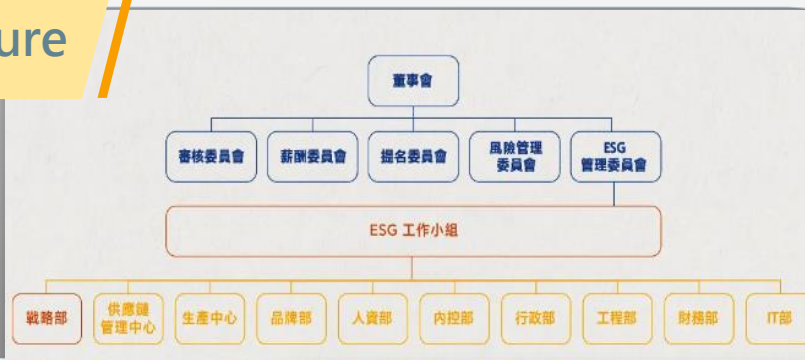
The premium golf apparel brand "MUNSINGWEAR" launched online sales and opened its first batch of physical stores in the Chinese market

LILANZ's "Future Retail" concept store officially landed in Malaysia, completing the offline presence of multi-brands

ESG – Fostering a Better Life

Upgrade Governance Structure

- ◆ Established ESG Management Committee to be responsible for formulating ESG strategic goals, monitoring implementation progress, and managing related risks
- ◆ Ensuring that sustainable development principles are deeply integrated into long-term planning and daily operations.



Firmly implement the ESG practice system

- ◆ A key breakthrough: released first separated ESG report “Creating a Better Life Together”, marking the formal upgrade of the Group’s ESG practices from an annual report supplement to a strategic-level special topic
- ◆ ESG rating two levels up, to BB grade, achieving the best performance in the Group’s history.



Green Aspirations, Shared Responsibility

- ◆ Committed to integrating green principles into all aspects of product design, manufacturing, and retail, striving to reduce its environmental footprint throughout the entire operating lifecycle and leading the industry toward sustainable development



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Taking From Society & Giving Back To Society

Aesthetic Education Charity Plan

No. of School covered	88
Total donation amount	RMB7.73 million +
Provinces/municipalities covered	25

Medical Equipment Donation

To Jinjiang City Hospital (Fujian Hospital of Shanghai Sixth People’s Hospital)

Worth
RMB
1.5 million

Alcon Centurion ultrasonic emulsification equipment from the United States
Improve the level of ophthalmic surgery

Assist Victims of Disaster at Wang Fuk Court in Tai Po,

Emergency Relief Supplies
RMB
3 million

Cash Assistance
RMB
2 million

Fully support the immediate rescue, transitional housing and livelihood reconstruction needs of the affected residents

Lilang Education Development Special Fund

The inauguration of the “Jinjiang Qingyang Heshan Education Development Foundation”

RMB 15 million

On-site donation and established the “Lilang Education Development Special Fund”

Committing to an annual donation of RMB1 million to Jinjiang No. 2 Experimental Primary School

04 Outlook and Strategy



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Outlook and Strategy

Channel Upgrade

- Precise store network
- Exploring flexible business formats
E.g. pop-up stores
- Net opening of **50-100** stores

DTC Transformation

- Consolidate operational achievements in transformed regions
- Expand DTC to more potential markets

New Retail

- Deepen existing channels and expand emerging channels
- e-commerce & social marketing & targeted live streaming
- Deep integration of online and offline channels
- Achieve **15% growth** for the year

Multi-brands & Internationalization

- Continue to explore the Southeast Asia Market
- MUNSINGWEAR: continuing to expand stores in mainland China

Retail sales goal:
10+% increase
YoY



Munsingwear



05

Open Forum



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