

利郎 LILANG

CHINA LILANG LIMITED
中國利郎有限公司

Stock Code 股份代號 : 1234



利郎 LESS IS MORE

2024 INTERIM REPORT 中期報告



FINANCIAL HIGHLIGHTS

Ü

		Six months ended 30 June		Changes
		2024	2023	
		Z g Z , Ë (RMB million)	Z g Z g Ë (RMB million)	7 (%)
		€ [O Æ ö - © •	€ [O Æ ö - © •	
Revenue	x]	1,600.0	1,491.1	+7.3
Gross profit	ã ;	800.5	772.6	+3.6
Profit from operations	¼ ; —	313.8	305.4	+2.8
Profit for the period	, « ; —	280.1	270.5	+3.6

		(RMB cents)	(RMB cents)	
		€ [O Æ ± •	€ [O Æ ± •	(%)
Earnings per share	Ê p @ ;			
{ Basic	{ ? I	23.4	22.6	+3.6
{ Diluted	{ Å [	23.4	22.6	+3.6
Interim dividend per share	Ê p • , p 1	HK13 cents	HK13 cents	
		13 ¥	13 ¥	{
Special interim dividend per share	Ê p \$ 9 • , p 1	HK5 cents	HK5 cents	
		5 ¥	5 ¥	{

		(%)	(%)	(% points)
		€ ö ± Å •	€ ö ± Å •	
Gross profit margin	ã ;	50.0	51.8	-1.8
Operating profit margin	¼ ; —	19.6	20.5	-0.9
Net profit margin	; —	17.5	18.1	-0.6
Return on average shareholders' equity ⁽¹⁾	; i p Æ B « (1)	7.0	7.0	{
Effective tax rate	p Ö ü	18.0	17.5	+0.5
Advertising, promotional and renovation expenses (as percentage of revenue)	? S e Å ç L š Ö € & x] ö ± â •	13.3	13.6	-0.3

		Six months ended	Year ended	Six months ended
		30 June 2024	31 December 2023	30 June 2023
		Ú Z g Z , Ë - Ü g d Ú ß - H Ü	Ú Z g Z g Ë d Z Ü g d S Ú ß Ë	Ú Z g Z g Ë - Ü g d Ú ß - H Ü
Average inventory turnover days	; i Å - „ 7 Â p (2)	189	170	211
Average trade receivables turnover days ⁽³⁾	; i Ð x q ø * › „ 7 Â p (3)	39	42	51
Average trade payables turnover days ⁽⁴⁾	; i Ð ù q ø * › „ 7 Â p (4)	162	130	140

FINANCIAL HIGHLIGHTS (CONTINUED)



Notes:

• Wj

- (1) Return on average shareholders' equity is equal to profit for the period divided by the average of the beginning and closing balances of total shareholders' equity.
$$\frac{\text{Profit for the period}}{\text{Average of beginning and closing balances of total shareholders' equity}}$$
- (2) Average inventory turnover days is equal to the average of the beginning and closing inventory balances divided by cost of sales and multiplied by the number of days in the relevant period.
$$\frac{\text{Average of beginning and closing inventory balances}}{\text{Cost of sales}} \times \text{Number of days in the relevant period}$$
- (3) Average trade receivables turnover days is equal to the average of the beginning and closing trade receivables balances divided by revenue (including value-added tax) and multiplied by the number of days in the relevant period.
$$\frac{\text{Average of beginning and closing trade receivables balances}}{\text{Revenue (including value-added tax)}} \times \text{Number of days in the relevant period}$$
- (4) Average trade payables turnover days is equal to the average of the beginning and closing trade and bills payables balance divided by cost of sales and multiplied by the number of days in the relevant period.
$$\frac{\text{Average of beginning and closing trade and bills payables balance}}{\text{Cost of sales}} \times \text{Number of days in the relevant period}$$

MANAGEMENT DISCUSSION AND ANALYSIS

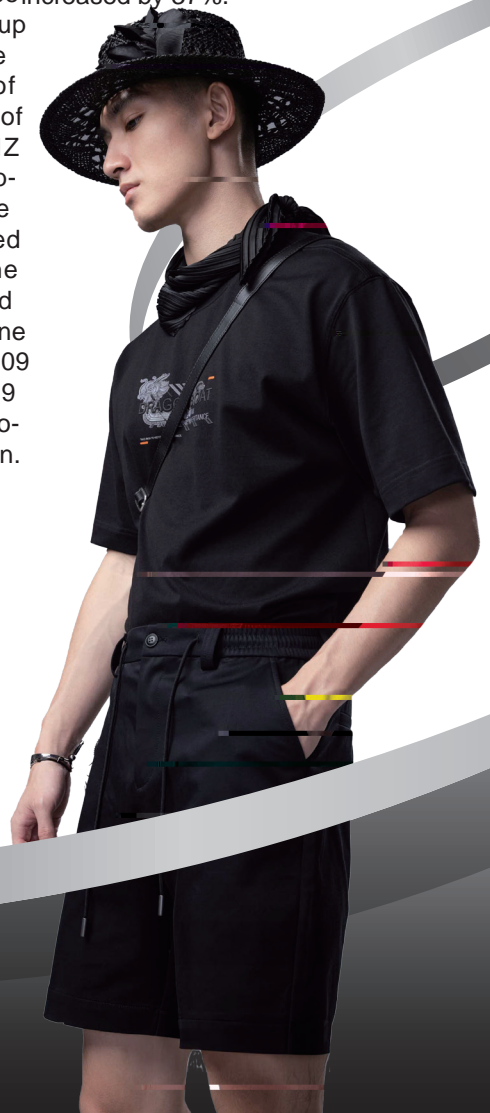
M # 4 À ¿ ±

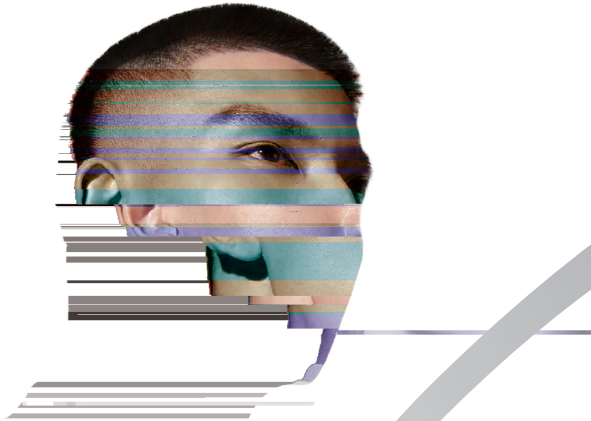
INDUSTRY REVIEW

In the first half of 2024, despite the complex and challenging international environment and the domestic impact of extreme weather, rain and waterlogging disasters and other factors, China's GDP grew by 5% year-on-year, in line with the growth target for the year. On a quarterly basis, GDP grew by 4.7% year-on-year in the second quarter, 0.6 percentage points slower than the first quarter. In terms of social consumer goods across the country, total retail sales increased by 3.7% year-on-year in the first half of the year, of which, retail sales of apparel, footwear, headwear and knitwear increased by 1.3% year-on-year. Even though growth rates were lower than those of GDP and total retail sales, the market development remained steady. As the clothing consumers have adopted an increasingly cautious attitude towards consumption, cost-effective products and promotional activities have become even more popular. At the same time, the increased competition among apparel brands has led to their corresponding adjustments in terms of product pricing, promotional strategies and market positioning.

During the period, China Lilang Co., Ltd. (the "Company" or "China Lilang Group") differentiated its simple and stylish menswear design through its dual collections - the "LILANZ" core collection and the "LESS IS MORE" smart casual collection in response to the challenging market environment. In promoting the collections, famous artists have been enlisted to serve as brand ambassadors, and together with its diversified publicity strategies to lead fashion apparel trend. In addition, China Lilang has increased the promotion of

its e-commerce business, responding to personalization needs of the new generation of consumers and their preference to value-for-money products. This enabled the Group to achieve better performance than its competitors and enlarge its market shares. Facing with the ever-evolving market environment and the increasing diversification of consumer demands, the Lilang Group has unwaveringly embraced changes of its sales channels, striving to achieve higher quality and healthy growth. As a pioneer in the Group's retail business, the "LESS IS MORE" smart casual collection has not only achieved remarkable results after years of cultivation, but also accumulated valuable direct-to-retail experience for the Group. Therefore, the Group decided to first implement the DTC model (hybrid operation of direct-to-retail stores and stores of sub-distributors) of the LILANZ core collection in Heilongjiang sub-during the period to replace the previous business model operated by distributors and increased the proportion of DTC model adopted by the Group. As of the end of June 2024, the Group had a total of 2,709 stores nationwide, including 959 consignment stores and 15 direct-to-retail stores under the core collection.





8 « ¥

ZgZ, Èj Èd<M7ç ±
 O id« Áa=L Á e)0
 è" a o B ð d 7 « [* < = •
 â # - 5% d ~ Æ È # - f z 5 ; f
 ±™ p d 7 « [* < = K Z™
 • â # - 4.7% d 0 /™ # 7 ó à 0.6
 H ò ± Æ f Æ 7 _ 6 l Ü Ù & d
 j È g / < X • â # - 3.7% d l
 • e h 8 e æ k Ü ó g / X
 • â # - 1.3% i ± í # 7 0 7 « [* < = ĺ g / < X 0 - d (¥ í
 j 9 Y ç › ï • f l k
 ~ ... o j Æ \$ » + Y l Ò
 d ÷ Ì â * Ü q @ V z s 8
 s a Ç Ž f • Ü d Ü Đ ~ æ Y
) F p { » ç ! d µ ® 4 ç Ü
 Đ ~ * Ü › e ® V + q 9 ›
 j ' Đ Y Æ f

, « d • 7 ; p " ® € l ® !™
 Đ ~ • 7 ;™ d ĺ l • n ® ! U H
 ~ «™ Đ Á j Y 9 ð d Á @
 é h P û • 7 ô û ~ ; LILANZ™
 ĺ À û ~ ; LESS IS MORE™
 7 Ü Đ ~ . . ¾ Ò ò d ĺ ĺ
 • 7 ò Y Ù q " t d —] ±
 µ [Ä , Ü Đ p [d ä ¥ µ © .
 Ä + f ä . » } Á e 8
 Y Ä ? d ø « Đ - Ü p l È
 Y H ì . È d ĺ Á ì â * Ü Y
 » d { ø ¼ \$ á) F Á Ó » ' .
 Æ \$ d d ÷ 9 ... X f

& Á 9 ± Y " Ù ~ l k
 ê È Y Ú B µ u • d ; « : ›
 " E ® ' ì ~ 8 ' d ¼ \$ » ÷ /
 Ž Y p # - f LESS IS MORE
 û • * % « g / 8 Y < k d
 ¾ @ µ È Y C d " Ä _ { Y 9
 Y 8 6 d " % «] Y n Y \
 ¾ f a ä d , « « Ò › - ½
 z ê ® ‹ a LILANZ ò û • Y
 \ & l k € D T C • l € « \ ³
 ~ Z t ± V ¾ ý ¥ 6 d _ p @
 _ S t ± V ¾ Y | ì Y ¾
 | ì d } « D T C | ì Y â f Ú
 Z g Z , È - Ü µ d « ò Æ 7
 • p 2,709 • ~ 9 d ô û • h p V ³
 ĺ \ ³ ± 9 p 959 • ĺ 15 • f

, « d « 1 f a - g / 8 d
 # ® V z d (. @ } b ĺ • \
 g m - a a l k Ç Ž Y e ›
 * Ü d Æ Ä l ® q l k š • •
 f « ò 6.18 e ... J . , æ a
 Y G ó ' › * Ü ? a Ç Ž d 1 •
 l ü * Ü # V / d « - , æ
 V / < - Ä _ ò V / ° î ,
 ò K , f « u 1 f ; \
 ì 8 ± ĺ h p j p h • p ~ ' .
 Đ d m ³ Ö 5 f # - f , « c ³
 g / X # 37% f

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

The Group made significant progress in achieving the development goals of “Multi-brands and Internationalization”. The Group has entered into a joint venture agreement with its partners, and is expected to launch officially the MUNSINGWEAR brand products next year. In addition, the Group registered a new company in Malaysia and is preparing to open the first overseas store in the country.

