China Lilang Limited
中國利郎有限公司

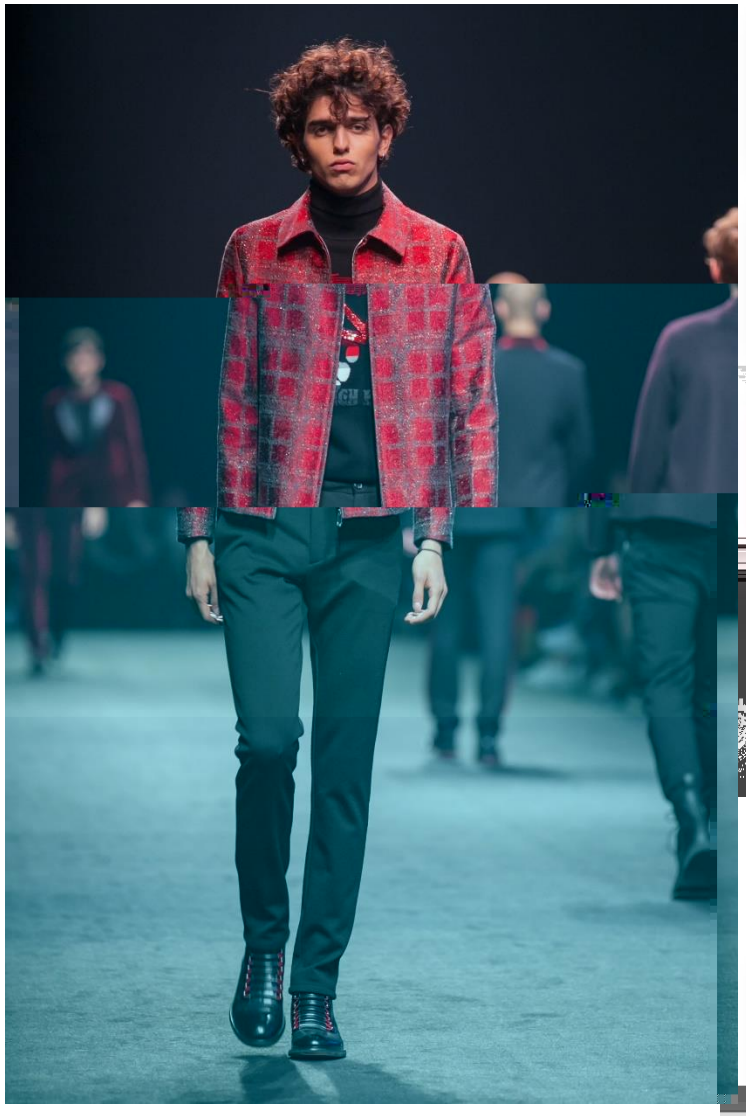
Interim Results Announcement 2018

LILANZ

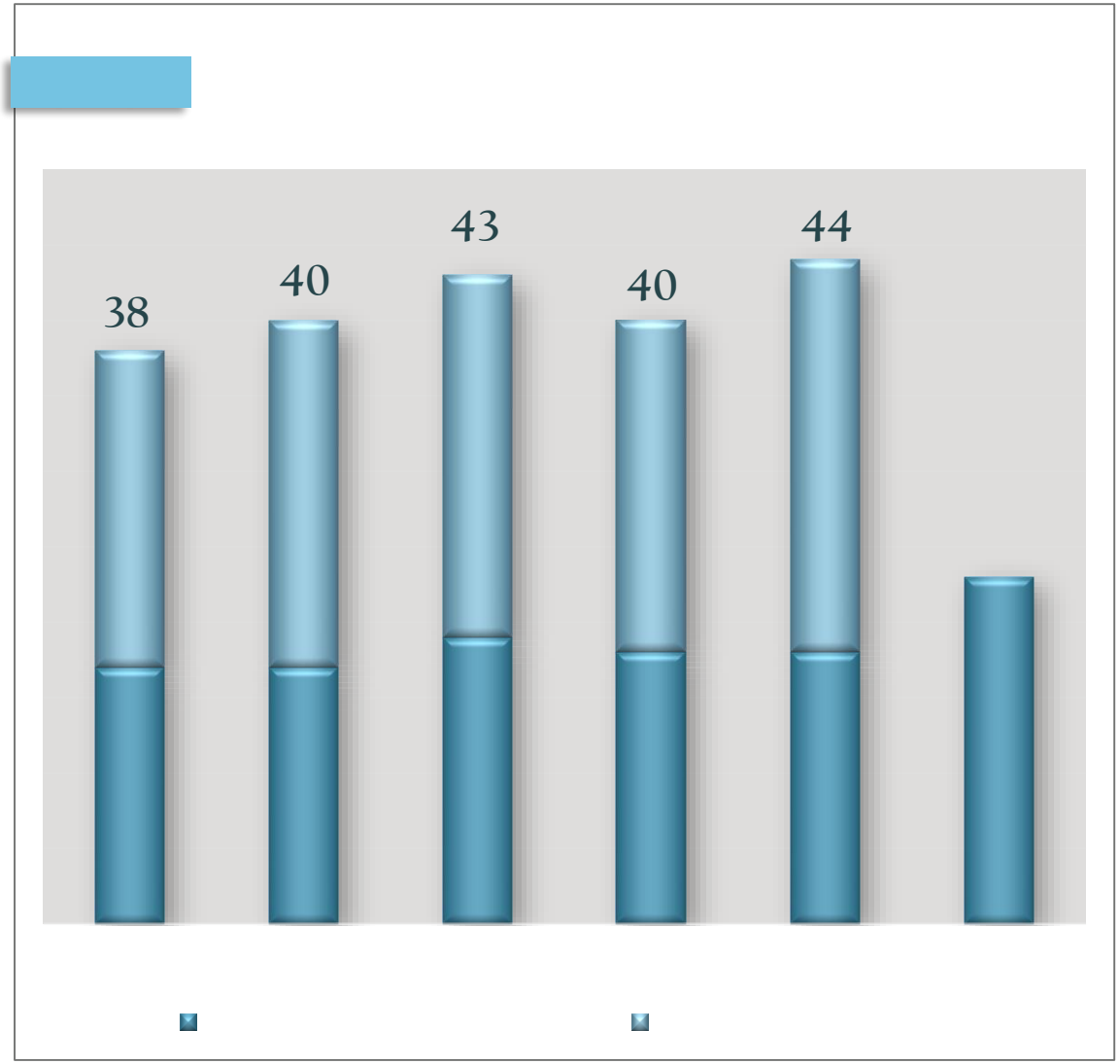
August 2018, Hong Kong

RESULTS HIGHLIGHTS

All-round Improvements in Performances with Satisfactory Progress In Business Expansion



