LLLANGLIMITED CHINALILANGLIMITED 中國利郎有限公司

Stock Code: 1234

2021 Annual Results 全年业绩



2021, Hong Kong





业绩亮点 Results Highlights

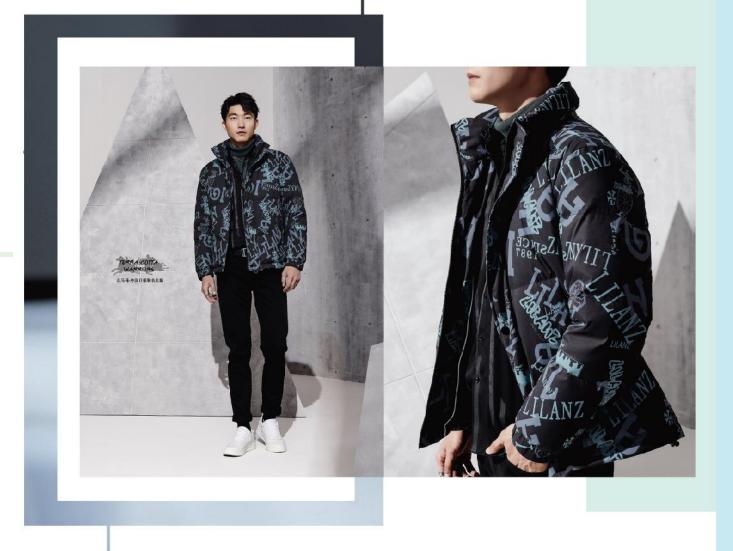
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业务及营运回顾 Business and Operational Review

前景及策略 Outlook and Strategy

答问时间 Open Forum

业绩亮点 RESULTS HIGHLIGHTS



Retail Sales Value Exceeds Target As Strategic Reforms Implemented 实践策略性改革,总零售值超预期

Achieved a satisfactory sales performance, due to reform of the sales model and successful implementation of the channel optimisation, product rejuvenation and internet-plus strategies 通过销售模式的改革,成功落实渠道优化、产品年青化和互联网加的策略,销售表现理想

About 40% of core collection stores operated in consignment model 主系列约40%门店以代销形式经营

Smart casual collection stores and online stores switched to a direct-to-retail model, with a total of 290 direct-to-retail stores by year end, a net increase of 3 stores, accounting for about 10% of the total number of stores 轻商务和网店转为自营,于年底自营店铺共290家,净增加3家,占店铺总数约1成

Retail sales through online channel increased by about 20% to about RMB500 million, due to effective use of e-commerce to clear inventory and efforts to expand online sales 网上渠道促成零售额增加超过20%至约人民币5亿元,反映有效利用电商清 理库存,并继续扩充线上销售的能力



Healthy Financial Position and Stable Dividend Payout 稳健财政,稳定派息



Revenue up by 26.1% YoY to RMB 3,379.5 million 收入同比增加26.1%至人民币33.8亿元

Net profit was down by 16.0% to RMB 468.1 million; EPS were RMB39.09 cents 净利润为下降16.0%至人民币4.7亿元;每股盈利为人民币39.09分

Final dividend HK11 cents per share and Special Final dividend HK5 cents per share to be distributed 派发末期股息每股11港仙及特别末期股息每股5港仙