For the six months ended 30 June 2024, the Group’s sales revenue increased by 7.3% to RMB1,600.0 million. Net profit amounted to RMB280.1 million with a gross profit margin of 50.0%. Earnings per share were RMB23.4 cents.

During the period, the Group maintained a healthy financial position with sufficient cash flow. The Board of Directors resolved to declare an interim dividend of HK13 cents per share and a special interim dividend of HK5 cents per share, thereby maintaining a stable payout ratio.

FINANCIAL REVIEW

Revenue

The Group’s sales amounted to RMB1,600.0 million for the period representing a year-on-year increase of 7.3%. This increase was mainly attributable to the promotion of sales of the smart casual collection through in-store operations and new retail during the first half of the year. This resulted in an increase of 17.3%, maintaining the growth from the fourth quarter of the previous year. The core collection has managed record revenue growth of 4.5% despite the decrease in sales of distribution operations caused by the transformation to DTC model in Heilongjiang as well as a reduction in sales revenue resulting from the repurchase of inventory from former distributors and compensation paid to distributors for termination of co-operation.

Collections	Revenue by collection		
	2024		2023
	Z g Z , È	% of revenue	Z g Z g È
	RMB million		RMB million

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ç ±

By product category, tops accounted for 60.1% of total sales, an increase of 11.8% compared with the same period last year, with the down jacket product category being the standout performer. Pants accounted for 25.2% of sales, representing a year-on-year increase of 12.7%.

Revenue by Region

From a regional perspective, sales performance in North-Western China benefited from strong sales at outlet stores, which experienced year-on-year growth of 15.0%.

In Eastern China, sales increased by 13.2% year-on-year, mainly due to the positive impact of the inclusion of e-commerce sales in its scope of business. In particular, the TikTok platform recorded strong sales, leading to significant sales growth in the region.

During the period, Northern China and Central and Southern China recorded decent sales, with the former seeing an increase in sales due to the expansion of new distributor stores, while the latter benefited from increased sales at outlet stores.

However, sales in North-Eastern China and South-Western China declined by 53.7% and 3.7%, respectively. In North-Eastern China, due to the termination of co-operation with distributors in Heilongjiang, one-off measures such as the repurchase of inventory from former distributors and compensation paid to distributors, both led to a deduction in current sales revenue. As for the South-Western China region, the main reason for the increase was the temporary effect of changes in distributors in the Chongqing area.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

Revenue by region for the period is set out below:

h Ć 2 9 Ć ±, « Y x] j

Region	Six months ended 30 June					
	First half of 2024		First half of 2023		Changes (%)	
	RMB million	% of revenue	RMB million	% of revenue		
	[O Æ ö ñ	& x] %	[O Æ ö ñ	& x] %	(%)	
Northern China ⁽¹⁾	125.3	7.8%	112.6	7.6%	11.4%	
North-Eastern China ⁽²⁾	17.4	1.1%	37.5	2.5%	-53.7%	
Eastern China ⁽³⁾	716.8	44.8%	633.2	42.5%	13.2%	
Central and Southern China ⁽⁴⁾	365.3	22.8%	346.9	23.2%	5.3%	
South-Western China ⁽⁵⁾	205.4	12.8%	213.2	14.3%	-3.7%	
North-Western China ⁽⁶⁾	169.8	10.6%	147.7	9.9%	15.0%	
Total	1,600.0	100.0%	1,491.1	100.0%	7.3%	

⁽¹⁾ Northern China includes Beijing, Hebei, Shanxi, Tianjin and Inner Mongolia.

⁽²⁾ North-Eastern China includes Heilongjiang, Jilin and Liaoning.

⁽³⁾ Eastern China includes Jiangsu, Zhejiang, Shanghai, Anhui, Fujian, Shandong and Jiangxi.

⁽⁴⁾ Central and Southern China includes Henan, Hubei, Hunan, Guangdong, Guangxi and Hainan.

⁽⁵⁾ South-Western China includes Chongqing, Sichuan, Guizhou, Yunnan and Tibet.

⁽⁶⁾ North-Western China includes Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang.

Cost of Sales and Gross Profit Margin

V / Ó l ĵ ā ;

Cost of sales increased by 11.3% year-on-year to RMB799.5 million. The gross profit margin decreased by 1.8 percentage points year-on-year to 50.0%, mainly due to compensation for the termination of co-operation with distributors and the decrease in average unit price due to changes in product mix.

Other net income

l ü x] X

Other net income amounted to RMB66.2 million (first half of 2023: RMB54.4 million), which included China's local government grants of RMB62.3 million (first half of 2023: RMB1.7 million). These local government grants are awarded unconditionally and at the discretion of the relevant authorities.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĩ ±

Selling and distribution expenses

V / ĩ ± V š Ō

The Group's selling and distribution expenses increased by RMB68.1 million to RMB466.4 million during the period. The increase was primarily attributable to an increase in advertising and promotional expenses and direct-to-retail store expenses. These expenses accounted for 29.1% of total revenue, up by 2.4 percentage points from the previous year.

Advertising and renovation expenses increased by RMB9.7 million to RMB212.8 million during the period, accounting for 13.3% (first half of 2023: 13.6%) of total revenue. Direct-to-retail store expenses increased by RMB25.0 million to RMB158.1 million, accounting for 8.7% (first half of 2023: 7.7%) of total revenue, mainly due to the increase in the average number of stores during the period as compared with the same period of the previous year.

Administrative expenses

A š Ō

Administrative expenses amounted to RMB79.9 million, up by RMB6.5 million from the same period of the previous year, with an expenses-to-sales ratio of 5.0% (first half of 2023: 4.9%), primarily due to higher employee salaries and bonuses.

Other operating expenses

I ü ¼ š Ō

Other operating expenses amounted to RMB6.6 million (first half of 2023: RMB0.8 million), mainly due to the increase in charitable donations.

Profit from operations

¼ ; —

Profit from operations increased by 2.8% to RMB313.8 million, mainly due to an increase in gross profit and government grants. The operating profit margin decreased by 0.9 percentage point to 19.6%.

Net finance income

D x] X

Net finance income was RMB27.8 million, an increase of RMB5.5 million from the same period of the previous year. The increase was primarily due to increase in interest income resulting from an increase in fixed deposits.

Income tax

Ō { ü

The effective income tax rate for the year was 18.0%, representing an increase of 0.5 percentage points compared with last year. One of the Group's Chinese subsidiaries qualified as a high-tech enterprise, and therefore enjoyed a preferential tax rate of 15%. The other two subsidiaries of the Group registered in Tibet also enjoyed the local preferential tax rate of 15%.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

Net Profit

; —

Net profit for the period was RMB280.1 million, an increase of 3.6% year-on-year. The net profit margin declined by 0.6 percentage points to 17.5%.

Earnings per share

Ê p @ ;

Earnings per share were RMB23.4 cents, an increase of 3.6% year-on-year.

Interim Dividend

•, p 1

The Board has recommended the payment of an interim dividend of HK13 cents (2023: HK13 cents) per ordinary share and a special interim dividend of HK5 cents (2023: HK5 cents) per ordinary share in respect of this financial year, making a total dividend payment of approximately HK\$215.5 million (equivalent to approximately RMB201.5 million). The interim dividend and the special interim dividend will be paid in cash on or around 23 September 2024 to shareholders whose names appear on the Company's register of members on 5 September 2024.

BUSINESS REVIEW

8 « ¥

Sales Channel Management

V / - 8 M #

Facing with the ever-evolving market environment and the increasing diversification of consumer demands, the Lilang Group has unwaveringly embraced changes, striving to achieve higher-quality and healthy growth. As a pioneer in the Group's retail business, the "LESS IS MORE" casual collection has not only achieved remarkable results after years of cultivation, but also accumulated valuable direct-to-retail experience for the Group, providing an even more solid foundation for the Group to achieve sustainable brand development.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ç ±

The Group believed that increasing the proportion of direct-to-consumer (DTC) model is not only an important measure to cope with market changes, but also a key step to achieve sustainable brand development. Therefore, the Group decided to first implement the DTC model (hybrid operation of direct-to-retail stores and stores of sub-distributors) of the LILANZ core collection in Heilongjiang to replace the previous business model operated by distributors in Heilongjiang. The Group believed that streamlining sales channel structure will greatly enhance the store operation efficiency and product management capabilities of the LILANZ core collection in the region. At the same time, with the help of the Group's advanced digital operation system and the full-chain value integration advantages from production to retail, it will bring consumers products with higher quality and cost-effectiveness and a more excellent shopping experience. These measures will facilitate the healthy growth of the Group in North-Eastern China and provide greater contribution to the Group in the long run.

The core collection currently has a total of 2,412 stores, of which 38.5% (959 stores) operate under the consignment operation model in North-Eastern China transitioning to DTC model, the number of direct-to-retail stores has increased to 15. The Group continues to consolidate and develop its nationwide sales network through long-term partnerships with distributors, aiming to enhance services for domestic consumers.

During the period, the Group continuously and pragmatically optimized its distributor retail network by adopting a strategy of opening new stores in prime locations within premium shopping malls. These strategic openings together with renovations that highlight the brand's characteristics, attracted customers and boosted sales.

As for the smart casual collection, 292 stores operated under the direct-to-retail model, while 5 stores operated under the distribution model. During the period, the smart casual collection continued to optimize store locations and improve the utilization of store spaces.

As at the end of June 2024, the Group had a total of 2,709 retail stores nationwide, representing a net increase of 14 stores during the period with a total retail floor area of approximately 442,417 square meters (December 2023: 429,543 square meters), up by 3.0% compared with the end of the previous year.

As at 30 June 2024, 885 stores (31 December 2023: 879) were located in shopping malls, representing approximately 32.7% of the total store count and approximately 35.5% of the total retail floor area. In addition, there were 81 outlet stores (31 December 2023: 77).

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĩ ±

Changes in the number of LILANZ stores by region are as follows: LILANZ™ Ü Đ ĩ ³)Ö Y p Ž ½ h j

Region 9	Number of Stores ³)Ö p Ž			
	As at 1 January 2024 ö Z g Z , Ę S Ü S Ú	Opened during the period , « š ³	Closed during the period , « ë ³	As at 30 June 2024 ö Z g Z , Ę - Ü g d Ú
Northern China	267	34	7	294
North-Eastern China	132	10	12	130
Eastern China	774	38	44	768
Central and Southern China• ĩ	721	27	26	722
South-Western China ĩ	491	15	19	487
North-Western China	310	7	9	308
	2,695	131	117	2,709

The breakdown of the store numbers is as follows: ³)Ö p f ± ó ½ h j

	30 June 2024 Z g Z , Ę - Ü g d Ú			31 December 2023 Z g Z g Ę d Z Ü g d S Ü		
	Smart Collection		Total <	Smart Collection		Total <
	Core Collection ô û • À	Casual Collection û •		Core Collection ô û • À	Casual Collection û •	
Direct-to-retail stores \ ³	15	292	307	1	296	297
Consignment p V ³	959	0	959	936	0	936
Distribution ± V ³	1,438	5	1,443	1,456	6	1,462
Total number of stores < ³ p			2,709			2,695
Street stores Q ù ³	1,425	14	1,439	1,429	15	1,444
Stores in shopping malls... J ³ ĩ and outlet stores ó \$: v ³	720	246	966	703	253	956
Shop-in-shops in department stores ô - ³ • ³	267	37	304	261	34	295
			2,709			2,695

In terms of inventory management, the Group continued to strengthen its À M # Ù & d « 5 f v • « À M # • inventory management capabilities by opening 4 additional outlet stores b d , « # š 4 œ ó \$: v ³ d V / I ü during the period to sell seasonal products that were not sold in other 9 ¥ J / Y ...™ * Ü d (; \ e ; stores, while using its e-commerce platform as an important channel for * % ö « À Y - 8 f « u > ? - inventory clearance. The Group also leveraged on the intelligent logistics st ä Y } • • J t û U d ° Z « À system of the new logistics center to bring inventory products swiftly to the Ü a £ 9 d • @ 3 z Y * Ü @ V e \ market, so as to promote inventory sales transformation through activities sm - z d @ † « À V / 7 • f such as flexible product promotion and e-commerce live streaming.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

Given the transitioning to DTC model in Heilongjiang, the Group sold most of the inventory repurchased from former distributors during the first half of the year. This demonstrated the Group's inventory management capabilities and reflected the high recognition of China Lilang in the market.