Maintaining High Dividend Payout



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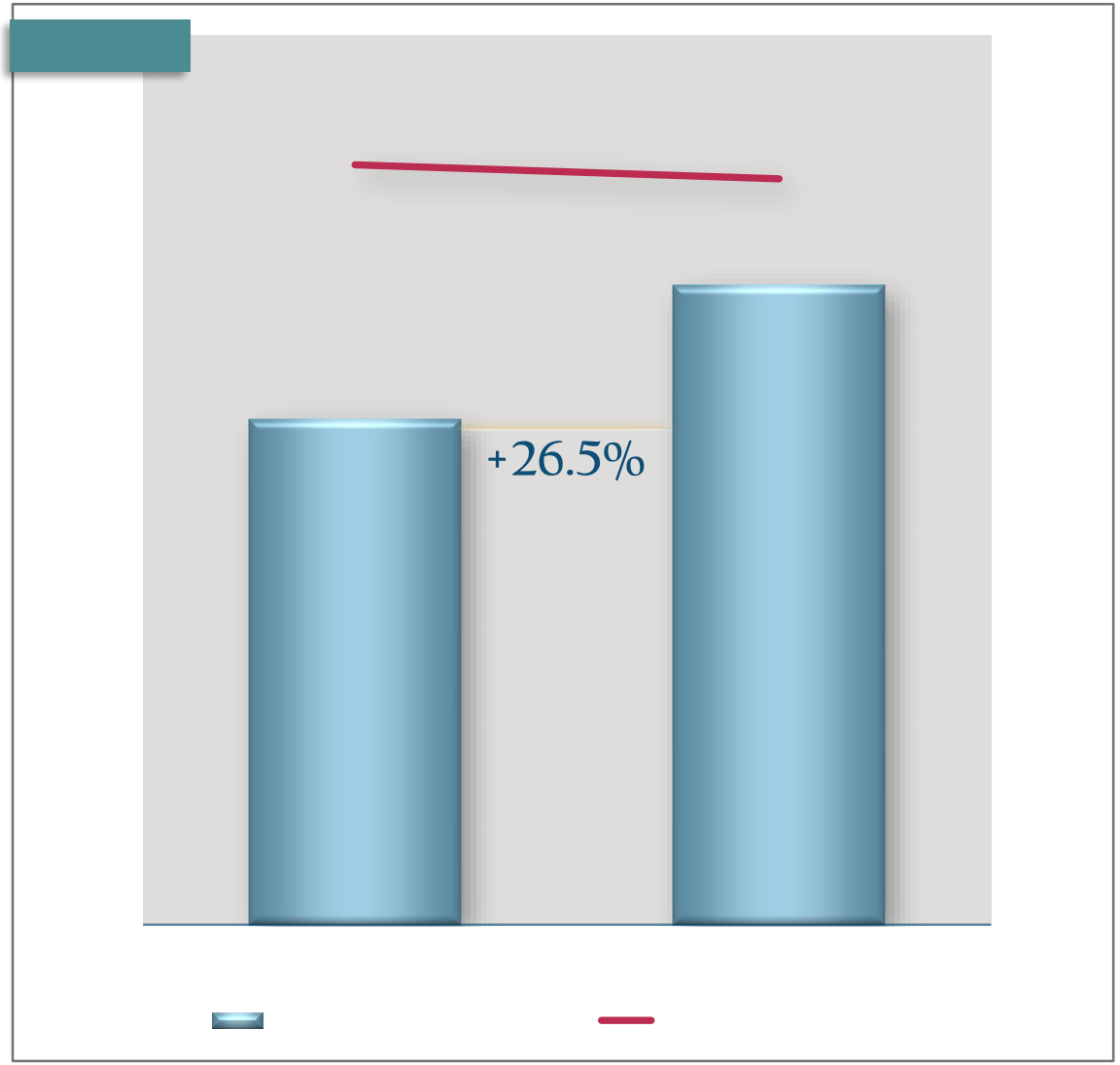
FINANCIAL REVIEW

Revenue and Gross Margin



Robust Revenue Growth

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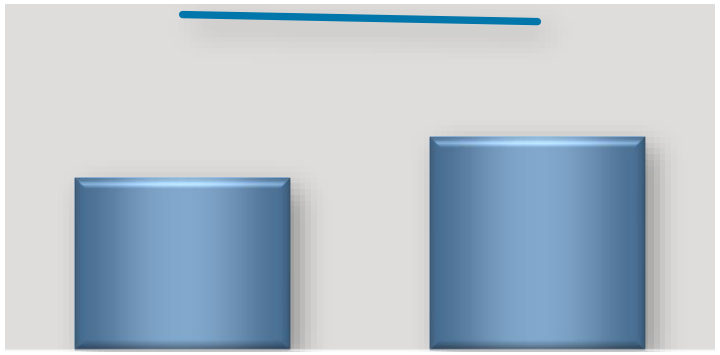
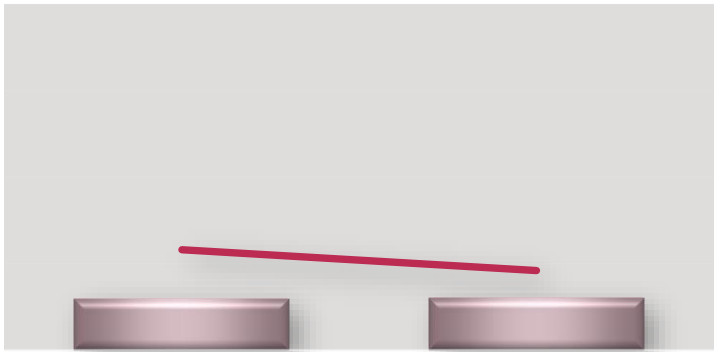
Lower Gross Margin