Total dividends for 2021 amounted to HK34 cents per share 2021年合共派息每股34港仙

Maintained a stable payout ratio 维持稳定的派息比率



财务回顾 FINANCIAL REVIEW

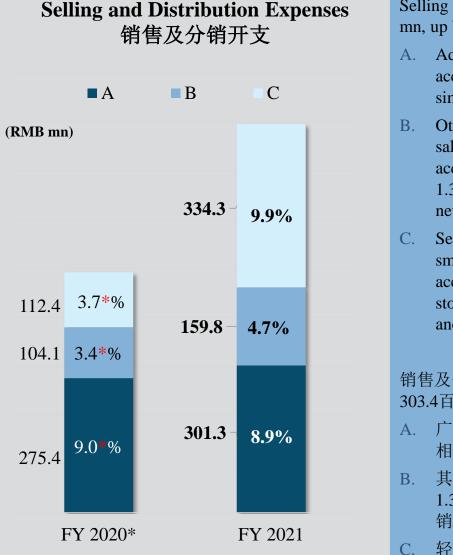


Revenue and Gross Margin 收入及毛利率

44.9% (RMB mn) 3,379.5 2,680.8 2,680.8 26.1%	 Revenue up by 26.1% to RMB 3,379.5 mn Revenue of smart casual collection up by 32.9% : Sales of smart casual collection were recognised at retail value, after having switched to the direct-to-retail model since July 2020 Revenue of core collection up by 24.4% (5.4% for 2020 revenue before inventory buy-back):
FY 2020 FY 2021 Revenue收入 ——Gross Margin毛利率	 毛利率为41.9%,同比减少3.0个百分点 2021年录得存货拨备122.2百万元,以反映鞋类产品发展策略调整及处理过季库存 轻商务零售毛利较批发毛利高,抵消销售下跌致使固定销售成本占比上升的影响 如扣除存货拨备影响,毛利率则约45.5%,同比增加0.6个百分点

17 .

SD & A Expenses 销售、分销及行政开支



* Ratio of expense to revenue before provision of inventory buy-back

Selling and distribution expenses amounted to 795.3 mn, up by 303.4 mn from 2020:

- A. Advertising and renovation subsidy expenses accounted for 8.9%% to revenue which is similar to 2020
- B. Other Selling and expenses comprised mainly salaries, renovation and distribution expenses, accounted for 4.7% of and revenue and up by 1.3p.p Increase was mainly driven by opening of new stores
- C. Self-operated stores operating expenses for smart casual collection and online store, accounting for 9.9%, up by 6.2p.p and included store rental, property management fee, salaries and online platform charges.

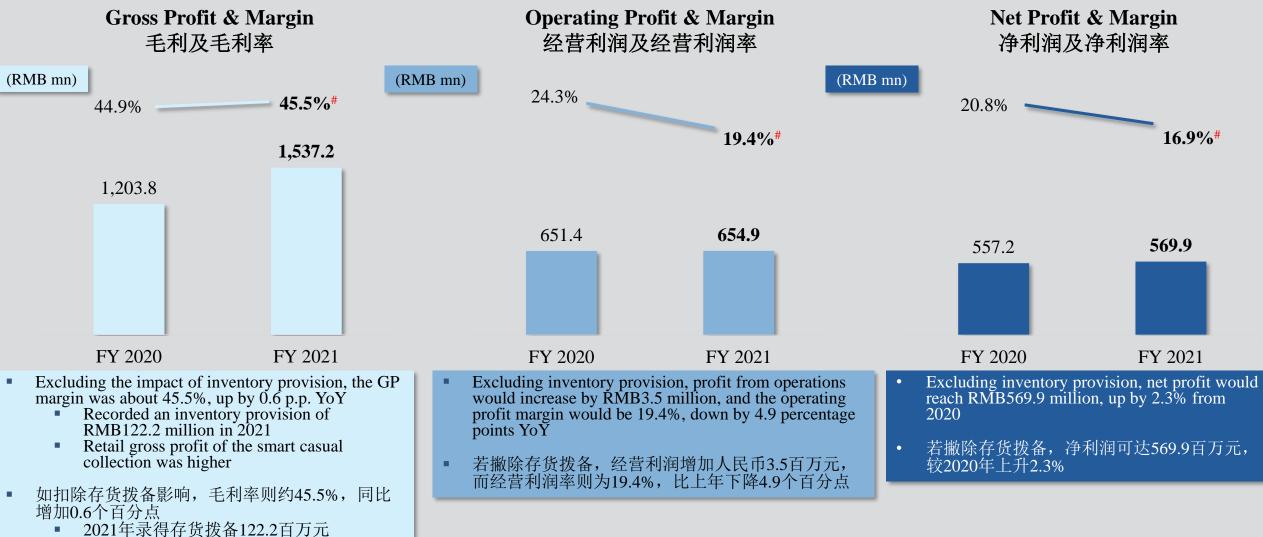
销售及分销开支总计795.3百万,较2020年增加 303.4百万

- A. 广告及装修补贴费用占收入8.9%,跟2020年 相约
- B. 其他销售及分销开支费用占收入4.7%,上升
 1.3个百分点。主要包括工资、装修及其他分销费用。增加主要由开店带动
- . 轻商务和网店自营店营运费用占收入9.9%, 上升6.2个百分点。包括门店租金、物业管理 费、工资及电商平台费



