

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Lilang Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Grant of General Mandate, Repurchase Mandate and Extension Mandate	4
Proposed re-election of Directors	5
Actions to be taken	5
Voting by Poll	5
Recommendations	6
General	6
Miscellaneous	6
Appendix I — Explanatory Statement on the Repurchase Mandate	7
Appendix II — Details of the Directors proposed to be re-elected at the Annual General Meeting	10
Notice of Annual General Meeting	16

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong at 10:30 a.m. on Monday, 28 April 2014, the notice of which is set out on pages 16 to 20 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associates”	has the same meaning as defined under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Lilang Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Pre-IPO Share Option Scheme”	a pre-IPO share option scheme adopted by the Company on 12 September 2008
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	a scheme conditionally approved by a written resolution of the Shareholders passed on 4 September 2009 and adopted by a resolution of the Board on 4 September 2009, under which an employee, a director or any shareholder of any member of the Group or any holder of any securities issued by any member of the Group may be granted a right to subscribe for Shares under the discretion of the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LILANZ 利郎
CHINA LILANG LIMITED

中國利郎有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1234)

Executive Directors:

Mr. Wang Dong Xing
Mr. Wang Liang Xing
Mr. Wang Cong Xing
Mr. Cai Rong Hua
Mr. Hu Cheng Chu
Mr. Wang Ru Ping
Mr. Pan Rong Bin

Independent non-executive Directors:

Dr. Lu Hong Te
Mr. Chen Tien Tui
Mr. Nie Xing
Mr. Lai Shixian

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Suite 3402, 34th Floor
Lippo Centre, Tower One
No. 89 Queensway
Hong Kong

21 March 2014

*To the Shareholders, and for information only,
the holders of options of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, inter alia, (a) ordinary resolutions on the proposed grant of each of the General Mandate, the Repurchase Mandate and the Extension Mandate; and (b) ordinary resolutions relating to the proposed re-election of the Directors.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

Pursuant to the ordinary resolutions passed at the annual general meeting of the Company on 3 May 2013, the Directors were granted (a) a general mandate to allot, issue and deal with the Shares; and (b) a general mandate to repurchase Shares on the Stock Exchange. These general mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, the following resolutions, among other matters, will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution. Based on 1,201,311,849 Shares in issue as at the Latest Practicable Date and assuming no Shares will be issued or repurchased prior to the Annual General Meeting, the maximum number of Shares to be allotted and issued pursuant to the General Mandate will be 240,262,369;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase the Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Each of the General Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles of Association to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the Pre-IPO Share Option Scheme and which have been or may be granted under the Share Option Scheme.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

According to Article 105(A) of the Articles of Association, not less than one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company. Any Director who retires under this article shall then be eligible for re-election as Director. Mr. Wang Liang Xing, Mr. Hu Cheng Chu, Mr. Wang Ru Ping and Dr. Lu Hong Te will retire as Directors and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Biographical information of each of Mr. Wang Liang Xing, Mr. Hu Cheng Chu, Mr. Wang Ru Ping, and Dr. Lu Hong Te is set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

Set out on pages 16 to 20 of this circular is a notice convening the Annual General Meeting at which ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the General Mandate, Repurchase Mandate and Extension Mandate; and
- (b) the proposed re-election of Directors.

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY POLL

All the resolutions set out in the notice of the Annual General Meeting will be decided by poll in accordance with the Listing Rules. The chairman of the Annual General Meeting will explain the detailed procedures for conducting a poll at the commencement of the Annual General Meeting.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

After the conclusion of the Annual General Meeting, the polls results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.lilanz.com.

RECOMMENDATIONS

The Board considers that the ordinary resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

GENERAL

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,201,311,849 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 120,131,184 Shares, representing about 10% of the issued share capital of the Company on the date of passing of such resolution.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Law, other applicable laws of the Cayman Islands and the Listing Rules. A listed company is prohibited f21-569(o.8(ohi1TD(4.8(ited)-4ted)n

5. GENERAL

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2013, being the date of its latest published audited consolidated financial statements, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which Shares were traded on the Stock Exchange during each of the previous twelve months up to and including the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
March	4.96	4.49
April	4.95	4.40
May	4.95	4.13
June	4.17	3.70
July	4.54	3.85
August	4.87	4.22
September	4.58	4.30
October	5.22	4.52
November	5.32	4.84
December	5.23	4.65
2014		
January	4.85	4.54
February	5.14	4.44
March (up to and including the Latest Practicable Date)	6.07	4.98