SD & A Expenses

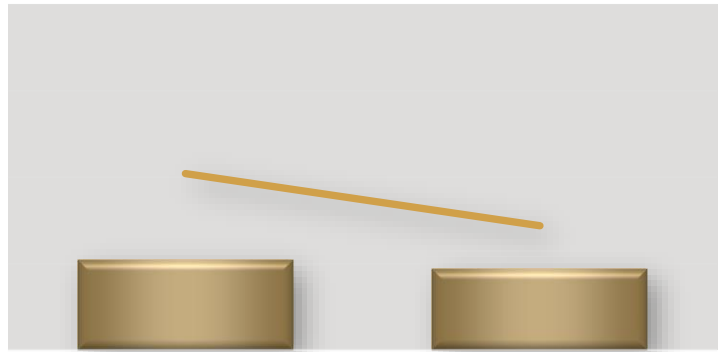
Advertising and Promotional Expenses



Other Selling and Distribution Expenses

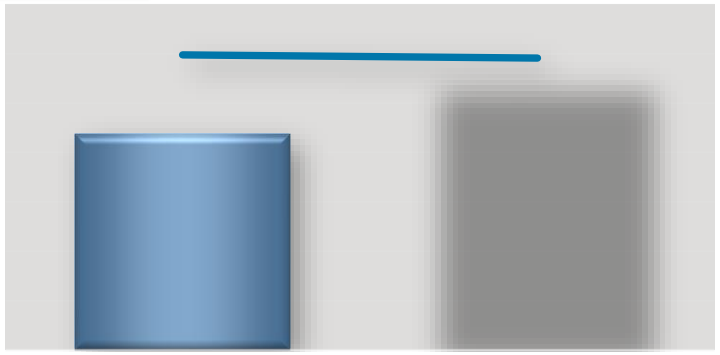


Administrative Expenses

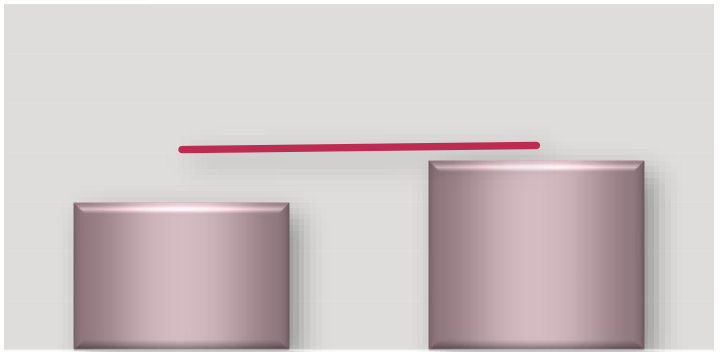


Profit & Margin Trend

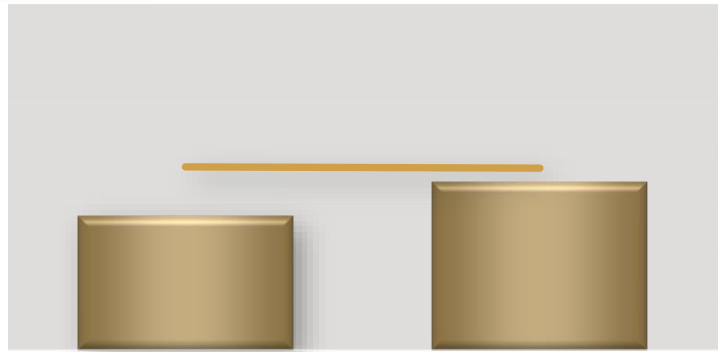
Gross Profit & Margin



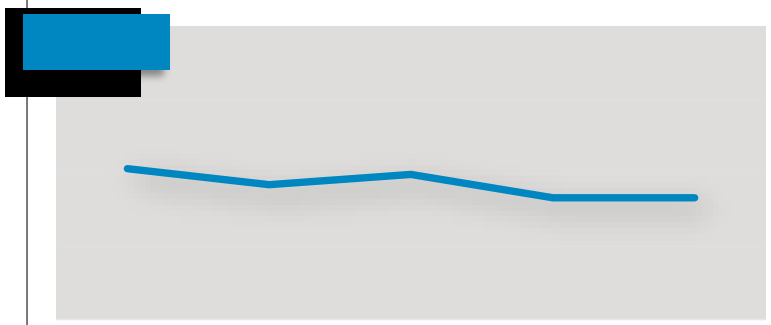
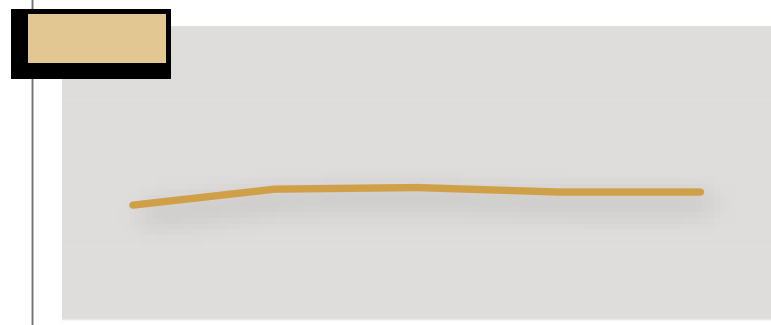
Operating Profit & Margin