- The impairment losses for the relevant right-of-use assets for certain underperforming smart casual collection stores
- 增加主要由于总部和创意园投入使用新增折旧和 装修装潢费
- 为个别轻商务亏损的门店就有关使用权资产作减 值损失

Profit & Margin 盈利及利润率



- 轻商务零售毛利较批发毛利高

Working Capital Cycle 营运资金周转天数

Average Trade Receivables Turnover Days 平均应收贸易账款周转天数



FY 2019 1H 2020 FY 2020 1H 2021 FY 2021

- Successful inventory clearance efforts in 2H2021, coupled with the improved financial liquidity of distributors compared with the interim period
- The improved turnover of trade receivables following the conversion of the smart casual collection to the direct-to-retail model
- The average trade receivable turnover days for the year fell to 46 days based on the trade receivables as at the end of the year
- 下半年渠道库存清理见效,分销商的现金 流对比中期有所改善
- 轻商务转自营后应收账款周转较快
- 按年底应收贸易账款计算,周转天数更降 至46天

Average Inventory Turnover Days 平均存货周转天数



1H 2019 FY 2019 1H 2020 FY 2020 1H 2021 FY 2021

- Inventory balance up by RMB226.7 mn to RMB893.7 mn, mainly attributable to core collection after converting about 40% of stores to consignment model
- Inventory balance of smart casual collection continued to improve
- At 31 December 2021, inventory provision of RMB137.7 mn was made
- 存货余额增加人民币226.7百万元至人民币893.7
 百万元,主要由于主系列约40%店铺转代销模式
- 轻商务库存余额持续改善
- 于2021年12月31日已计提库存拨备人民币137.7 百万元

Average TradePayables Turnover Days平均应付贸易账款周转天数



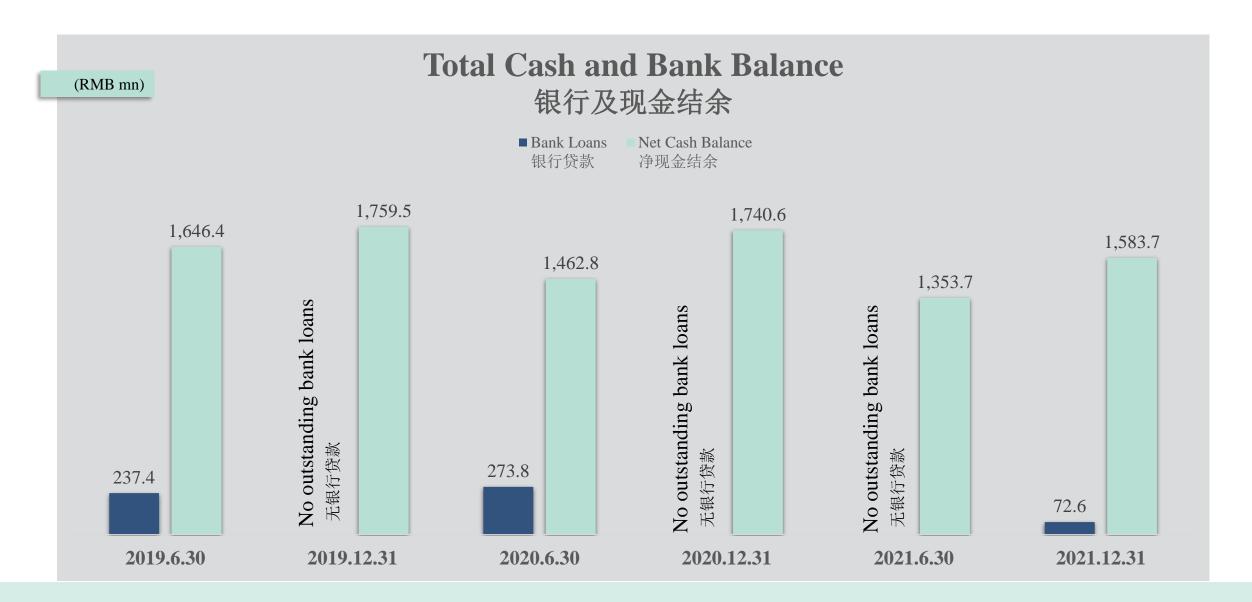
1H 2019 FY 2019 1H 2020 FY 2020 1H 2021 FY 2021