Inventory levels towards the end of the period increased compared with the end of the previous year, as the Group increased the amount of stock on shelves for the end of the peak sales period for the second half of the year along with the launch of DTC model in North-Eastern China. As of the end of June 2024, a provision of RMB42 million has been made in accordance with the Group's inventory provision policy.

NEW RETAIL DEVELOPMENT

During the period, revenue from new retail business increased significantly and continued to be the main driver of the Group's business development. The Group has intensified its efforts to develop its e-commerce business by further covering more platforms including "Pinduoduo" to continuously provide high-quality and highly-interactive contents on its online platforms and, facilitating in-depth interactions with consumers, which would cultivate a deep engagement between China Lilang's brand and its consumers, and, thereby maintaining consumer loyalty. Sales on TikTok platform were the most outstanding among the various platforms due to its broad demographic reach, which could be beneficial for the Group to expand into markets with different quality products.

The Group initiated e-commerce promotion activities and launched more e-commerce products on platforms, such as TikTok, Tmall, JD.com and VIPS simultaneously during the 618 E-commerce Shopping Festival. Underpinned by the e-commerce business founded by the Group, as well as increasing promotional advertising efforts, China Lilang's sales during the shopping festival were satisfactory, jumping to the fourth in ranking in the menswear industry in terms of sales on Tmall.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

In addition, the Group comprehensively upgraded its retail management system to achieve seamless docking of online-offline platforms and real-time data sharing, enabling a more flexible layout of the online business and more effective use of e-commerce as a channel for inventory clearance. The Group also utilized technologies such as WeChat Mall Mini Program to enable interconnection among various retail ends, thereby enhancing the shopping experiences for consumers. The Group further leveraged the interactive features of social platforms to open stores and provided customer relationship management services on WeChat Mall, leveraging the complementary advantages of online and offline services, thus promoting the growth of store efficiency.

By investing in intelligent workshops and a smart warehouse and logistics distribution system, the Group has improved its ability to fill orders quickly, resulting in a 37% year-on-year increase in new retail sales during the period.

ESTABLISHMENT OF A NEW JOINT VENTURE

In August 2024, Lilang Apparel (Fujian) Group Co., Ltd. ("Lilang"), a subsidiary of China Lilang, entered into an agreement with Descente Ltd. and Shanghai Descente Commercial Co. Ltd ("Shanghai Descente") for the establishment of a joint venture, temporarily named as Munsingwear (China) Limited Company ("Munsingwear"). The registered capital of this joint venture is approximately RMB278,000,000. China Lilang has contributed RMB150,000,000, representing 54% of the equity interest in Munsingwear. Munsingwear will operate and handle the design, marketing, and distribution of products under the "MUNSINGWEAR" trademark in PRC.

Established in 1886, MUNSINGWEAR is renowned for its iconic pendulum logo. Since the launch of the world's first knit golf apparel in 1955, the brand has consistently aimed to perfectly fuse functionality and comfort, incorporating high-tech fabrics and innovative craftsmanship to ensure optimal wearing experience. This has allowed MUNSINGWEAR to achieve widespread acclaim among golf enthusiasts around the world.

MUNSINGWEAR holds a strong reputation in the golf apparel sector, presenting potential for future growth. We believed that with the Group's professional expertise in retail management and supply chain management, MUNSINGWEAR's competitiveness in the PRC market will be significantly enhanced. This partnership will create strong synergies among the brands within the Group, further enhancing our ability to meet the diverse needs of consumers. This aligns with our Group's "Multi-brand" development strategy.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

PRODUCT DESIGN AND DEVELOPMENT

* Ü £ ~ š ĩ

Adhering to the brand philosophy of “Simplicity but not Simple”, the Group continued to provide consumers with high-quality products with value. At the same time, the Group implemented the strategy of “Simplified Design, Excellent Quality” by increasing investment in research and development and insisting on improving the quality/price ratio of its products through technological innovation, thus facilitating the steady growth of the Group’s performance. During the period, the proportion of the Group’s products with original designs for sale was approximately 75%, while the proportion of products proprietary fabrics developed by the Group was around 50%.

During the period, the Group launched its debut original durable white non-iron shirts with two durable white patented technologies. The shirts maintain a drip-dryness grade of DP3.5 and a whiteness value of 150+ after 30 machine washes, effectively solving the shortcomings of traditional white shirts that often develop a yellow tin after washing. In addition, its high-density and high-knit long staple cotton fabrics can correct the shortcomings of ordinary white shirts that are too transparent while ensuring extra comfort.

In view of today’s young people’s pursuit of the “sense of ritual”, the Group launched suits under the “SMART Elite Collection” during the period. The products showcase the minimalist philosophy of China Lilang’s brand, while also featuring exquisite design details to attract Gen-Z consumers. Together with targeted promotion on platforms such as TikTok and Xiaohongshu, the products have received positive reviews from users.

After receiving an overwhelming response from the market for its wash-resistant polo shirts, the Group launched the newly-upgraded China Lilang wash-resistant polo shirts 2.0 during the period. The polo shirts were found to be as smooth as new after 30 machine washes in a test conducted by national-level laboratory, and their innovative color-fast fabrics have features such as moisture absorption, quick drying and sunburn protection, all of which will create a new wearing experience for consumers.

The Group’s research and development department has a total of approximately 357 staff members, who are meticulously focusing on areas such as product design, material development and sample creation, so as to enhance the overall competitiveness of the Group’s products.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ¿ ±

BRAND MANAGEMENT AND PROMOTION

Ü Ð M # ¿ À

The Group continues to proactively explore new and diversified marketing methods to attract more young urban consumers. The Group focuses on youth transformation through continuous innovation in brand marketing, and proactively builds a minimalist and young brand image, so that consumers can better relate to the brand.

The core collection, aimed primarily at consumers aged 25 to 45, has well received in traditional third- and fourth-tier markets. The smart casual collection targets consumers aged 20 to 30 in first- and second-tier markets. Its simple yet stylish design and cost-effective products have earned the attention of young male consumers in urban areas.

The Group appointed Xu Kai as its new brand ambassador of LESS IS MORE at the beginning of the year, and continued to incorporate Chinese intangible cultural heritage into its products by collaborating with renowned designers and integrating modern design with traditional culture, further consolidating the brand's position in the young business apparel market and becoming the preferred brand of young business professionals.

During the period, the short fashion film “Best Wishes”, sponsored by China Lilang, was awarded “Best Director” in the Fashion Section of the 2024 Beijing International Film Festival. In the film, China Lilang shirt symbolizes heritage through time and travels with the protagonist through the past, present and future, introducing Lilang's brand philosophy of “Simplicity but not Simple” and brand concept of “Creating a Better Life” to the public through a cinematic narrative.

In addition, China Lilang's ambassador Gem (Baoshi Dong) made appearance during the brand meetup at Zhengzhou Shanshan Outlets and showcased new casual outfit ideas for young business wear. Leveraging the power of celebrities and brand interaction, the brand event helped promote the Group's penetration into regional markets and increase China Lilang's brand awareness by creating a trending topic.

Awards

During the period, the Group debuted its durable white non-iron shirts, which earned the title of “the world's outstanding extra durable white non-iron shirt” from the World Record Certification Agency (WRCA).

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ¿ ±

With its everlasting design philosophy of “Simplicity but not Simple”, the Group was awarded the “CHIC AWARD 2024 Brand Award” at the 2024 CHIC AWARD. This accolade highlights the corporate responsibility and boldness of China’s LILANZ brand.

Charity

In addition to its business activities, China Lilang is also committed to social betterment. During the period, the Group promoted the art education of mainland students in various aspects, based on its “2022-2027 Aesthetic Education Charity Plan” blueprint. After a year of developing the “Art Life - Walk through China” program in May this year, Lilang Group staff and teachers of the Adream Academy of Education visited the rural campuses in Yuncheng, Shanxi, and offered the children from less developed regions opportunity to learn artistic creativity.

The Lilang Charity Fund () also donated RMB5 million to Jinjiang Municipal Hospital (Shanghai Sixth People’s Hospital Fujian Branch) during the period. This donation was not only a strong support for the development of the healthcare industry in Jinjiang, but also served as an active response to the strategy of establishing National regional centers contributed to the protection of the health and well-being of the general public.

PROSPECTS

Looking ahead to the second half of 2024, the international environment remains complicated. Despite the impact of factors such as weakened export demand, weak economic data and an unstable real estate market. However, given the vast size of the mainland Chinese market and the ongoing demand for high-cost-effective products, the Group maintains a cautiously optimistic outlook for the medium to long term. The weak retail market has induced the menswear industry to undergo market consolidation, and brands with homogenized products, single distribution channel and unhealthy cashflow facing being phased out. China Lilang will seize the opportunities to actively expand its market share, further

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ¿ ±

The Group will strictly control cost and spending, and cautiously adjust the store opening plan to achieve a new increase of 50-100 stores in 2024. At the same time, the Group continues to adopt a pragmatic store opening strategy in the second half of the year, prioritizing the opening of new stores in prime locations at premium shopping malls in provincial capitals and prefecture-level cities, and closing underperforming stores to achieve better overall store performance. The Group will also continue to expand the scale of store openings in outlets and shopping malls to attract consumers with competitive prices. The aim is to precisely allocate resources towards the target consumer group to maximize profits.

In addition, the Group seizes the opportunity of the adjustment of the consumer market and plans to replace the previous business model with consignees in Liaoning and Jilin by repurchasing inventory and paying compensation, and implements the DTC model (hybrid operation of direct-to-retail stores and stores of sub-distributors) throughout North-Eastern China. These measures will improve the channel quality and operational efficiency, and facilitate the Group's healthy and sustainable growth of the entire North-Eastern China in the future.

The Group will also proactively develop its new retail business and continuously strengthen online promotion to drive development with innovation. With e-commerce live streaming on popular social media platforms such as TikTok and Xiaohongshu, the Group can reach consumers across the country to drive sales growth. The Group plans to launch "E-Commerce Special Edition Products of the Environmental Collection" and hot and iconic items in the fall of this year.

Y d ° Ü Ð - e d « œ õ Z g Z ,
È « • Ó 400 • ~ ³ Y K V p L ^ û f
• @ Å ! Y ö V B Ö e È À Û Y
L , ø d a Ô ~ Ò T M Y - œ : d • Û d
° d œ 1 ... d 4 ~ Ò " T M Y Ü Ð - e
»][Ð f

MANAGEMENT DISCUSSION AND ANALYSIS



In terms of product positioning, on one hand the Group grasped consumers' growing demand for high value, proactively deepened its core strategy of providing high product quality at attractive prices, and continuously launched innovative and differentiated new products to provide consumers with a more value-for-money shopping experience. These measures can effectively increase consumers' loyalty and trust in the Group's brand. On the other hand, the Group responds to online consumers' demand, the Group has launched e-commerce models with more competitive pricing, broadening the market reach of LILANZ products and enhancing the sell-out rate.

In order to reach and satisfy a wider range of consumer needs and continuously enhance the Group's brand competitiveness, the Group implemented a "Multi-brands and Internationalization" development strategy, together with the enrichment of its product mix through cooperation with international companies to revitalize its brands. In August, the Group has reached an agreement and will be granted the franchise of MUNSINGWEAR in the PRC market through the establishment of a joint venture, which is expected to commence operations in 2025. As for the expansion into Southeast Asia markets, the Group has commenced the formation of a new company and is preparing to open its first overseas store in Malaysia. The initiative aims to bring premium, value-for-money Chinese menswear to overseas markets, while broadening its revenue sources, and embracing more market opportunities.

In light of the current changes of the consumer market, the Group has revised its full-year store opening target for 2024 from 100-200 stores to 50-100 stores, with the new stores mainly located in shopping malls and outlets. The overall full-year sales target growth has also been adjusted from the original 15% to 10%.

The Group will also strictly control costs to improve efficiency and ensure profitability. It will cautiously revise the store opening plan, and review market promotion plans, in order to allocate resources to target consumer groups and achieve profit maximization.