Net Profit & Margin

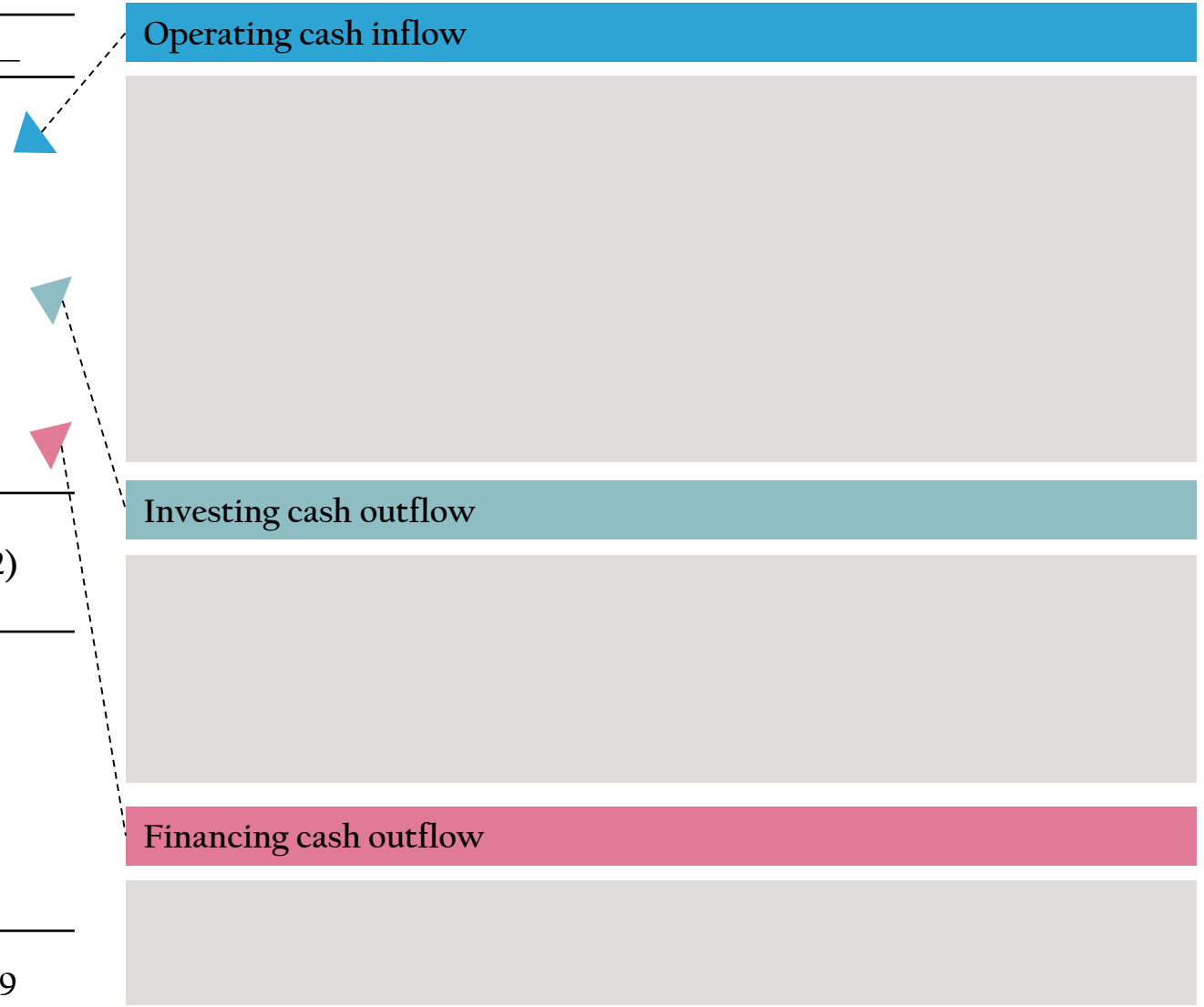


Working Capital Cycle

Average Trade Receivables Turnover Days	Average Inventory Turnover Days	Average Trade Payables Turnover Days
		