If based on period-end balance, turnover days was 81 days AP balance up by RMB25.1 mn

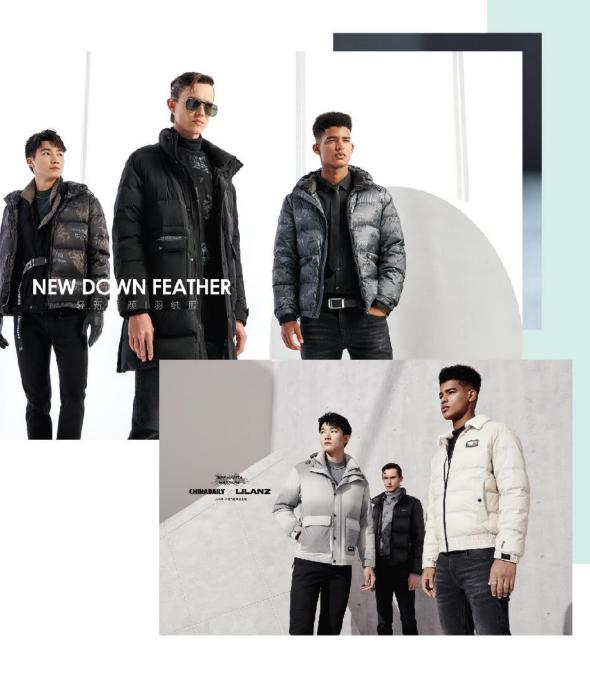
按期末余额计算,周转天数为81天 应付贸易账款余额增加人民币25.1百万元

Cash Flows 现金流量

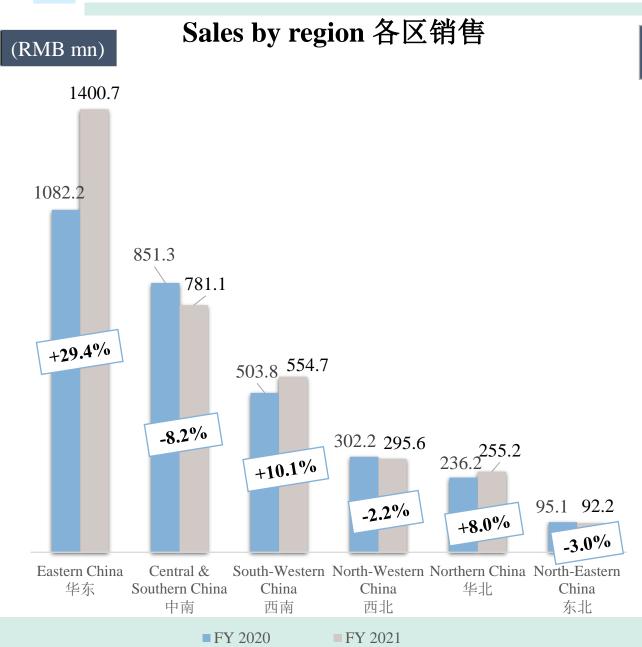
<u>RMB mn 人民币百万元</u>	<u>FY 2021</u> Operating cash inflows 经营现金流入			
Net cash generated from operating activities 经营活动现金流入	 598.5 The major reconciling items with net profit for the year : Depreciation of RMB220.8 mn which is mainly due to the charg depreciation on addition of new head quarter and the creative particular of the second second			
Net cash used in investing activities 投资活动现金流出	(280.0) - 与年度净利润主要调节项目: • 折旧总计人民币220.8百万元。主要由于新增新总部与及创 计提折旧			
Net cash used in financing activities 融资活动现金流出	(482.9)			
Net decrease in cash and cash	Investing cash outflows 投资现金流出			
equivalents 现金及现金等价物减少净额	 CAPEX of RMB316.0 mn less interest income of RMB34.4 mn and net proceed of RMB1.6 mn from the disposal of property, plant and equipment 			
Cash and cash equivalents as at 1 Jan 于1月1日现金及现金等价物	1,738.9 · 资本开支人民币316.0百万元,扣减利息收入人民币34.4百万元、 及出售物业、厂房及设备的净所得款项人民币1.6百万元			
Effect of foreign exchange rate changes 外币汇率变动的影响	(2.9) Financing cash outflows 融资现金流出			
Cash and cash equivalents at 31 Dec 于12月31日现金及现金等价物	1,571.6 Payments of 2020 final dividends and 2021 interim dividends totalling RMB446.5 mn and lease rental payments totalling RMB99.3 mn			
	 支付2020末期股息及2021中期股息共人民币446.5百万元以及租款共人民币99.3百万元 			



