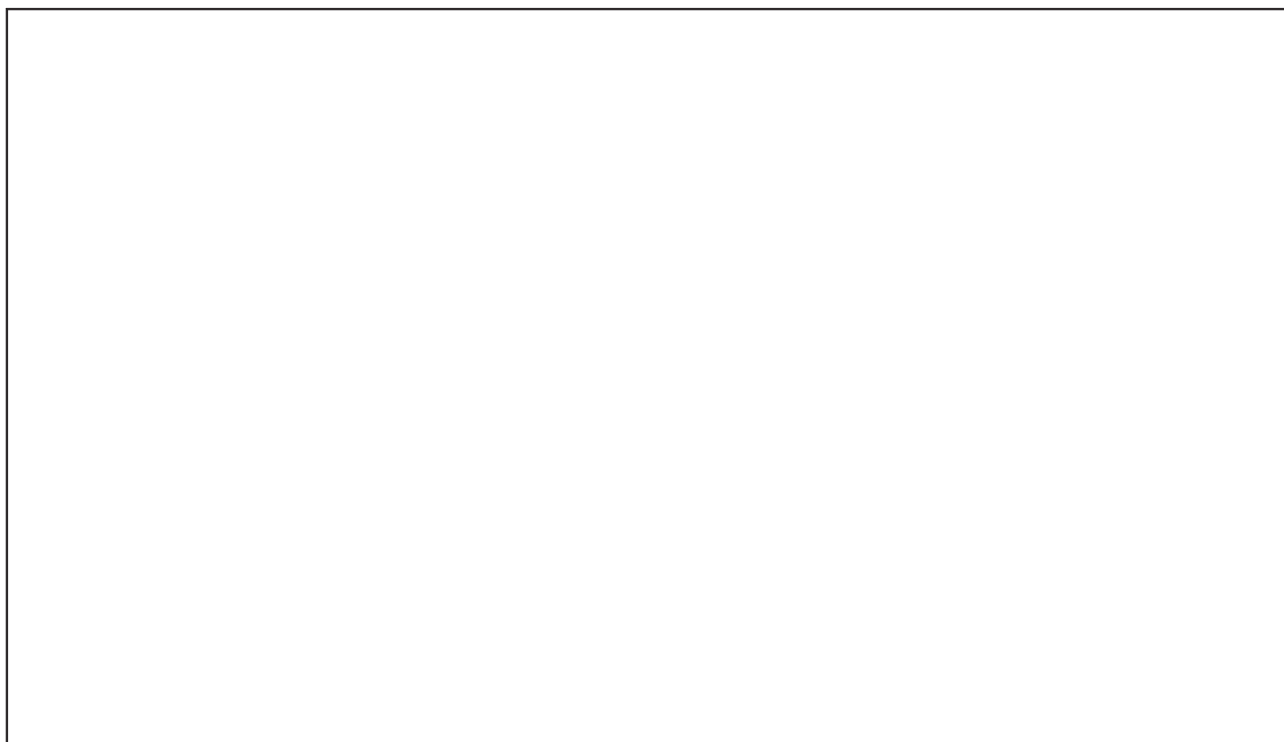


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staff dormitory purposes. The monthly rent payable by Lilang China to Jinlang Fujian under the Existing Tenancy Agreement was RMB252,591. Such rent was exclusive of water and electricity charges, gas and steam fees, telephone charges, property maintenance fees and other fees in relation to the use of the Premises.

As the Existing Tenancy Agreement will expire on 31 December 2013 and shall be renewable upon further agreement by the parties (subject to compliance with the Listing Rules), on 19 December 2013, Lilang China entered into the New Tenancy Agreement with Jinlang Fujian for the lease of the aforesaid Premises.

#### **NEW TENANCY AGREEMENT**

**Date:** 19 December 2013

**Parties:** Lessee: Lilang China, a wholly-owned subsidiary of the Company

Landlord: Jinlang Fujian, which relationship with the Group is more particularly set out in the paragraph headed “Generap-33.6933(a).7411(h)-313

The Directors anticipate that the rent payable by Lilang China to Jinlang Fujian under the New Tenancy Agreement will not exceed RMB3,120,000 for each of the three years ending 31 December 2016. The annual caps represent the actual rent payable by Lilang China to Jinlang Fujian pursuant to the New Tenancy Agreement.

Under the Existing Tenancy Agreement, the rent paid or payable by Lilang China to Jinlang Fujian during each of the years ended 31 December 2011, 31 December 2012 and ending 31 December 2013 amounted to RMB3,031,092.

## **REASONS FOR THE TRANSACTION**

As disclosed in the Company's announcement dated 15 December 2010, the Premises have been leased by the Group under the Existing Tenancy Agreement for use as its headquarters at Lilang Industrial Park. On 19 December 2013, the Group entered into the New Tenancy Agreement as the Existing Tenancy Agreement will expire on 31 December 2013 and it is intended that the Group will continue to use the Premises as its headquarters until the construction of the proposed new headquarters as disclosed in the 2012 annual report of the Company is completed.

The Directors (including independent non-executive Directors) are of the opinion that:

- (i) the terms (including the rent) of the New Tenancy Agreement are on normal commercial terms that are fair and reasonable;
- (ii) the annual rent payable by the Group under the New Tenancy Agreement is fair and reasonable; and
- (iii) the continuing connected transaction constituted under the New Tenancy Agreement is and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

The Company is an investment holding company and its subsidiaries are principally engaged in manufacturing and wholesaling of branded menswear and related accessories in the PRC. The lessee under the New Tenancy Agreement is a wholly-owned subsidiary of the Company and is principally engaged in manufacturing and wholesaling of menswear and accessories.

Jinlang Fujian is principally engaged in, among others, investment in real estate. As at the date of this announcement, Jinlang Fujian is wholly owned by the Wang Brothers, who are three of the executive Directors and Controlling Shareholders, and is therefore a connected person of our Company under the Listing Rules. Accordingly, the tenancy arrangement as contemplated under the New Tenancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the Wang Brothers have a material interest in the tenancy arrangement as contemplated under the New Tenancy Agreement, each of the Wang Brothers had abstained from voting in favour of the Board resolution approving the New Tenancy Agreement.



“PRC”	the People’s Republic of China
“Premises”	two parcels of land with an aggregate site area of 10,282.66 sq.m. located at Lilang Industrial Park together with several units and floors of three buildings erected thereon with an aggregate gross floor area of approximately 27,757.24 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wang Brothers”	Messrs. Wang Dong Xing, Wang Liang Xing and Wang Cong Xing, all being executive Directors
“%”	per cent.

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

**Hong Kong, 19 December 2013**

*As at the date of this announcement, 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.*