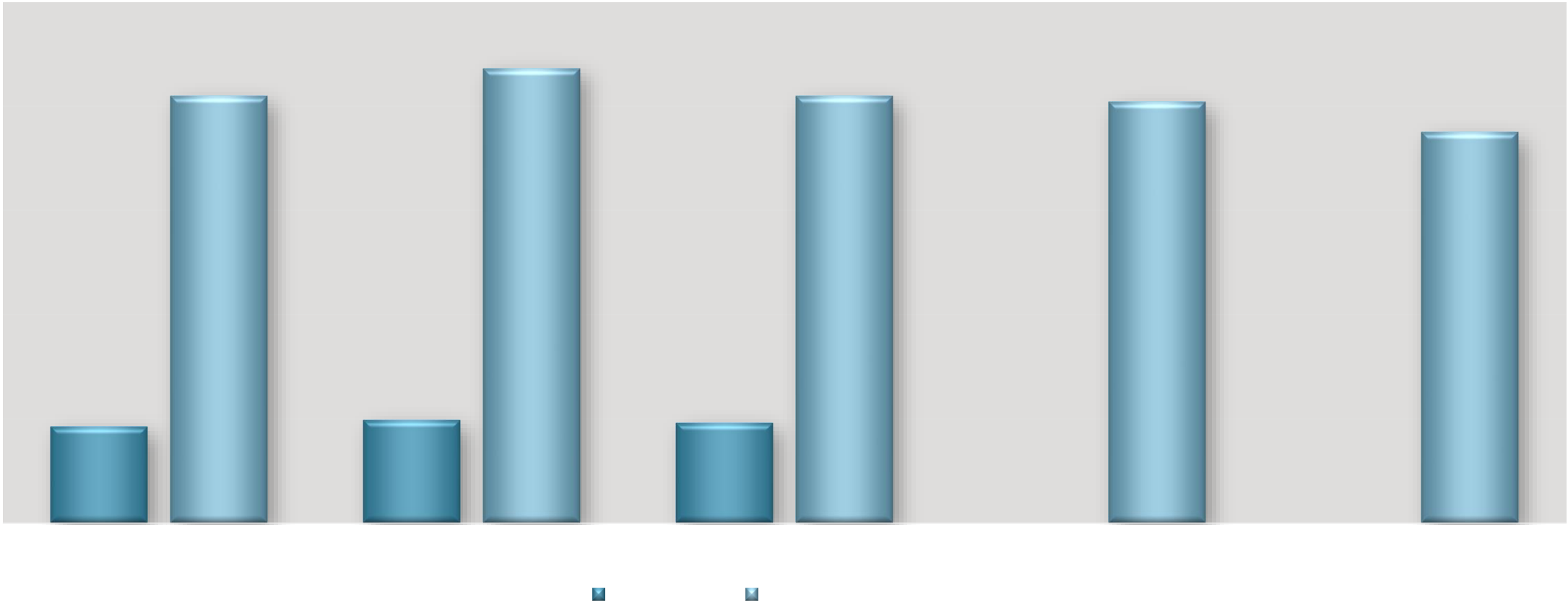
Cash Flow

RMB mn	
Net decrease in cash and cash equivalents	(339.2)
Cash and cash equivalents at 30 Jun 6 30 (2)	1,484.9