业务及营运回顾 BUSINESS & OPERATIONAL REVIEW



Sales Channel Management 销售渠道管理



Store Count by Region 各区店铺数目

	2021-1-1	Opened 开店	Closed 关店	2021-12-31
Eastern China 华东	790	101	107	784
Central and Southern China 中南	724	106	94	736
South-Western China 西南	497	53	42	508
North-Western China 西北	271	40	36	275
Northern China 华北	294	27	49	272
North-Eastern China 东北	185	7	34	158
Total 总数	2,761	334	362	2,733
Total Retail Floor Space 总店铺面积 (sqm 平方米)	398,900			404,020 (+1.3 %)

Optimise Store Network 优化店铺网络

- Opened stores in carefully selected quality shopping malls and other premium locations and closed underperforming stores
- Parallel development of three channels:
 - Smart casual collection stores + Online stores -- Direct-to-retail model
 - Core collection -- Distributors + Consignment model
- Introduced a consignment model for the core collection stores in SS2021 and a total of 966 stores were operated as franchise stores by end of 2021
- Smart casual collection stores and online stores converted to the direct-to-retail model in 2H2020 and early 2021 respectively
- 852 stores in shopping malls (about 31% of total store count and about 33.1% of total retail floor space) and 49 outlet stores by year end
- Better realised the benefits of effective inventory management after sales channel conversion
- Inventory level remains healthy as efforts to clear inventories by offering discounts and promotions and sales in outlet stores continued

- 谨慎地在优质商场及其他优越的地点增加门店,并关闭若干 经营效益未如理想的店铺
- 三个渠道并行发展:
 - 轻商务+网店 -- 自营
 - 主系列 -- 分销+代销
- 已于2021年春夏季起为主系列引入代销模式,截至2021年底 共966家门店以加盟店形式经营
- 轻商务系列及网店分别于2020年下半年及2021年初转用自营 模式
- 于年底,购物商场店数目已增至852家(占店铺总数目 约31%,约占总店铺面积33.1%),而奥特莱斯店则有49家
- 销售渠道改革后,库存管理的效益得到更佳的体现
- 继续通过打折促销以及奥特莱斯店铺销售清理库存使集团产 品存货维持在健康水平



New Retail Business Development 新零售业务发展

Online Stores Converted to Self-Operated Stores 网店改为自营

- 2021 Online sales (including sales through Wechat Platform) about RMB500 million, increased by about 20%
- Launch more proactively promotional activities such as online sales and live streaming
- 年内网上销售额约人民币5亿元,上升超过约20%
- 更积极地推出产品网上促销、直播带货等推广活动

More New Products for Online Sales 推出新产品在网店销售

- New special edition pant products launched in online stores during 6.18 shopping festival
- Reorganised in-house production plant and added 7 production lines to produce swiftly orders in small batches