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

8. CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Xiao Sheng International Limited held 661,500,000 shares representing 55.06 per cent of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Xiao Sheng International Limited in the Company would be increased to approximately 61.18 per cent of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

The following sets out the respective details of the Directors, the office of whom will end at the Annual General Meeting and who, being eligible, will offer themselves for re-election:

Mr. Wang Liang Xing (王良星先生), aged 51, is the vice chairman, the chief executive officer and an executive Director of the Company. He was appointed as an executive Director on 13 June 2008. He has been with the Group since its establishment in April 1995 and is one of the founders of the Group. Mr. Wang is responsible for the Group's overall business development, strategic planning and corporate management. He is also responsible for the corporate development and the internal management system of the Group and recommending the appointment of senior management to the Board. He completed an advanced programme of excellent corporate operation and management (卓越企業經營管理高級課程研修班) from the School of Continuing Education of Tsinghua University (清華大學繼續教育學院), an EMBA programme organised by Xiamen University (廈門大學) and a China CEO Programme (中國企業CEO課程) organized by Cheung Kong Graduate School of Business (長江商學院). He has over 20 years of manufacturing and management experience in the menswear industry in the PRC.

Mr. Wang is also the vice-chairman and standing supervisor of the Enterprises Credit Management Association of Quanzhou City (泉州市企業合同信用管理協會第一屆理事會) and a supervisor of the Garment Association of the PRC (中國服裝協會). He was one of 50 persons honoured with a 2005 PRC Enterprises Trademark Award (2005中國企業商標50人) and was accredited as the "Brand China People of the Year 2010" (2010品牌中國年度人物).

In the three years preceding the Latest Practicable Date, Mr. Wang did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wang has entered into a service agreement with the Company for an initial fixed term of three years commencing from 4 September 2009 renewable automatically for successive terms of one year each upon expiry of the then current term of appointment until terminated by either party giving not less than six months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual remuneration of RMB1,200,000 subject to an annual increment at the discretion of the Directors of not more than 8% of his annual salary immediately prior to such increase. He is also entitled to a guaranteed year-end bonus for a fixed sum equivalent to his salary for one month provided that, if he does not complete a full 12-month period of the term of the service contract at the time of payment of such bonus, he shall be entitled to a ratable proportion (apportioned on a time basis) of such bonus which he would have received if he had completed a whole 12-month period of the term of his service contract. In addition, he is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profits attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or

exceptional items) in respect of that financial year of the Company. The emolument of Mr. Wang is determined by the Board with reference to his duties, responsibilities, job complexity, prevailing market rates, performance and the results of the Group.

As at the Latest Practicable Date, Mr. Wang was interested in 22,950,000 Shares in the Company. He was also interested in 2,550 shares in Xiao Sheng International Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company. Save as disclosed above, Mr. Wang did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Wang is the brother of Mr. Wang Dong Xing and Mr. Wang Cong Xing and the brother-in-law of Mr. Cai Rong Hua, who are also executive Directors of the Company. He is also one of the shareholders of Xiao Sheng International Limited and Ming Lang Investments Limited, the controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Wang was not related to any other Directors, senior management, substantial or controlling shareholders of the Company.

There is no other information which is discloseable nor is/was Mr. Wang involved in any other matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

Mr. Hu Cheng Chu (胡誠初先生), aged 69, is an executive Director of the Company. He

party giving not less than six months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual remuneration of RMB540,000 subject to an annual increment at the discretion of the Directors of not more than 8% of his annual salary immediately prior to such increase. He is also entitled to a guaranteed year-end bonus for a fixed sum equivalent to his salary for one month provided that, if he does not complete a full 12-month period of the term of the service contract at the time of payment of such bonus, he shall be entitled to a ratable proportion (apportioned on a time basis) of such bonus which he would have received if he had completed a whole 12-month period of the term of his service contract. In addition, he is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profits attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. The emolument of Mr. Hu is determined by the Board with reference to his duties, responsibilities, job complexity, prevailing market rates, performance and the results of the Group.