In the long run, the Group intends to further consolidate China Lilanz's leading position in the menswear industry and realize its sustainable long-term growth, which in turn will enable it to reward its shareholders, employees and customers for their support.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĵ ±

LIQUIDITY AND FINANCIAL RESOURCES

Cash and Bank Balances and Cash Flows

t - ĵ Ì U

\$ - ĵ Ò q ĵ \$ - t Ž

		As at 30 June 2024 ō Z g Z , Ę - Ü g d Ú RMB million [O Æ ò - ©	As at 31 December 2023 ō Z g Z g Ę d Z Ü g d S Ú RMB million [O Æ ò - ©
Pledged bank deposits	Š ê á Ò À ›	975.8	971.6
Cash and cash equivalents	\$ - ĵ \$ - J	906.5	1,077.2
Fixed deposits held at banks	Ò › , Á ›	1,193.2	1,090.5
Total cash and bank balance	\$ - ĵ Ò q < X	3,075.5	3,139.3

As at 30 June 2024, the Group had fixed deposits totalling RMB2,140.2 million (31 December 2023: RMB2,022.4 million). The Group's total cash and bank balance was mainly denominated in Renminbi (93.0%).

ō Z g Z , Ę - Ü g d Ú d « 1 Þ › ,
à d ¥ • [O Æ 2,140.3ō - ©
Ę d Z Ü g d S Ú j [O Æ 2,022.4ō -
© f « Y \$ - ĵ Ò q < X ò ø [O Æ = 93.0%

As at 30 June 2024, the Group had bank loans maturing within one year totalling RMB470.6 million (31 December 2023: RMB289.9 million) and bank loans maturing over one year totalling RMB666.9 million (31 December 2023: RMB853.3 million). All the bank loans carried interest at fixed rates.

ō Z g Z , Ę - Ü g d Ú d « Þ ò S Ę
à d ¥ • [O Æ 470.6ō - ©
ō Z g Z g Ę d Z Ü g d S Ú j [O Æ
289.9ō - © ĵ ò S Ę Q , Y Ò r ›
¥ • [O Æ 666.9ō - ©
Ü g d S Ú j [O Æ 853.3ō - © f Ò Þ
Ò r › ø x › ; 1 f

Cash and cash equivalents balance decreased by RMB171.0 million. Major cash flow movements during the period were as follows:

ō Z g Z , Ę - Ü g d Ú d « Þ ò S Ę
à d ¥ • [O Æ 171.0ō - © f , « ò \$ - t Ž ½ h j

— Net cash generated from operating activities amounting to RMB219.6 million. The major reconciling item between the amount of net operating cash inflow and the net profit for the period of RMB280.1 million was the decrease in trade and other payable balances by RMB116.7 million.

¾ z Ò * [\$ - X % [O Æ
219.6ō - © f ¾ \$ - t] X ~ ,
« ; - [O Æ 280.1ō - © Y ò Á
* ° f % Ð ù q ø * › ĵ l Û Ð ù ›
° q - Ç [O Æ 116.7ō - © f

— Net cash outflows from investing activities amounting to RMB124.8 million, comprising mainly placing of fixed deposits totalling RMB85.0 million.

¾ z Ò * [\$ - t X % [O Æ
124.8ō - © d ò < À ó › , Á
› ¥ • [O Æ 85.0ō - © f

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ĩ ±

— Net cash outflows from financing activities amounting to RMB265.8 million, mainly attributable to the net repayment of bank loans totalling RMB16.4 million, the payments of the final dividends totalling RMB196.7 million in respect of the year ended 31 December 2023, and capital and interest elements of lease rentals paid totalling RMB50.1 million.

D z Ô * [\$ - t X % [O
 Æ265.8ō ñ © d ô % Ō r › ”
 › ¥ • [O Æ 16.4ō ñ © e Ō ù Ú
 Z g Z g Ě d Z Ū g d S Ú ß Ě Y
 K , p 1 ¥ • [O Æ 196.7ō ñ © d ø
 ĩ Š ù a # ~ a - l - ĩ ; 1 Ā ± ¥
 • [O Æ 50.1ō ñ © f

Trade Working Capital Turnover Days

q ø 6 - „ 7 Ā p

	Six months ended 30 June 2024 Ú Z g Z , Ě ñ Ū g d Ú ß - H Ū	Year ended 31 December 2023 Ú Z g Z g Ě d Z Ū g d S Ú ß Ě	Six months ended 30 June 2023 Ú Z g Z g Ě ñ Ū g d Ú ß - H Ū
Average inventory turnover days ; i Ā - „ 7 Ā p	189	170	211
Average trade receivables turnover ; i Đ x q ø * › days „ 7 Ā p	39	42	51
Average trade payables turnover ; i Đ ù q ø * › days „ 7 Ā p	162	130	140

INVENTORY TURNOVER DAYS

À - „ 7 Ā p

The Group's average inventory turnover days was 189 days for the period, a decrease of 22 days as compared to the interim period last year.

Inventory balance increased by RMB5.5 million to RMB831.1 million. The increase was mainly attributable to increase in purchase of raw materials.

As at 30 June 2024, a provision of RMB42.0 million was made in accordance with the Group's inventory provision policy.

TRADE RECEIVABLES TURNOVER DAYS

Đ x q ø * › „ 7 Ā p

The Group's average trade receivables turnover days was 39 days for the period, as compared to 51 days for the interim period last year. Turnover days reduced as a result of more long outstanding receivables were collected and increase in sales proportion of retail sales during the period.

As at 30 June 2024, a provision of RMB15.3 million was made in accordance with the Group's trade receivables provision policy.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 À ¿ ±

TRADE PAYABLES TURNOVER DAYS

Đ ù q ø * › „ 7 Â p

The Group's average trade and bills payables turnover days was 162 days for the period, as compared to 140 days for the interim period last year. There were no material changes in the payment terms with suppliers. The increase in trade payables turnover days is mainly because of the increase in usage of trade bills which will be settled in later stage.

PLEDGE OF ASSETS

* ê á

As at 30 June 2024, deposits with banks totalling RMB975.8 million (December 2023: RMB971.6 million) were pledged as securities for payable and bank loans. The pledged bank deposits will be released upon the settlement of relevant bills payable and bank loans.

CAPITAL COMMITMENTS AND CONTINGENCIES

I Õ Ä ¿ Đ Í À

As at 30 June 2024, the Group had total capital commitments of RMB42.8 million, primarily related to the upgrading of systems in logistic centre.

These capital commitments are expected to be financed by internal resources of the Group.

As at 30 June 2024, the Group had no material contingent liabilities.

FINANCIAL MANAGEMENT POLICIES

Ì M # A

The Group continues to control financial risks in a prudent manner. The functional currency of the Company is the Hong Kong Dollars and the Company's financial statements are translated into Renminbi for reporting and consolidation purposes. Foreign exchange differences arising from the translation of financial statements are directly recognized in equity as separate reserve. As the Group conducts business transactions principally in Renminbi, the exchange rate risk at the Group's operational level is not significant.

MANAGEMENT DISCUSSION AND ANALYSIS

M # 4 Å ĵ ±

HUMAN RESOURCES

[b U

As at 30 June 2024, the Group had 4,557 staff. Total staff costs for the period amounted to approximately RMB224.7 million (first half of 2023: RMB177.0 million).

4,557
224.7
177.0

The Group places great emphasis on recruiting and training quality personnel. We recruit talents from universities and technical schools and provide pre-employment and on-going training and development opportunities to our staff members. Our training programs cover areas such as sales and production, customer service, quality control, trade planning, workplace ethics and other areas relevant to the industry.

4,557
224.7
177.0

The Group offers competitive remuneration packages to our employees based on factors such as market rates, workload, responsibility, complexity as well as the Group's performance. The Group has also adopted a share option scheme to recognize, reward and promote the contribution of the employees to the growth and development of the Group. On July 2020, the Group granted options to subscribe for a total of 11,500,000 shares of the Company to its employees under the share option scheme at an exercise price of HK\$4.31 per share. The options will be vested during period from 3 July 2022 to 3 July 2024.

4,557
224.7
177.0

REVIEW REPORT OF THE AUDITOR



REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA LILANG LIMITED

(Incorporated in the Cayman Islands with limited liability)

2024年6月30日
截至2024年6月30日止的
半年度财务报告

INTRODUCTION

We have reviewed the interim financial report set out on pages 26 to 45 which comprises the condensed consolidated statement of financial position of China Lilang Limited (the "Company") as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting* issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REVIEW REPORT OF THE AUDITOR (CONTINUED)

~~Q~~

~~S~~

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 — unaudited (Expressed in Renminbi)



		Six months ended 30 June		
		2024	2023	
		Z g Z , Ę	Z g Z g Ę	
		RMB'000	RMB'000	
		[O Æ w ©	[O Æ w ©	
	Note			
	• W			
Cost of sales	V / Ó I	3	1,600,043 (799,515)	1,491,064 (718,508)
Gross profit	ã ;		800,528	772,556
Other net income	I ü x] X		66,216	5,363
Selling and distribution expenses	V / ç ± V š Ő		(466,409)	(398,355)
Administrative expenses	A š Ő		(79,921)	(73,368)
Other operating expenses	I ü ¼ š Ő		(6,588)	(802)
Profit from operations	¾ ; —		313,826	305,394
Net finance income	D x] X	4	27,836	22,320
Profit before taxation	ð ü Ā ; —	5	341,662	327,714
Income tax	Ô { ü	6	(61,520)	(57,249)
Profit for the period	, « ; —		280,142	270,465
Other comprehensive income for the period	, « I ü Ć & x B			
Item that may be reclassified subsequently to profit or loss:	I • - ± ó & B ~			
Exchange differences on translation of financial statements of the Company and subsidiaries outside the mainland of the People's Republic of China (the "PRC")	° f j I Q I ! ç • 6 [O • q 7€ • 7 T M « @ ¢ . • n @ ! ì Ć Y Ő * c " X		2,279	2,803
Total comprehensive income for the period	, « Ć & x B < X		282,421	273,268
Earnings per share	Ė p © ;	7		
Basic (cents)	? Ć ¥ •		23.4	22.6
Diluted (cents)	Ā Ć ¥ •		23.4	22.6

The notes on pages 31 to 45 form part of this interim financial report. Details of dividends payable to shareholders of the Company are set out in note 18.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 — unaudited (Expressed in Renminbi)



			30 June 2024 Z g Z , È - Ü g d Ü RMB'000 [O Æ w ©	31 December 2023 Z g Z g È d Z Ü g d S Ü RMB'000 [O Æ w ©
Property, plant and equipment	J 8 e @ Ò ç £ ê	8	1,163,549	1,193,679
Investment properties	³ J 8	9	257,307	259,989
Right-of-use assets	4 \ Æ *	10	252,200	248,977
Intangible assets	ì - *		3,240	3,728
Deposits for purchases of plant and equipment	... o @ Ò ç £ ê -		9,372	10,352
Lease rental deposits	a # ~ a - 2 -		45,050	41,650
Pledged bank deposits	Š ê á Õ À ›	13	732,163	931,878
Fixed deposits held at banks with maturity over three months	õ g H Ü Q , Y Õ › , À ›	14	990,591	1,090,491
Deferred tax assets	È · ü ° *		41,764	44,423
			3,495,236	3,825,167
Current assets	t *			
Inventories	À -	11	831,132	825,670
Trade and other receivables	Ð x q ø * › ç l ü Ð x › °	12	777,408	733,041
Prepaid income tax	k ù Õ { ü		2,312	1,880
Pledged bank deposits	Š ê á Õ À ›	13	243,627	39,685
Fixed deposits held at banks with maturity over three months	õ g H Ü Q , Y Õ › , À ›	14	202,638	-
Cash and cash equivalents	\$ - ç \$ - J	14	906,470	1,077,225
			2,963,587	2,677,501
Current liabilities	t À			
Bank loans	Õ r ›	15	470,570	289,862
Trade and other payables	Ð ù q ø * › ç l ü Ð ù › °	16	883,537	1,008,629
Lease liabilities	a # À	17	76,085	75,306
Contract liabilities	¥ • À		27,883	25,046
Current tax payable	Ð ù C , ü °		221,143	223,880
			1,679,218	1,622,723
Net current assets	t * =		1,284,369	1,054,778
Total assets less current liabilities	* < = - t À		4,779,605	4,879,945
Non-current liabilities	ç t À			
Bank loans	Õ r ›	15	666,869	853,348
Deferred tax liabilities	È · ü ° À		7,949	10,453
Lease liabilities	a # À	17	51,255	48,752
			726,073	912,553
Net assets	* =		4,053,532	3,967,392

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2024 — unaudited (Expressed in Renminbi)



0016

		30 June 2024	31 December 2023
		Z g Z , È - Ü g d Ú RMB'000 [O Æ w ©	Z g Z g È d Z Ü g d S Ú RMB'000 [O Æ w ©
Share capital	p l	105,517	105,517
Reserves	· ê	3,948,015	3,861,875
Total equity	Æ B < X	4,053,532	3,967,392

Authorised for issue by the board of directors in Hong Kong on 13 August 2024.