- 于6.18电商购物节在网店推出新品裤类电商特别款
- 在集团自设厂房增加七条生产线、快速小批量生产

Actively Utilised WeChat Platform 积极利用微信平台

- Provided customer relationship management services and to set up stores in the WeChat Mall
- Take advantage of the interactive features of social platforms to facilitate brand promotion and promote sales
- 提供顾客关系管理服务以及在微商城开店
- 利用社交平台互动特点,促进品牌推广,推动销售



Product Design, Development and Supply Chain Management 产品设计、开发及供应链管理

继续提升产品的个性化和原创设计

- 原创产品比例约77%
- 其中50%应用由集团开发的独有面料

增加推出快款产品的能力

去年起夥拍新的供应商提供快款物料,配合集团自设厂房的快速补单能力,期望可以推出更多电商快款产品



按产品设计及市场竞争力提高产品 加价率

- 2021年春夏季完成提升轻商务系列 产品的时尚度及设计感的工作
- 在执行「提供物超所值产品」策略 的同时,按产品设计、市场竞争力 提高产品的加价率,轻商务毛利率 因而有所提升

强大研发团队

- 约440人,包含国际及本地研发人才
- 新总部于2021年初启用后,设计师有 更好的创作和交流平台



Enhance personalisation and original design of products

- About 77% products sold are originally designed products
- Among which about 50% utilised proprietary fabrics internally developed

Enhance capability of launching fast-moving products

 Began to partner with new suppliers to provide materials for fast moving products last year, together with rapid replenishment capability of in-house production plant, to enable the launch of more fast-moving developed fastmoving products online

Increased products' markup rate based on product design and market competitiveness

- Completed the upgrade of the fashion and design elements of the smart casual collection products in SS2021
- Increased products' markup rate based on product design and market competitiveness while adhering to the strategy of providing products that represent excellent value-for-money, leading to GP margin expansion for smart casual collection

Strong research and development team

- About 440 members comprising international and local talents
- After the new headquarters opened in Fujian in early 2021, designers were provided with a better creative communication platform

Marketing & Promotion & Awards 品牌管理、宣传及奖项



Sponsored "**2021**, **Speaking the Truth**" in which Han Han participated

赞助韩寒 参加「2021,有一说一」



Introduced the slogan "Every fashionista is wearing Lilang" on Mango TV's variety show "Call Me By Fire"

在芒果TV《**披荆斩棘的哥哥**》中, 提出了「有颜有型有气场 哥哥都在 穿利郎」口号



"City of Light" collections was showcased at the closing ceremony of the 2022 spring and summer Shanghai Fashion Week





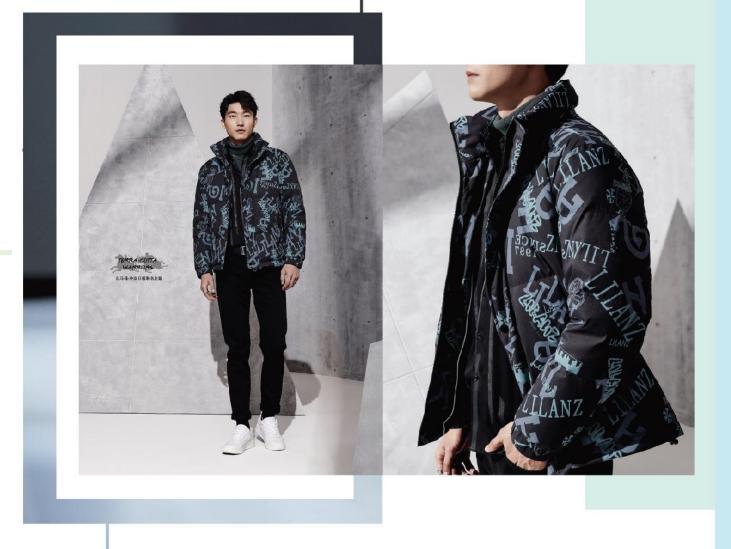
Launched IP crossover products with China Daily and "The Three-Body Universe"

与《中国日报》及以及「三体」 合作推出IP联名系列

Marketing, Promotion & Awards (Con't) 品牌管理、宣传及奖项(续)



