

中国 LILANZ

(Hong Kong - 18 March 2025)

(“China Lilang” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1234) today announced its results for the year 2024.

said:

“In 2024, amidst persistent global complexity and volatility, the prospects of geopolitical and economic environment remain complex and the impact of trade tariffs on real economy is unpredictable. As a leading player in the industry, the Group firmly promoted its strategic transformation during the year, leveraging technology to improve corporate management. It strengthened its domestic sales network and further optimized the channel layout effectively with distributors and various partners to improve operational efficiency and achieve higher quality and healthy growth.”

During the year, the Group’s revenue increased by 3.0% year-on-year to RMB3.65 billion. Notably, the smart casual collection grew by 27.2%, mainly benefiting from the strong increase in average single store sales and the significant results in new retail channels, continuing the positive momentum from 2023. The core collection recorded a decrease in sales of 3.0%, mainly due to the Group’s recovery of distribution rights in the three provinces of the North-Eastern China region and Jiangsu Province for the transition to a direct-to-consumer (DTC) model for operation, which resulted in a decline of sales in the distribution business. In addition, the Group paid compensation to former distributors in these four provinces, the amount of which was directly deducted from sales revenue.

The gross profit margin decreased slightly by 0.5 percentage point year-on-year to 47.7%, mainly due to the one-off compensation paid to distributors and the decrease in the reversal of inventory provision. Profit Attributable to Shareholders was RMB461 million (2023: RMB530 million). Profit margin attributable to shareholders reached 12.6% (2023: 15.0%). Earnings per share were RMB38.51 cents.

During the year, the Group maintained a healthy financial position and sufficient cash flow. The Board recommends a final dividend of HK9 cents per share and a special final dividend of HK3 cents per share. Together with the interim dividend already paid, the total dividend for the year amounted to HK30 cents per share, maintaining a stable dividend payout ratio.

Share"

The Group's "Multi-brands and Internationalization" development strategy entered a substantive stage last year, and the Group started to work with international companies to enrich its product portfolio. The Group acquired the brand ownership of premier golf apparel brand "MUNSINGWEAR" within the PRC by means of a controlling joint venture structure in August last year and the related inventory take-over work is progressing smoothly. In addition, the Group's plan to open international stores in Malaysia is well on track.

In 2025, China Lilang will continue to leverage its advantages to drive reform and transformation and seize opportunities arising from market consolidation. The Group aims to achieve a net increase of 100 stores in 2025, and will prioritize the opening of new stores in premium shopping malls in provincial capitals and prefecture-level cities, locating the stores in areas with high foot traffic and high consumption potential. In addition, it will increase the scale of store openings in outlets to attract consumers with reasonable prices and effectively clear inventories. At the same time, it will flexibly close underperforming stores and strictly control costs and expenses to enhance overall store performance and ensure precise allocation of resources to the target consumer group.

To sustain the strong momentum of the new retail business and seize market opportunities, the Group will increase sales of new products online during the year, targeting to raise the proportion of new product sales to 80% of total e-commerce sales. The Group also aims to achieve a growth of 15% or more in new retail business and an overall sales growth of no less than 10% in 2025.

The Group will advance its "Multi-brand and Internationalization" development strategy as planned. The online sales of its joint venture company "MUNSINGWEAR" are expected to officially commence during the first half of this year, while the first physical store will be opened in the second half. In addition, the Group's plan to open the first store in Malaysia in the first half of the year is progressing smoothly. This will enable the Group to achieve its goal of operating three brands – "LILANZ", "LESS IS MORE" and "MUNSINGWEAR", in the Chinese and Malaysian markets by the end of 2025, marking the official venture of Lilang brands of household words domestically, into the international market.

China Lilang Announces 2024 Annual Results
18 March 2025

Mr. Wang Dong Xing, concluded,