Mr. Wang Dong Xing
 王董兴
 Chairman
 董事长

Mr. Wang Liang Xing
 王良兴
 Chief Executive Officer
 首席执行官

Mr. Wang Cong Xing
 王丛兴
 Executive Director
 执行董事

The notes on pages 31 to 45 form part of this interim financial report.

本中期财务报告第31至45页的附注构成其组成部分。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 — unaudited (Expressed in Renminbi)



01006

	Share capital 股本 RMB'000 [O Æ w ©	Share premium 资本公积 RMB'000 [O Æ w ©	Statutory reserve 法定盈余公积 RMB'000 [O Æ w ©	Capital reserve 资本公积 RMB'000 [O Æ w ©	Exchange reserve 其他综合收益 RMB'000 [O Æ w ©	Retained profits 未分配利润 RMB'000 [O Æ w ©	Total equity 所有者权益 RMB'000 [O Æ w ©
As at 1 January 2023 2023 年 1 月 1 日	105,517	31,411	271,826	30,556	(33,622)	3,376,543	3,782,231
Changes in equity for the six months ended 30 June 2023: 2023 年 6 月 30 日止六个月内权益变动							
Profit for the period 本期净利润	{	{	{	{	{	270,465	270,465
Other comprehensive income for the period 本期其他综合收益	{	{	{	{	2,803	{	2,803
Total comprehensive income for the period 本期综合收益总额	{	{	{	{	2,803	270,465	273,268
Equity-settled share-based payment 以权益结算的股份支付	{	{	{	922	{	{	922
Dividends approved in respect of the previous year 上年批准分配的股利	{	{	{	{	{	(148,630)	(148,630)
Appropriation to statutory reserve 计提法定盈余公积	{	{	130	{	{	(130)	{
As at 30 June 2023 2023 年 6 月 30 日	105,517	31,411	271,956	31,478	(30,819)	3,498,248	3,907,791
As at 1 January 2024 2024 年 1 月 1 日	105,517	31,411	272,869	31,917	(31,714)	3,557,392	3,967,392
Changes in equity for the six months ended 30 June 2024: 2024 年 6 月 30 日止六个月内权益变动							
Profit for the period 本期净利润	{	{	{	{	{	280,142	280,142
Other comprehensive income for the period 本期其他综合收益	{	{	{	{	2,279	{	2,279
Total comprehensive income for the period 本期综合收益总额	{	{	{	{	2,279	280,142	282,421
Equity-settled share-based payment 以权益结算的股份支付	{	{	{	431	{	{	431
Dividends approved in respect of the previous year 上年批准分配的股利	{	{	{	{	{	(196,712)	(196,712)
Appropriation to statutory reserve 计提法定盈余公积	{	{	6	{	{	(6)	{
As at 30 June 2024 2024 年 6 月 30 日	105,517	31,411	272,875	32,348	(29,435)	3,640,816	4,053,532

The notes on pages 31 to 45 form part of this interim financial report.

K 31 45 + Y • W W I • , Ì S Y \
Ó Å ± f

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024 — unaudited (Expressed in Renminbi)



		Six months ended 30 June	
		2024	2023
		Z g Z , Ę	Z g Z g Ę
		RMB'000	RMB'000
		[O Æ w ©	[O Æ w ©
Cash generated from operations	¼ 8 Ô * [Y \$ -	284,153	651,818
Tax paid	Š ù ù °	(64,533)	(53,170)
Net cash generated from operating activities	¼ 8 Ô * [\$ - X	219,620	598,648
Investing activities	³ z		
Payments for the purchases of property, plant and equipment, and intangible assets	... o J 8 e @ Ò ÷ £ ê ø ÷ Ì - * Y ù ›	(48,946)	(54,397)
Net (payment)/refund of lease rental deposits	a # ~ a - 2 - Y € ù › J x ›		
Interest income received	X Š x ; ¹ x]	(3,400)	3,073
Net placements of fixed deposits held at banks with maturity over three months	š g H Ü Q , Y Ō › , À › Á ó X	12,007	11,247
Other cash inflows arising from investing activities	³ z l ü \$ - t]	(85,000)	(1,009,000)
Net cash used in investing activities	³ z Ô \ \$ - X	517	3,235
Financing activities	D z		
Proceeds from bank loans	Ō r › Ô { › °	270,400	882,800
Repayment of bank loans	µ " Ō r ›	(286,800)	(250,290)
Dividends paid	Š ù p ¹	(196,712)	(148,630)
Interest expense paid	Š ù ; ¹ š Ō	(2,575)	(7,456)
Capital element of lease rentals paid	Š ù a # a - ~ l - Á ±	(47,372)	(50,639)
Interest element of lease rentals paid	Š ù a # a - ~ ; ¹ Á ±	(2,754)	(2,850)
Net cash (used)/generated from financing activities	D z € Ô \ J Ô { \$ - X	(265,813)	422,935
Net decrease in cash and cash equivalents	\$ - ÷ \$ - J - Ç X	(171,015)	(24,259)
Cash and cash equivalents at 1 January	õ S Ū S Ú Y \$ - ÷ \$ - J	1,077,225	960,114
Effect of foreign exchange rate changes	. Æ Ō Y B ±	260	402
Cash and cash equivalents at 30 June	õ - Ü g d Ú Y \$ - ÷ \$ - J	906,470	936,257

The notes on pages 31 to 45 form part of this interim financial report.

K 31 45 + Y • W W I • , Ì S Y \ Ó Á ± f

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi)



1. BASIS OF PREPARATION

1. 備註

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 13 August 2024.

此中期財務報告已根據香港證券上市規則的適用披露條文編製，包括遵守國際會計準則委員會（“國際會計準則委員會”）頒發的國際會計準則（“國際會計準則”）。該報告已獲授權於2024年8月13日刊發。

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of these changes in accounting policies are set out in note 2.

此中期財務報告已根據與2023年年度財務報表採用的相同會計政策編製，但預期將反映在2024年年度財務報表中的會計政策變動除外。有關這些會計政策變動的詳細資料載於附註2。

The preparation of an interim financial report in conformity with IAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

編製符合國際會計準則的中期財務報告需要管理層作出判斷、估計和假設，這些判斷、估計和假設會影響政策的應用和資產、負債、收入和開支的報告金額。實際結果可能與這些估計不同。

The interim financial report contains condensed consolidated financial statements and selected explanatory notes which do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”). The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements.

此中期財務報告包含簡化的綜合財務報表和選定的解釋性附註，這些報表和附註並不包括編製符合國際財務報告準則（“國際財務報告準則”）的全套財務報表所需的所有信息。附註包括對事件和交易的解釋，這些事件和交易對於理解自2023年年度財務報表以來集團財務狀況和業績的變化至關重要。

The interim financial report is unaudited, but has been reviewed by the Company’s auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2400 *Review of interim financial information performed by the independent auditor of the entity* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on pages 18 to 19.

此中期財務報告未經審核，但已由本公司審計師德勤會計師事務所（“德勤”）根據香港審計師執業準則第2400號《獨立審計師對實體的中期財務信息進行審核》進行審核。德勤向董事會發出的獨立審核報告載於第18至19頁。

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2023 are available from the Company’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 18 March 2024.

與2023年12月31日財政年度相關的財務信息包含在中期財務報告中作為比較信息，並不構成該財政年度公司的法定年度綜合財務報表，而是從該財政年度的財務報表中導出的。2023年12月31日法定財務報表可在公司註冊辦事處獲取。審計師在2024年3月18日發出的報告中就這些財務信息發表了無保留意見。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏兰精纺织股份有限公司

人民币千元

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1 *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to IAS 1 *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to IFRS 16 *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, Statement of cash flows and IFRS 7 *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The amended IFRSs do not have a material impact on the Group's interim financial statements.

3. REVENUE

The principal activities of the Group are manufacturing and sale of branded menswear and related accessories in the PRC. Revenue represents the value of goods sold less returns, discounts and value-added taxes ("VAT").

Revenue is recognised at the point in time when the control of the goods is transferred to customers.

The Group's revenue, expenses, results, assets and liabilities are predominantly attributable to a single geographical region, which is mainland China. Therefore, no analysis by geographical regions is presented.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

J ¾ 2 è • , Ì S • W € f •

€ ø [O Æ %ø •

4. NET FINANCE INCOME

4. D x] X

		Six months ended 30 June	
		Ú - Ü g d Ú ß - H Ü 2024	2023
		Z g Z , È RMB'000	Z g Z g È RMB'000
		[O Æ w ©	[O Æ w ©
Interest income	; 1 x]	44,949	38,693
Interest on bank loans	Ö r > ; 1	(13,204)	(10,779)
Interest on lease liabilities	a # Å ; 1	(2,752)	(2,850)
Net foreign exchange loss	Ö * c f & X	(1,157)	(2,744)
		27,836	22,320

5. PROFIT BEFORE TAXATION

5. ð ü Ã ; —

Profit before taxation is arrived at after charging/(crediting):

ð ü Ã ; — Š Ô ð J €] j

		Six months ended 30 June	
		Ú - Ü g d Ú ß - H Ü 2024	2023
		Z g Z , È RMB'000	Z g Z g È RMB'000
		[O Æ w ©	[O Æ w ©
Amortisation of intangible assets	ì - * Å V	1,638	2,245
Depreciation	±		
{ owned property, plant and equipment	Ñ Þ J 8 e @ Ò ç £ ê	66,056	51,620
{ investment properties	Ñ ³ J 8	3,485	3,545
{ right-of-use assets	Ñ 4 \ Æ *	50,574	47,427
Short-term lease rental expenses	õ , a # Y a - š Ö	3,606	2,108
Research and development costs	¼ ï Ó l	52,934	51,298
Subcontracting charges (Note (i))	± l € • W (i) •	192,044	132,811
Inventory write-down (Note 11(b))	À - Û € • W 11(b) •	14,875	16,430
Reversal of impairment losses on trade receivables (Note 12)	Ð x q ø * ' - = f & a « € • W 12 •	(13,917)	(9,354)
Reversal of impairment losses on right-of-use assets (Note 10)	4 \ Æ * - = f & a « € • W 10 •	(2,800)	(983)

Note:

• W j

(i) Subcontracting charges include service charges and auxiliary raw material costs payable to subcontractors.

± l \ < Ð ù ± Y l \ ç ¼
? a ç Ø Ó l f

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

China Lilang Limited

€ 0.0000

6. INCOME TAX

6. 所得税

		Six months ended 30 June	
		2024	2023
		ZgZ, È	ZgZg È
		RMB'000	RMB'000
		[O Æ w ©	[O Æ w ©
Current tax {PRC Corporate Income Tax	C ,r ° Ñ • 7 † 8 Ô { ü	61,365	43,524
Deferred tax	È · r °	155	13,725
		61,520	57,249

Notes:

• W j

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2024 and 2023.
- (iii) Taxation for the Group's PRC subsidiaries is calculated using the income tax rates applicable to the subsidiaries. In accordance with the relevant PRC Corporate Income Tax Law, regulations and implementation guidance notes, one of the subsidiaries had been granted Advanced and New Technology Enterprise status and was entitled to a reduced income tax rate at 15% for 2024. In addition, three of the Group's subsidiaries incorporated in the Tibet Autonomous Region of the PRC are entitled to a reduced income tax rate of 15% in 2024.
- (iv) According to the Corporate Income Tax Law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%. In addition, under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏新通科技股份有限公司

人民币

7. EARNINGS PER SHARE

(A) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit for the period of RMB280,142,000 (2023: RMB270,465,000) and the weighted average number of ordinary shares in issue of 1,197,485,000 (2023: 1,197,485,000).