前景与策略 OUTLOOK & STRATEGY



Prudent Operation Strategy 审慎的经营策略

Continue to adopt a prudent strategy for store openings to enhance sales network

继续以审慎的开店策略 加强销售网络



- With the reform of sales channels largely completed, the Group has more effective control over its sales channels
- Open stores in quality shopping malls in provincial capitals and prefecture-level cities
- Open stores in outlet malls as the usual channel for inventory clearance

- 随着改革销售渠道的工作大致
 完成,集团对销售渠道实现了
 更有效的管控
- 继续在省会及地级市优选购物 商场开店
- 继续增加在奥特莱斯开店,作 为清理库存常设渠道





Prudent Operation Strategy (Con't) 审慎的经营策略(续)

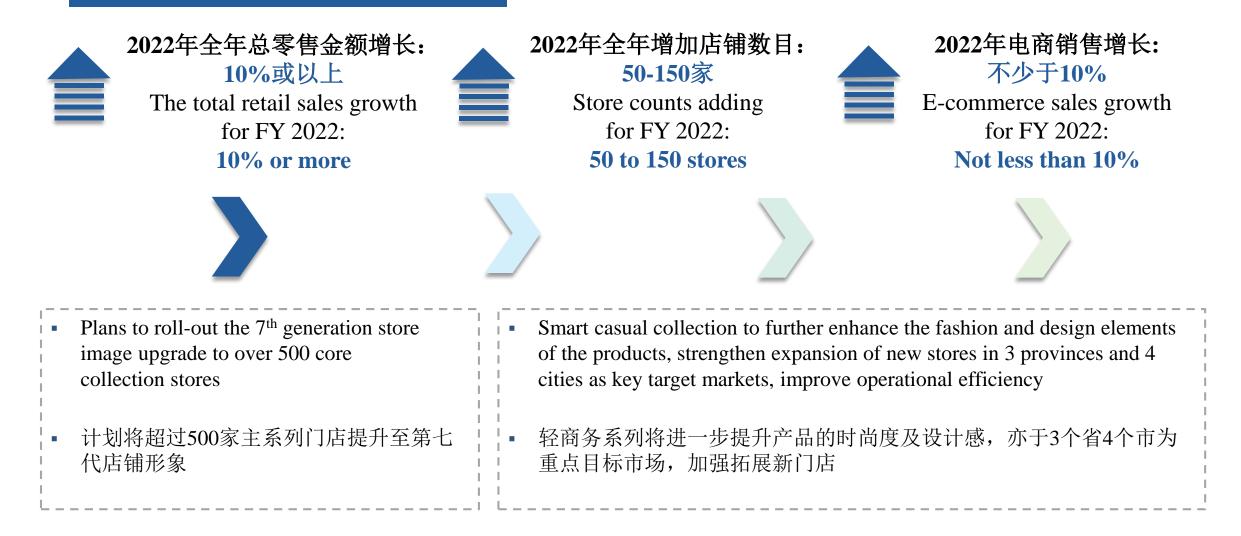
New Retail 新零售

- Further develop online sales & offline delivery model
- Introduce better service models, provide more convenient to customers while considering their shopping experiences
- Launch new e-commerce products more proactively
- Continue to make good use of online platforms for promotional clearance
- Continue to promote brand on platforms such as Xiaohongshu, Weibo, TikTok, etc
- 进一步发展「线上卖货、线下发货」模式
- 加入更多更好的服务模式,为顾客提供更便捷和贴心的购物体验
- 更积极推出电商新产
- 继续善用线上平台以促销清货
- 继续通过小红书、微博、抖音等平台宣传



Prudent Operation Strategy (Con't) 审慎的经营策略(续)

Operational Targets 经营目标



Progress on the New Logistics Park 新物流园最新进展

- Phase I of the new logistics centre is expected to commence operation before May 2022 to better prepare for the logistics arrangement during the e-commerce peak seasons
- 为了更好地为电商旺季的物流配送作最好准备,新的物流园第一期的目标是于2022年5月前开始营运





- The new logistics centre will be powered by an intelligence system, which is expected to facilitate effective delivery of goods to stores and further enhance the inventory control
- 新物流园将采用智能系统,预期将有助实现铺 货到单店,进一步加强库存控制

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