Healthy & Strong Cash Position

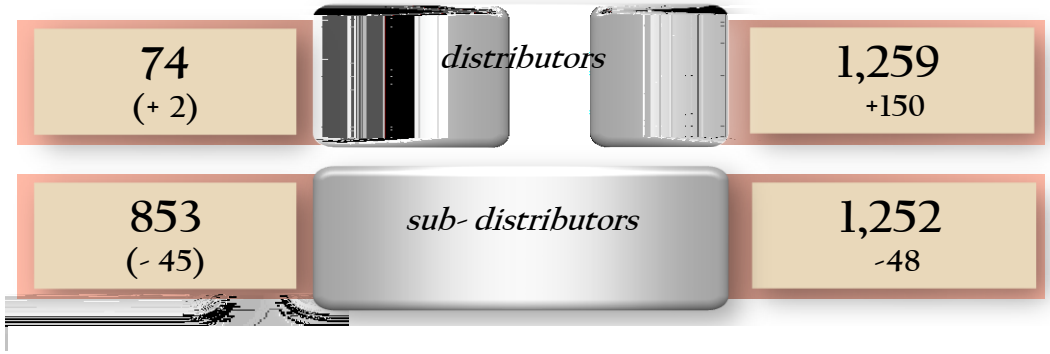
Total Cash and Bank Balance



BUSINESS & OPERATIONAL REVIEW

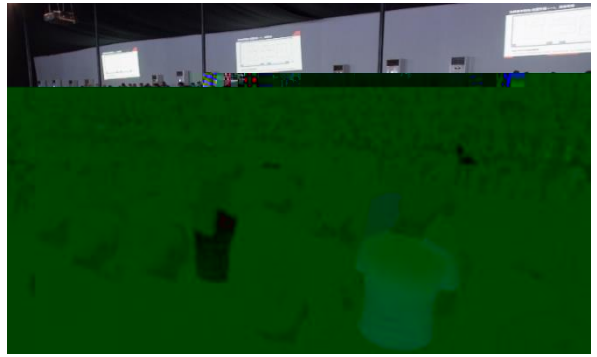
Sales Channel Management (Con't)

Except the flagship stores in the headquarters, all retail stores are operated by distributors



Over 10 years of business relationship with all LILANZ distributors

LILANZ 10



Channel upgrade: over 430 stores in shopping malls

430

Increase in number of stores operated by 1st tier distributors due to)

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Ongoing measures enhancing sales channel management:

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Product Design & Development