(B) Diluted Earnings Per Share

There were no dilutive potential ordinary shares for the six months ended 30 June 2024 and 2023; therefore, dilutive earnings per share are equivalent to the basic earnings per share.

8. PROPERTY, PLANT AND EQUIPMENT

		2024 Z g Z , Ë RMB'000 [O Æ w ©	2023 Z g Z g Ë RMB'000 [O Æ w ©
	Depreciation charging amount	485J /C0_1 1 Tf 0.01 1w 19.843 0 Td [-0	
Net book value, as at 1 January	õ S Ü S Ú Y * & =	1,193,679	1,212,944
Additions	ô Ä	39,434	30,711
Disposals (net carrying amount)	Æ * & = •	(3,508)	(3,353)
Depreciation charge for the period	, « ± l \	(66,056)	(51,620)

9. 3 J 8

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

九 三 二 年 六 月 三 十 日 止 的 中 期 未 审 计 财 务 报 告

€ [O A E %]

9. INVESTMENT PROPERTIES CONTINUED

Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of items of investment properties, less their estimated residual value, if any, on a straight-line basis over the estimated useful life being no more than 40 years after the date of completion.

10. RIGHT OF USE ASSETS

		2024 Z g Z , E RMB'000 [O A E w]	2023 Z g Z g E RMB'000 [O A E w]
Net book value, as at 1 January	€ S Ü S Ú Y * & =	248,977	250,147
Additions	€ Ä	54,617	44,820
Disposals	/	(3,620)	(7,050)
Depreciation charge for the period	, « ± l \	(50,574)	(47,427)
Reversal of impairment losses	- = f & a «	2,800	983
Net book value, as at 30 June	€ - Ü g d Ú Y * & =	252,200	241,473

The Group's right-of-use assets contain the land use rights and properties leased for own use. The interest of land use rights in the PRC are prepaid upon acquisition. The leases related to properties are typically run for an initial period of one to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at 30 June 2024, rental deposits of RMB45,050,000 (31 December 2023: RMB41,650,000) were paid for the leases, which will be held by the lessor throughout the respective lease terms.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏新通科技股份有限公司

人民币

11. INVENTORIES

(a) Inventories in the condensed consolidated statement of financial position comprise:

11. 存货

截至2024年6月30日和2023年12月31日的存货包括：

		30 June 2024 ZgZ, E ÜgdÜ RMB'000 [O Æ w ©	31 December 2023 ZgZg E dZÜgdSÜ RMB'000 [O Æ w ©
Raw materials	a i Ø	153,176	133,551
Work in progress	- i Ü	27,879	44,442
Finished goods	i Ó Ü	650,077	647,677
		831,132	825,670

(b) An analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

截至2024年6月30日和2023年6月30日的六个月内，存货的账面价值减少如下：

		Six months ended 30 June Ü - ÜgdÜ ß - H Ü 2024 ZgZ, E RMB'000 [O Æ w ©	2023 ZgZg E RMB'000 [O Æ w ©
Carrying amount of inventories sold	Š / Ä - Y * & =	784,640	702,078
Write-down of inventories (Note 5)	Ä - Ü € • W 5 •	14,875	16,430
		799,515	718,508

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏利郎服饰股份有限公司

人民币千元

12. TRADE AND OTHER RECEIVABLES

12. 应收账款及其他应收款

		30 June 2024	31 December 2023
		人民币千元	人民币千元
Trade receivables	应收账款	402,001	422,025
Less: Loss allowance	减：坏账准备	(15,254)	(29,171)
Trade receivables, net of loss allowance	应收账款净额	386,747	392,854
Prepayments to suppliers	预付账款	30,396	1,760
Prepaid advertising expenses	预付广告费	1,893	740
VAT deductible	可抵扣增值税	256,274	256,283
Other deposits, prepayments and receivables	其他存款、预付款及应收款	102,098	81,404
		777,408	733,041

Trade and other receivables, net of loss allowance, are expected to be recovered or recognised as expense within one year.

An ageing analysis of the trade receivables, based on the invoice date and net of loss allowance, is as follows:

		30 June 2024	31 December 2023
		人民币千元	人民币千元
Within 3 months	3个月内	286,742	362,572
Over 3 months but within 6 months	3个月至6个月	69,367	20,161
Over 6 months but within 1 year	6个月至1年	30,638	10,121
		386,747	392,854

The Group grants a credit period of 30 to 240 days (31 December 2023: 30 to 240 days) to its debtors.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏银行股份有限公司 S.W.F.

人民币

12. TRADE AND OTHER RECEIVABLES CONTINUED

12. 应收账款及其他应收款

The movement in the loss allowance account for trade receivables during the period is as follows:

		2024 ZgZ, Ę RMB'000 [OÆw©	2023 ZgZg Ę RMB'000 [OÆw©
As at 1 January	ō S Ū S Ú	29,171	23,335
Reversal of impairment losses for the period (Note 5)	, « ¯ = f & a «€•W 5•	(13,917)	(9,354)
As at 30 June	ō - Ū g d Ú	15,254	13,981

The Group measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses, which is calculated using provision matrix.

The Group keeps assessing the expected loss rates based on the Group's historical credit loss experience over the past years, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period over the expected lives of the receivables.

Normally, the Group does not obtain collateral from customers.

S › p d l « (ì _ { Ò Y ê á Ū f

13. PLEDGED BANK DEPOSITS

13. 质押存款

Bank deposits have been pledged as security for bank loans (see note 15) and bills payable (see note 16). The pledged bank deposits will be released upon the settlement of the relevant bank loans and bills payable.

Ā › Š * ê á d * % Ō r » € •
15 • Ę ù C ½ € • W 16 • Y Ā - f Š
ê á Ō Ā › Z ō μ " Þ ê Ō r › Ę Ę
ù C ½ đ f

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏联众新材料股份有限公司

江苏联众新材料股份有限公司

14. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	As at 30 June 2024	As at

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

J ¾ 2 è • , Ì S • W € f •

€ ø [O Æ %ø •

15. BANK LOANS CONTINUED

As at 30 June 2024, bank loans of RMB834,500,000 (31 December 2023: RMB838,500,000) was secured by the pledged bank deposit of RMB900,000,000 (31 December 2023: RMB900,000,000).

15. Ö r € f •

As at 30 June 2024, bank loans of RMB834,500,000 (31 December 2023: RMB838,500,000) was secured by the pledged bank deposit of RMB900,000,000 (31 December 2023: RMB900,000,000).

As at 30 June 2024, bank loans of RMB270,400,000 (31 December 2023: RMB282,800,000), which were discounted bank acceptance bills (financing in nature), were secured by the bank deposit of RMB18,040,000 (31 December 2023: RMB38,380,000). Discounted bank acceptance bills (financing in nature) were bills of exchange which were denominated at Renminbi, measured at amortised cost and repayable within one year.

As at 30 June 2024, bank loans of RMB270,400,000 (31 December 2023: RMB282,800,000), which were discounted bank acceptance bills (financing in nature), were secured by the bank deposit of RMB18,040,000 (31 December 2023: RMB38,380,000). Discounted bank acceptance bills (financing in nature) were bills of exchange which were denominated at Renminbi, measured at amortised cost and repayable within one year.

16. TRADE AND OTHER PAYABLES

16. Ð ù q ø * › ; Ì ü Ð ù › °

		30 June 2024 Z g Z , È - Ü g d Ú RMB'000 [O Æ w ©	31 December 2023 Z g Z g È d Z Ü g d S Ü RMB'000 [O Æ w ©
Trade payables	Ð ù q ø * ›	446,441	485,045
Bills payable	Ð ù C ½	247,560	244,900
Trade and bills payables	Ð ù q ø * › ; Ð ù C ½	694,001	729,945
Accrued salaries and wages	Ð Z - ¿ ^	34,794	51,100
Payables for purchase of property, plant and equipment	... o J 8 e @ Ò ; £ ê Ð ù › °	7,543	15,687
Retirement benefit contribution payable	Ð ù x ~ E ; 6 ›	25,524	25,524
Other payables and accruals	Ì ü Ð ù › ° ; Ð › °	121,675	186,373
		883,537	1,008,629

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Bills payable were secured by pledged bank deposits of RMB10,669,000 (31 December 2023: RMB1,305,000) as disclosed in Note 13 (see note 13).

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Bills payable were secured by pledged bank deposits of RMB10,669,000 (31 December 2023: RMB1,305,000) as disclosed in Note 13 (see note 13).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏利郎服饰股份有限公司

人民币千元

16. TRADE AND OTHER PAYABLES CONTINUED

16. 应付账款及其他应付款

An ageing analysis of the Group's trade and bills payables based on the invoice date is as follows:

		30 June 2024 Z g Z , È - Ü g d Ú RMB'000 [O Æ w ©	31 December 2023 Z g Z g È d Z Ü g d S Ú RMB'000 [O Æ w ©
Within 3 months	g H Ü «	520,725	555,740
Over 3 months but within 6 months	t @ g H Ü (- H Ü «	153,319	173,016
Over 6 months but within 1 year	t @ - H Ü (S È «	19,420	625
Over 1 year	t @ S È	537	564
		694,001	729,945

17. LEASE LIABILITIES

17. 租赁负债

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

		At 30 June 2024 õ Z g Z , È - Ü g d Ú		At 31 December 2023 õ Z g Z g È d Z Ü g d S Ú	
		Present value of the minimum lease payments õ - a # ù ~ \$ = RMB'000 [O Æ w ©	Total minimum lease payments õ - a # ù > < X RMB'000 [O Æ w ©	Present value of the minimum lease payments õ - a # ù ~ \$ = RMB'000 [O Æ w ©	Total minimum lease payments õ - a # ù > < X RMB'000 [O Æ w ©
Within 1 year	S È «	76,085	78,541	75,306	77,814
After 1 year but within 2 years	S È (G È «	35,813	37,993	35,245	37,768
After 2 years but within 5 years	G È (ž È «	15,442	16,838	13,507	16,400
		127,340	133,372	124,058	131,982
Less: Total future interest expenses	- j J 8 ; 1 š Ò < X		(6,032)		(7,924)
Present value of lease liabilities	a # À ~ \$ =		127,340		124,058

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

2024年6月30日止六個月

€ [O Æ %]

18. DIVIDENDS

18. p 1

Dividends payable to shareholders of the Company attributable to the period:

	Six months ended 30 June	
	2024	2023
	Z g Z , Ë RMB'000 [O Æ w ©	Z g Z g Ë RMB'000 [O Æ w ©

Declared and payable after interim period: 2024年6月30日

Interim dividend of HK13 cents per ordinary share (2023: HK13 cents per ordinary share) 13¢

€ Z g Z g Ë j
Ë p w · p 13 ¢

145,516 144,376

Special interim dividend of HK5 cents per ordinary share (2023: HK5 cents per ordinary share) 5¢

€ Z g Z g Ë j
Ë p w · p 5 ¢

55,968 55,529

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

China Lilang Limited

€ [O Æ % •

19. EQUITY SETTLED SHARE BASED TRANSACTIONS

The Company has adopted a share option scheme (the "Share Option Scheme") pursuant to an ordinary resolution passed by the shareholders of the Company on 23 April 2019 for the purposes of providing incentives and rewards to eligible participants who contribute to the Group. On 3 July 2020, the Group granted options to subscribe for a total of 11,500,000 shares of the Company to its employees under the Share Option Scheme at an exercise price of HK\$4.31 per share. The options will be vested during the period from 3 July 2022 to 3 July 2024. Details of the number and weighted average exercise price of share options granted under the Share Option Scheme during the period were as follows:

		Exercise price	No. of options
		4	... p Æ p f
Outstanding at 1 January 2024	10,857,000	HK\$4.31	10,857,000
Lapsed during the period	(51,000)	HK\$4.31	(51,000)
Outstanding at 30 June 2024	10,806,000	HK\$4.31	10,806,000
Exercisable at 30 June 2024	6,470,000	HK\$4.31	6,470,000

The share options outstanding under the Share Option Scheme at 30 June 2024 had a weighted average remaining contractual life of 6 years.