As at the Latest Practicable Date, Mr. Hu was interested in 4,500,000 Shares in the Company. He was also interested in 500 shares in Xiao Sheng International Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company. Save as disclosed above, Mr. Hu did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Hu is one of the shareholders of Xiao Sheng International Limited and Ming Lang Investments Limited, the controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Hu was not related to any Directors, senior management, substantial or controlling shareholders of the Company.

There is no other information which is discloseable nor is/was Mr. Hu involved in any other matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Hu that need to be brought to the attention of the Shareholders.

Mr. Wang Ru Ping (王如平先生), aged 51, is an executive Director of the Company. He joined the Group in April 1995 and was appointed as an executive Director on 13 June 2008. He is responsible for supervising the construction-in-progress and development of the operational facilities of the Group as well as overseeing the maintenance and legal compliance in relation to the operational facilities. Mr. Wang completed a programme on public relations and administrative management from the Faculty of International Economics at the Adult Education College of Huaqiao University (華僑大學 人教育學院) in 2000 and a diploma programme for chief executive officers of enterprises (企業總裁高級研修班) from the Faculty of Economics at Peking University (北京大學) in 2004, and is currently attending an EMBA

programme organised by the Shanghai University of Finance and Economics (上海財經大學). He has over 10 years of manufacturing and management experience in the menswear industry in the PRC.

In the three years preceding the Latest Practicable Date, Mr. Wang did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wang has entered into a service agreement with the Company for an initial fixed term of three years commencing from 4 September 2009 renewable automatically for successive terms of one year each upon expiry of the then current term of appointment until terminated by either party giving not less than six months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles of Association. As at the Latest Practicable Date, he was entitled to an annual remuneration of RMB540,000 subject to an annual increment at the discretion of the Directors of not more than 8% of his annual salary immediately prior to such increase. He is also entitled to a guaranteed year-end bonus for a fixed sum equivalent to his salary for one month provided that, if he does not complete a full 12-month period of the term of the service contract at the time of payment of such bonus, he shall be entitled to a ratable proportion (apportioned on a time basis) of such bonus which he would have received if he had completed a whole 12-month period of the term of his service contract. In addition, he is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 5% of the audited consolidated or combined net profits attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. The emolument of Mr. Wang is determined by the Board with reference to his duties, responsibilities, job complexity, prevailing market rates, performance and the results of the Group.

As at the Latest Practicable Date, Mr. Wang was interested in 2,700,000 Shares in the Company. He was also interested in 300 shares in Xiao Sheng International Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company. Save as disclosed above, Mr. Wang did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Wang is one of the shareholders of Xiao Sheng International Limited and Ming Lang Investments Limited, the controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Wang was not related to any Directors, senior management, substantial or controlling shareholders of the Company.

There is no other information which is discloseable nor is/was Mr. Wang involved in any other matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

Dr. Lu Hong Te (呂鴻德博士), aged 53, is an independent non-executive Director of the Company. He joined the Board on 13 June 2008. Dr. Lu obtained a bachelor's degree in management from National Cheng Kung University in 1983 and a master's degree and a doctoral degree in business from the Graduate Institute of Business Administration of the College of Management of National Taiwan University in 1985 and 1992, respectively. Dr. Lu is a professor at the department of business administration at Chung Yuan Christian University in Taiwan, specialising in marketing and sales management and corporate competitive strategies. He also serves as a visiting professor at several institutions, including SGP International Management Academy, Nanyang Technological University's EMBA Centre and Xiamen University's EMBA Centre.

Dr. Lu is an independent non-executive director of three companies in Taiwan, namely Aiptek International Inc. (台灣天瀚科 股份有限公司) (stock code: 6225), the shares of which are listed on the Taiwan Stock Exchange, and Firich Enterprises Co., Ltd. (台灣伍豐科 股份有限公司) (stock code: 8076) and Lanner Electronics Inc. (台灣立端科 股份有限公司) (stock code: 6245), the shares of which are traded in the Gre Tai Securities Market (證券櫃檯買賣中心) in Taiwan. He is also an independent non-executive director of three other companies, namely Capxon International Electronic Company Limited (凱普松國際電子有限公司) (stock code: 469), ANTA Sports Products Limited (安 體育用品有限公司) (stock code: 2020) and China SCE Property Holdings Limited (中駿置業控股有限公司) (stock code: 1966), the shares of which are listed on the Stock Exchange. In the three years preceding the Latest Practicable Date, Dr. Lu was also an independent non-executive director of another company, namely Everlight Chemical Industrial Corporation (台灣永光化學工業股份有限公司) (Stock Code: 1711), the shares of which are listed on the Taiwan Stock Exchange. He resigned as independent non-executive director of that company on 30 June 2012.