20. COMMITMENTS

Capital commitments of the Group in respect of property, plant and equipment, and computer system and software outstanding at 30 June 2024 not provided for in the financial statements were as follows:

		30 June 2024	31 December 2023
		Z g Z , Æ - Ü g d Ú	Z g Z g Æ d Z Ü g d S Ú
		RMB'000	RMB'000
		[O Æ w ©	[O Æ w ©
Contracted for	8,184	8,184	20,871
Authorised but not contracted for	34,625	34,625	9,922
	42,809	42,809	30,793

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

(Expressed in Renminbi)

江苏银行股份有限公司 江苏银行

人民币

21. MATERIAL RELATED PARTY TRANSACTIONS

(A) Key Management Personnel Remuneration

Remuneration of key management personnel of the Group for the period, including amounts paid to the Directors, was as follows:

	Six months ended 30 June	
	2024	2023
	ZgZ, Ë RMB'000 [O Æ w ©	ZgZg Ë RMB'000 [O Æ w ©
Short-term employee benefits	6,302	3,794
Contributions to defined contribution retirement benefit scheme	120	93
Share-based compensation	115	157
	6,537	4,044

(B) Balances with Related Parties

The Group did not have any outstanding balances with related parties as 30 June 2024 and 31 December 2023.

OTHER INFORMATION



DISCLOSURE OF INTERESTS

Æ B Þ £

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

è + ç ô A [p õ p ... e ´ ë p ... ç Æ Ç Y Æ B ç ñ Q

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of shareholder	Name of Group company/ associated corporation	Capacity/nature of interest	Number of shares	Number of underlying shares	Approximate percentage of shareholding
ρ ' ρ	l « Ó p @! J ' L, ρ H	... J Æ B Ì /	p ... p f (Note 1) € • W 1 •	' ë p ... p f (Note 1&2) € • W 1 ç 2 •	p Æ ? Ò õ ± â
Mr. Wang Dong Xing	The Company	Beneficial owner	22,950,000 shares (L)	{	1.917%
ì K ç [	l @!	¼ B ' Þ [	22,950,000 p ... (L)		
	Xiao Sheng International Limited ("Xiao Sheng International") (Note 3)	Beneficial owner	2,550 shares of US\$1.00 each (L)	{	26.289%
	È ° 7 ç Þ " @! € È ° 7 ç " • W 3 •	¼ B ' Þ [	2,550p È p & = 1.00 Ò © Y p ... (L)		
	The Company	Interest of spouse	1,448,000 shares (L)	{	0.121%
	l @!	â Æ B	1,448,000 p ... (L)		

OTHER INFORMATION (CONTINUED)



Name of shareholder ρ ' α	Name of Group company/ associated corporation I « Ó p @ ! J ' L , α H	Capacity/nature of interest ... J / E B \ /	Number of shares p ... p f (Note 1) € • W 1 •	Number of underlying shares ' è p ... p f (Note 1&2) € • W 1 j 2 •	Approximate percentage of shareholding p / E ? Ò ò ± â
Mr. Wang Liang Xing ì K K [	The Company I @ !	Beneficial owner ¼ B ' p [	22,950,000 shares (L) 22,950,000 p ... (L)	{	1.917%
	Xiao Sheng International (Note 3) È ° 7 ç € • W 3 •	Beneficial owner ¼ B ' p [	2,550 shares of US\$1.00 each (L) 2,550 p È p & = 1.00 Ò © Y p ... (L)	{	26.289%
Mr. Wang Cong Xing ì K K [	The Company I @ !	Beneficial owner ¼ B ' p [	22,950,000 shares (L) 22,950,000 p ... (L)	{	1.917%
	Xiao Sheng International (Note 3) È ° 7 ç € • W 3 •	Beneficial owner ¼ B ' p [	2,550 shares of US\$1.00 each (L) 2,550 p È p & = 1.00 Ò © Y p ... (L)	{	26.289%
Mr. Cai Rong Hua ù ò 6 [	The Company I @ !	Beneficial owner ¼ B ' p [	1,810,000 shares (L) 1,810,000 p ... (L)	{	0.151%
	The Company I @ !	Settlor of a discretionary trust (Note 4) œ / E ! Ä % Ä Æ • W 4 •	7,200,000 shares (L) 7,200,000 p ... (L)	{	0.601%
	Xiao Sheng International (Note 3) È ° 7 ç € • W 3 •	Settlor of a discretionary trust (Note 4) œ / E ! Ä % Ä Æ • W 4 •	800 shares of US\$1.00 each (L) 800 p È p & = 1.00 Ò © Y p ... (L)	{	8.247%

OTHER INFORMATION (CONTINUED)



Name of shareholder ρ ' α	Name of Group company/ associated corporation | « Ó p @ ! J ' L , α H	Capacity/nature of interest ... J / Æ B ! /	Number of shares p ... p f (Note 1) € • W 1 •	Number of underlying shares ' è p ... p f (Note 1&2) € • W 1 ; 2 •	Approximate percentage of shareholding p / Æ ? Ò ò ± â
Mr. Hu Cheng Chu á ' ' [	The Company I @ !	Beneficial owner ¼ B ' p [	4,500,000 shares (L) 4,500,000 p ... (L)	{	0.376%
	Xiao Sheng International (Note 3) È ° 7 ç € • W 3 •	Beneficial owner ¼ B ' p [	500 shares of US\$1.00 each (L) 500 p È p & = 1.00 Ò © Y p ... (L)	{	5.155%
Mr. Pan Rong Bin ™ ò x ' [	The Company I @ !	Beneficial owner ¼ B ' p [	3,171,000 shares (L) 3,171,000 p ... (L)	{	0.264%
	The Company I @ !	Interest of spouse ã / Æ B	{	150,000 shares (L) 150,000 p ... (L)	0.013%
	Xiao Sheng International (Note 3) È ° 7 ç € • W 3 •	Beneficial owner ¼ B ' p [	300 shares of US\$1.00 each (L) 300 p È p & = 1.00 Ò © Y p ... (L)	{	3.093%
Mr. Wang Jun Hong î ² f ' [	The Company I @ !	Beneficial owner ¼ B ' p [	522,000 shares (L) 522,000 p ... (L)	350,000 shares (L) 350,000 p ... (L)	0.007%
Mr. Wang Zhi Yong î } Ç ' [	The Company I @ !	Beneficial owner ¼ B ' p [	2,517,000 shares (L) 2,517,000 p ... (L)	350,000 shares (L) 350,000 p ... (L)	0.24%
	The Company I @ !	Interest of spouse ã / Æ B	760,000 shares (L) 760,000 p ... (L)	{	0.006%

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

•Wj

1. ð Ö ç N~L™þ Æ è + ð l @ ! Ð þ ë ' L
, p ... • Y » Q f
2. ð ' ë p ... Y Æ B 8 ì ½ l @ ! ... p Æ Æ
→ Y ... p Æ Æ B d þ ë < 1 ð h Ö ~ ... p
Æ Æ ™ S l f
3. ð Z g Z , È ñ Ü g d Ú d È ° 7 ç _ î
K < [e î K < [ç î K K < [ç ' þ
26.289% e 3 ï 7 ç þ " @ ! € • W4þ
8.247% e á << [' þ 5.155% e ™ ò x < [' þ
3.093% e Ó j † < [' þ 2.062% e ç Å
O < [e î o ð ~ { ç î l ð ~ { ç ' þ
0.515% e Wang Ming Hong [ç Wang Ming
Jie < [ç ' þ 0.412% ç î 7 K < [' þ
0.206% f
4. ù ò 6 < [ð 7,200,000 l @ ! p ... ç 800 p
È ° 7 ç p ... Y Æ B Å @ 3 ï 7 ç þ " @ !
€ \$ % & ' () * + , - . / : ; < = > ? @ A B C D E F G H I J K L M N O P Q R S T U V W X Y Z [\] ^ _ ` a b c d e f g h i j k l m n o p q r s t u v w x y z 0 1 2 3 4 5 6 7 8 9
p l _ Vistra Trust (Singapore) Pte. Limited
þ « Æ Æ ! Å Y a @ e • V r B ç d ç !] K < Ö r B ç [ç ° 0

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the persons or corporations (not being a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholder	Capacity/nature of interest	Number of shares	Approximate percentage of shareholding
p ² H	... J Æ B ì /	p ... p f (Note 1) € • W 1 •	p Æ ? Ò õ ± â
Xiao Sheng International	Beneficial owner	692,345,000 shares (L) (Note 2)	57.82%
È ° 7 ç	¼ B ¹ Þ [	692,345,000 p ... (L) € • W 2 •	
Ming Lang Investments Limited ("Ming Lang Investments")	Beneficial owner	74,905,000 shares (L) (Note 3)	6.26%
x ³ Þ " ® ! € x ³ T ¼	¼ B ¹ Þ [	74,905,000 p ... (L) € • W 3 •	

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

Notes:

•Wj

(1) The letter "L" denotes the person's long position in the shares of the Company. (1) ò Ö ÷ N⁻ LTM p CE p ò l @ ! p ... • Y »
Q f

(2) These shares were held by Xiao Sheng International. As at 30 June 2024, Xiao Sheng International was owned as to 26.289% by each of Mr. Wang Dong Xing, Mr. Wang Liang Xing and Mr. Wang Cong Xing, 8.247% by JFIL (note 4), 5.155% by Mr. Hu Cheng Chu, 3.093% by Mr. Pan Rong Bin, 2.062% by Mr. Chen Wei Jin, 0.515% by each of Mr. Xu Tian Min, Ms. Wang Cui Rong and Ms. Wang Hui Rong, 0.412% by each of Mr. Wang Ming Hong and Mr. Wang Ming Jie and 0.206% by Mr. Wang Qiao Xing.

(2) Xiang p ... _ È ° 7 ç 5 p f ò Z g Z , È -
Ü g d Ú d È ° 7 ç _ î K < [e î K
< [÷ î K K < [ç ^ 1 p 26.289% e 3 î
ç€ • W 4^p 8.247% e á < < [^ 1 p
eTM ò x < [^ 1 p 3.093% e Ó j † < [^ 1 p
2.062% e ç Å O < [e î o ð ~ { ÷ î
l ð ~ { ç ^ 1 p 0.515% e Wang Ming Hong
< [÷ Wang Ming Jie [ç ^ 1 p 0.412% d
ø ÷ î 7 K < [^ 1 p 0.206% f

(3) These shares were held by Ming Lang Investments. As at 30 June 2024, Ming Lang Investments was owned as to 26.289% by each of Mr. Wang Dong Xing, Mr. Wang Liang Xing and Mr. Wang Cong Xing, 8.247% by JFIL (note 4), 5.155% by Mr. Hu Cheng Chu, 3.093% by Mr. Pan Rong Bin, 2.062% by Mr. Chen Wei Jin, 0.515% by each of Mr. Xu Tian Min, Ms. Wang Cui Rong and Ms. Wang Hui Rong, 0.412% by each of Mr. Wang Ming Hong and Mr. Wang Ming Jie and 0.206% by Mr. Wang Qiao Xing.

(3) Xiang p ... _ x ^ 3 5 p f ò Z g Z , È -
Ü g d Ú d x ^ 3 _ î K < [e î K
< [÷ î K K < [ç ^ 1 p 26.289% e 3 î
ç€ • W 4^p 8.247% e á < < [^ 1 p
eTM ò x < [^ 1 p 3.093% e Ó j † < [^ 1 p
2.062% e ç Å O < [e î o ð ~ { ÷ î
l ð ~ { ç ^ 1 p 0.515% e Wang Ming Hong
< [÷ Wang Ming Jie [ç ^ 1 p 0.412% d
ø ÷ î 7 K < [^ 1 p 0.206% f

(4) The entire issued share capital of JFIL is held by Vistra Trust (Singapore) Pte. Limited in its capacity as the trustee of an irrevocable discretionary trust set up by Mr. Cai Rong Hua as the settlor. The beneficiaries under the trust are Mr. Cai and his family members. Mr. Cai is deemed to be interested in these shares as the settlor of the discretionary trust.

(4) 3 î 7 ç Y CE Å Š î p l _ Vistra Trust
(Singapore) Pte. Limited " p « CE Æ ! Å
Y a Ä [... 5 p d ! Ä _ % Ä [ù ò 6
< [£ m f ! Ä a B [% ù < [÷ l • Ä Ó
p f * % CE Æ ! Ä Y % Ä [d ù < [— V
% ò p ... • ^ 1 p Æ B f

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Ö Ö p £ k . d ò Z g Z , È - Ü
Ü g d Ú d È + (") „ p , l ü [{ ð
ò l @ ! p ... ÷ ' è p ... • d ^ 1 p ¾
] l @ ! ì ½ Ç N ÷ , - ñ 7 K 336 á ^ 2
š Ä Ä Y î ¾ « Y Æ B ð ñ Q f

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

SHARE OPTION SCHEME

... p Æ OE

The Company has adopted a share option scheme (the “Share Option Scheme”) pursuant to an ordinary resolution passed by the shareholders of the Company on 23 April 2019 for the purposes of providing incentives and rewards to eligible participants who contribute to the Group. Details of the Share Option Scheme are set out in the 2023 Annual Report of the Company.

Details of the movements of the options during the period are set out below:

Name or category of participants	Number of options				As at 30 June 2024	Exercise price	Date of grant	Exercise period
	As at 1 January 2024	Exercised	Cancelled	Lapsed				
Mr. Chen Wei Jin (note 1(a))	433,000	{	{	{	433,000	HK\$4.3	3 July 2020	Note 2(a)
Mr. Wang Jun Hong (note 1(b))	350,000	{	{	{	350,000	HK\$4.3	3 July 2020	Note 2(b)
Mr. Wang Zhi Yong (note 1(c))	350,000	{	{	{	350,000	HK\$4.3	3 July 2020	Note 2(b)
Ms. Chen Zhi Mei (note 1(d))	150,000	{	{	{	150,000	HK\$4.3	3 July 2020	Note 2(b)
Employees	9,574,000	{	{	(51,000)	9,523,000	HK\$4.3	3 July 2020	Note 2(c)
	10,857,000	{	{	(51,000)	10,806,000			

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

Notes:

•Wj

1 Options granted to associates (as defined in the Listing Rules):

1 - š L © [€] › È j 9 • Æ • ... p Æ j

- a. Mr. Chen Wei Jin, the head of the group ordering department of the Group, is the brother-in-law of Mr. Wang Dong Xing, a non-executive Director and a controlling shareholder of the Company.
- b. Mr. Wang Jun Hong, general manager of Lilang (China) Co., Ltd* (Lilang China*), is the son of Mr. Wang Dong Xing, a non-executive Director and a controlling shareholder of the Company. He was appointed as an executive Director of the Company on 5 February 2024.
- c. Mr. Wang Zhi Yong, the sales channel director of Lilang China's marketing center, is the son of Mr. Wang Liang Xing, an executive Director and a controlling shareholder of the Company. He was appointed as an executive Director of the Company on 5 February 2024.
- d. Ms. Chen Zhi Mei, the assistant to the head of the sales and marketing department of the Group, is the wife of Mr. Pan Rong Bin, an executive Director of the Company.

- a. I « S Å < 9 Ó j † ‹ [d % I ® ! ¢ B è + R › p p î K ‹ [Y ŷ K " f
- b. ; € • 7 • ¢ " ® ! € ; • 7 T M < ¾ # î ² f ‹ [d % I ® ! ¢ B è + R › p p î K ‹ [Y E • f ¾ ò Z g Z , È Z Ü ž Ú % , % I ® ! B è + f
- c. ; • 7 V • Ð V / - 8 < 9 î } Ç ‹ [d % I ® ! B è + R › p p î K ‹ [Y E • f ¾ ò Z g Z , È Z Ü ž Ú % , % I ® ! B è + f
- d. I « V • Ð < R ? # Ó ? à ~ { d % I ® ! B è + T M ò x ‹ [Y ^ • f

2 Exercisable periods of options:

2 ... p Æ š 4 , œ j

- a. The options are exercisable by the grantee during the period commencing from the day immediately following the expiry of the two year period after the date of grant, and ending on the day falling ten years after the date of grant, during which, (i) up to 129,000 options granted may be exercised on or prior to the end of the third year after the date of grant; (ii) subject to (i), up to 130,000 options granted may be exercised on or prior to the end of the fourth year after the date of grant; and (iii) subject to (i) and (ii), all outstanding options may be exercised prior to the expiry of the said exercise period, failing which the options will lapse and no longer be exercisable.
- b. The options are exercisable by the grantees during the period commencing from the day immediately following the expiry of the two year period after the date of grant, and ending on the day falling ten years after the date of grant, during which, (i) up to 30% of the options granted may be exercised on or prior to the end of the third year after the date of grant; (ii) subject to (i), up to 60% of the options granted may be exercised on or prior to the end of the fourth year after the date of grant; and (iii) subject to (i) and (ii), all outstanding options may be exercised prior to the expiry of the said exercise period, failing which the options will lapse and no longer be exercisable.

- a. ... p Æ _ Ö - [ò a † - Ú , G È £ ~ Ú î d - Ú , d È ß Y , œ « 4 d , œ j (i) " t @ 129,000 ... - ... p Æ ò - Ú , K g È È µ Ð ~ Å 4 i (ii) " t @ 130,000... - ... p Æ ò - Ú , K , È È µ Ð ~ Å 4€ " ² a (i) Y • " † ç (iii) Ô Þ J 4 Y ... p Æ ò Ô 4 , œ £ ~ Å 4€ " ² a (i) ç (ii) Y • " † I Æ ... p Æ Z S 0 Ö ç " Ž 4 f
- b. ... p Æ _ Ö - [ò a † - Ú , G È £ ~ Ú î d - Ú , d È ß Y , œ « 4 d , œ j (i) " t @ 30% Y - ... p Æ ò - Ú , K g È È µ Ð ~ Å 4 i (ii) " t @ 60% Y - ... p Æ ò - Ú , K , È È µ Ð ~ Å 4€ " ² a (i) Y • " † ç (iii) Ô Þ J 4 Y ... p Æ ò Ô 4 , œ £ ~ Å 4€ " ² a (i) ç (ii) Y • " † I Æ ... p Æ Z S 0 Ö ç " Ž 4 f

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

- c. The options are exercisable by the grantees during the period commencing from the day immediately following the expiry of two year period after the date of grant and ending on the day falling ten years after the date of grant, during which, (a) up to 2,830,000 options granted may be exercised on or prior to the end of the third year after the date of grant; (b) subject to (a), up to 2,871,000 options granted may be exercised on or prior to the end of the fourth year after the date of grant; and (c) subject to (a) and (b), all outstanding options may be exercised prior to the expiry of the said exercise period, failing which the options will lapse and no longer be exercisable.

- c. ... p Æ _ Ö - [ö a † - Ú ,
G È , œ £ ~ Ú Í d - Ú ,
d È ß Y , œ « 4 d , œ j (a) " t
@2,830,000.. - ... p Æ ö - Ú ,
K g È È µ Ð ~ Ã 4 i (b) " t @
2,871,000.. - ... p Æ ö - Ú ,
K , È È µ Ð ~ Ã 4€ " 2 a (a) Y •
" † ç (c) Ö Þ J 4 Y ... p Æ ö Ö
4 , œ £ ~ Ã 4€ " 2 a (a) ç (b)
Y • " † I Æ ... p Æ Z S Ö ç " Ž
4 f

CORPORATE GOVERNANCE

† 8 M 7

The Company had complied with all code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2024.

Ú Z g Z , È - Ü g d Ú ß - H Ü d I
Ö X \ m Â j 9 • Æ • } d , Ö † † 8
M 7 Â Æ ç † 8 M 7 S Ö È Â Æ â
Ö f

The Company has adopted the Model Code as the Company's code of conduct regarding securities transactions by Directors. The Company has made specific enquiries of all the Directors, who confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2024.

b® ! Š ® v z _ Â Æ * % o I ® ! è + †
Ç N t ø Y % o Â Æ f I ® ! Š £ Ö
è + * H _ d Ö è + i ½ © ¾
Ú Z g Z , È - Ü g d Ú ß - H Ü S
\ m Â z _ Â Æ Ö 1 @ Â z _ f

REVIEW OF INTERIM RESULTS

• , 8 6 2 \$ ¥

The Audit Committee comprises four independent non-executive Directors. The principal responsibilities of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The interim results of the Group for the six months ended 30 June 2024 have not been audited but they have been reviewed by KPMG, the auditor of the Company, and the Audit Committee.

2 è % o p 6 _ , † ù m ç B è + \ Ó f
2 è % o p 6 Y ô a J è Â ç 9 - I «
Y Ì S û • ç « Å 9 › û U f I «
Ú Z g Z , È - Ü g d Ú ß - H Ü Y
the 8 6 J ¾ 2 è d (Š _ I ® ! è p a
- ö þ 6 a + Ö ç 2 è % o p 6 2 \$ ¥ f

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

Úr Z g Z , È - Ü g d Ú ß - H Ü d I
® ! Ð I , • n ® ! i Ì ... o e / Ð
Ù « , I ® ! j 9 Ç N f

OTHER INFORMATION (CONTINUED)

I ü Ø€ f •

CLOSURE OF REGISTER OF MEMBERS

r p p ... @ Ò î ¾

In order to determine the entitlements to the proposed interim dividend and special interim dividend, the register of members will be closed from Thursday, 5 September 2024 to Friday, 6 September 2024 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the proposed interim dividend and special interim dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, later than 4:30 p.m. on Wednesday, 4 September 2024 for registration.

APPRECIATION

ü }

I would like to thank our fellow Directors for their contribution and support throughout the period, and our management and staff for their dedication and hard work.

I would like to express our sincere appreciation to our shareholders, customers and suppliers as well as our business associates for their continuing support.

By Order of the Board
WANG DONG XING
Chairman

Õ è + 6 v
ô ©
î K

Hong Kong, 13 August 2024

0 ¥ d Z g Z , È ^ Ü d g Ú

OTHER INFORMATION (CONTINUED)

l ü Ø€ f •

BOARD

Executive Directors

Mr. Wang Liang Xin (Chief Executive Officer)

Mr. Wang Cong Xing

Mr. Pan Rong Bin

Mr. Wang Jun Hong

(appointed on 5 February 2024)

Mr. Wang Zhi Yong

(appointed on 5 February 2024)

Non-executive Directors

Mr. Wang Dong Xing (Chairman)

Mr. Cai Rong Hua

Mr. Hu Cheng Chu

Independent Non-executive Directors

Mr. Lai Shixian

Mr. Zhang Shengman

Prof. Liao Jianwen

(appointed on 5 February 2024)

Prof. Jiang Zhan

(appointed on 5 February 2024)

SHARE INFORMATION

Listing date: 25 September 2009

Board lot size: 1,000 shares

Number of shares in issue: 1,197,484,919 shares

(as at 30 June 2024)

IR CONTACT

If You Have Any Inquiries, Please Contact:

China Lilang Limited

Suite 3402, 34F, Tower One, Lippo Centre,

89 Queensway, Hong Kong

Telephone: (852) 2526-6968

Fax: (852) 2526-6655

Email: ir@lilanz.com.hk

Website: www.lilanz.com

è + 6

B è +

î K < [€ A < R •

î K K < [

™ ò x < [

î ² f < [

€ ò Z g Z , Ë Z Ü ž Ú ‰ , •

î } Ç < [

€ ò Z g Z , Ë Z Ü ž Ú ‰ , •

ç B è +

î K < [€ ô © •

ù ò 6 < [

á < < [

ù m ç B è +

` ð , < [

Ý Å < [

Ë Ö ° ¬

€ ò Z g Z , Ë Z Ü ž Ú ‰ , •

ø • ° ¬

€ ò Z g Z , Ë Z Ü ž Ú ‰ , •

p ... Ø

j 9 Ú , j Z g g X Ë X Ü Z d ž Ú

Ë Ó o - p p j 1,000 p

Š ĩ p ... p f j 1,197,484,919 p

€ ò Z g Z , Ë ¬ Ü g d Ú •

³ k ë • L

½ Þ _ d L © j

• 7 ; Þ " ® !

0 ¥ - R 8 89 î b • Ð S - 34 }

3402

e j (852) 2526-6968

Å F j (852) 2526-6655

e ‰ j ir @ lilanz . com . hk

c g j www . lilanz . com

A decorative grey ribbon graphic that starts at the top left, loops around, and ends at the bottom right, framing the central text.

CHINA LILANG LIMITED

• 7 ; P " ® !