Save as disclosed above, in the three years preceding the Latest Practicable Date, Dr. Lu did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Lu has been appointed by the Company for an initial term of two years commencing from 4 September 2009 renewable automatically for successive terms of two years each upon expiry of the then current term of appointment until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter. He is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the Articles of Association. Dr. Lu is entitled to an annual director's fee of RMB200,000. The director's fee for Dr. Lu is determined by the Board with reference to his duties and responsibilities.

As at the Latest Practicable Date, Dr. Lu did not have any interests in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO. Dr. Lu did not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no other information which is discloseable nor is/was Dr. Lu involved in any other matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Dr. Lu that need to be brought to the attention of the Shareholders.

The Company has received from Dr. Lu an annual confirmation of independence in accordance with Rule 3.13 of the Listing Rules and considers Dr. Lu to be independent.

LILANZ 利郎
CHINA LILANG LIMITED

中國利郎有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1234)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Lilang Limited (the “**Company**”) will be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Monday, 28 April 2014 at 10:30 a.m. to consider, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and auditor (the “**Auditor**”) of the Company for the year ended 31 December 2013.
2. to declare a final dividend of HK16 cents per ordinary share and a special final dividend of HK5 cents per ordinary share for the year ended 31 December 2013.
3. to consider the re-election of the following retiring Directors, each as separate resolution:
 - (a) Mr. Wang Liang Xing
 - (b) Mr. Hu Cheng Chu
 - (c) Mr. Wang Ru Ping
 - (d) Dr. Lu Hong Te
4. to authorise the board (the “**Board**”) of Directors to fix the Directors’ remuneration.
5. to consider the re-appointment of KPMG as the Auditor for the year ending 31 December 2014 and to authorise the Board to fix their remuneration.

and, as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

6. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company, and to make or grant offers, agreements

NOTICE OF ANNUAL GENERAL MEETING

and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of options granted under the Pre-IPO Share Option Scheme, Share Option Scheme or similar arrangement adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles of Association**”) of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any other applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

8. “**THAT** conditional upon resolutions numbered 6 and 7 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 6 above be and it is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 7 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company, which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to or in accordance with such general mandate.”

By order of the Board
China Lilang Limited
Wang Dong Xing
Chairman

Hong Kong, 21 March 2014

*Head office and principal place of
business in Hong Kong:*

Suite 3402, 34th Floor
Lippo Centre, Tower One
No. 89 Queensway
Hong Kong

Notes:

NOTICE OF ANNUAL GENERAL MEETING

5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to proposed resolution numbered 2 above, the proposed final dividend and special final dividend will be payable to the Shareholders whose names appear on the register of members of the Company on 7 May 2014. The register of members will be closed from Monday, 5 May 2014 to Wednesday, 7 May 2014 (both days inclusive) for the purpose of determining shareholders who qualify for the proposed final dividend and special final dividend. In order to qualify for the proposed final dividend and special final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on Friday, 2 May 2014.
7. In relation to resolution numbered 6 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of any options which have been or may be granted under the pre-IPO share option scheme or share option scheme of the Company, or any scrip dividend scheme which may be approved by the Shareholders.
8. In relation to resolution numbered 7 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances, which they deem appropriate for the benefit of the Shareholders.

As at the date of this notice, the executive Directors are Mr. Wang Dong Xing, Mr. Wang Liang Xing, Mr. Wang Cong Xing, Mr. Cai Rong Hua, Mr. Hu Cheng Chu, Mr. Wang Ru Ping, and Mr. Pan Rong Bin; and the independent non-executive Directors are Dr. Lu Hong Te, Mr. Chen Tien Tui, Mr. Nie Xing and Mr. Lai Shixian.