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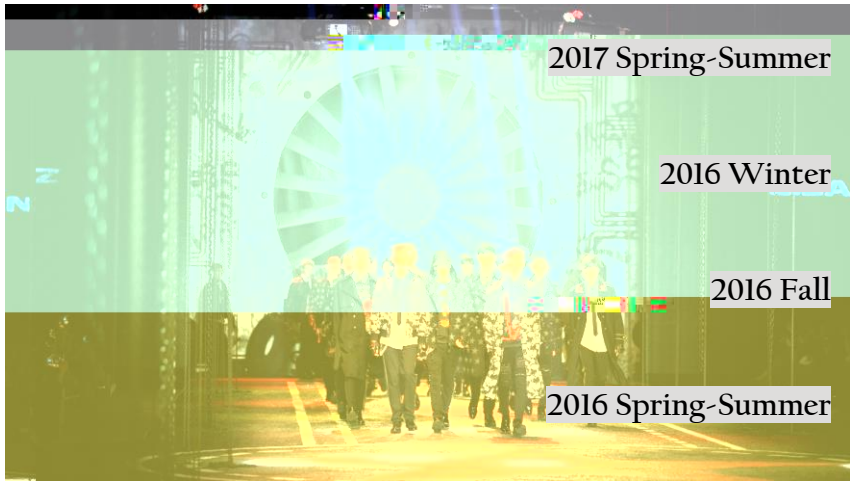
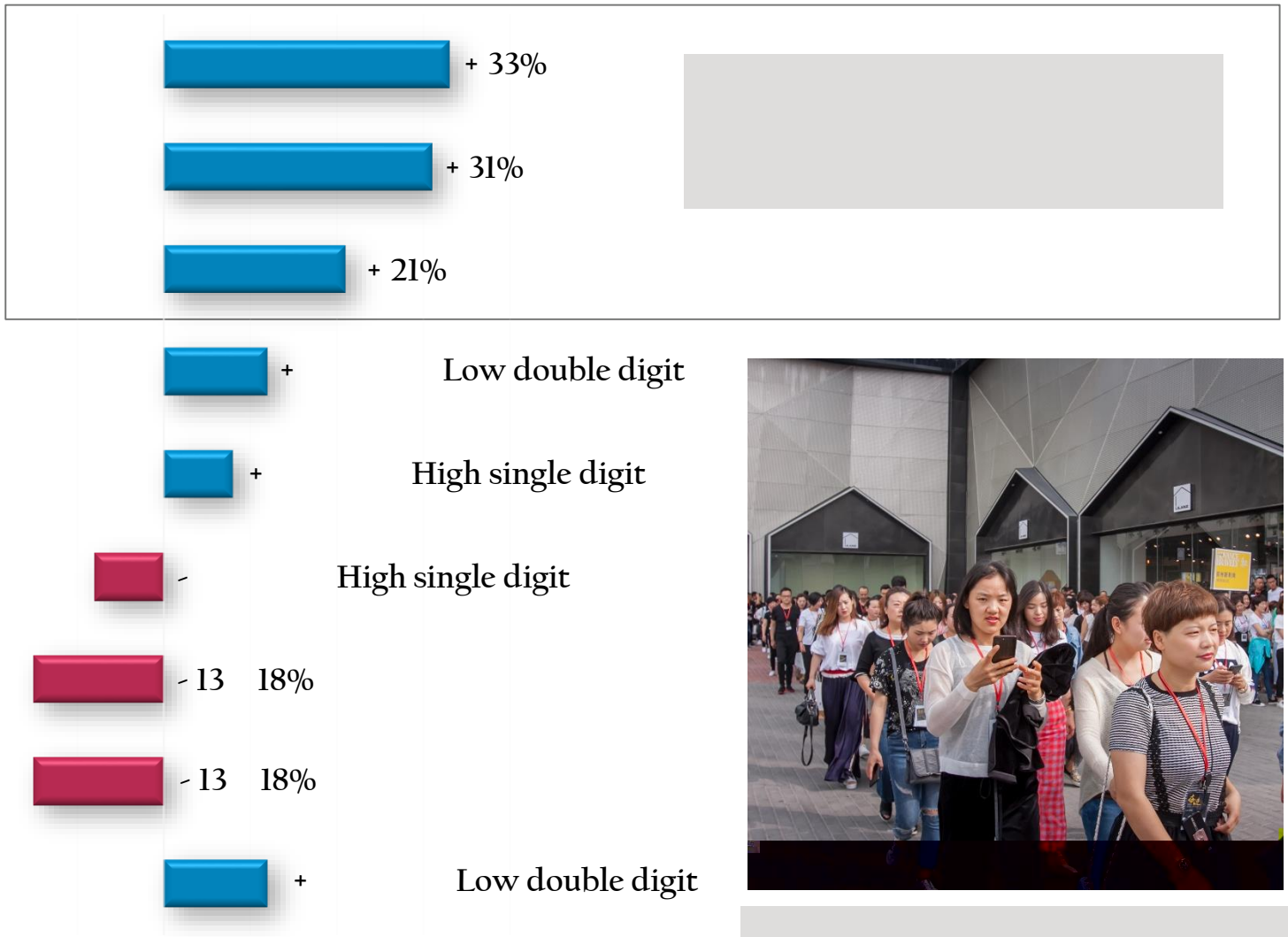
Marketing & Promotion

Encouraging Trends of Trade Fair Orders





OUTLOOK & STRATEGY

Cautiously Optimistic, Continue Expansion Plan in 2H 2018
2018

Retail channel expansion and upgrade

Continue the market expansion plan, target to add not less than 200 stores in 2018;
102 added in 1H 2018
To further increase the number of stores in shopping malls

200 2018 102

New Retail Development

To launch new retail business in 2H 2018 with the smart casual collection

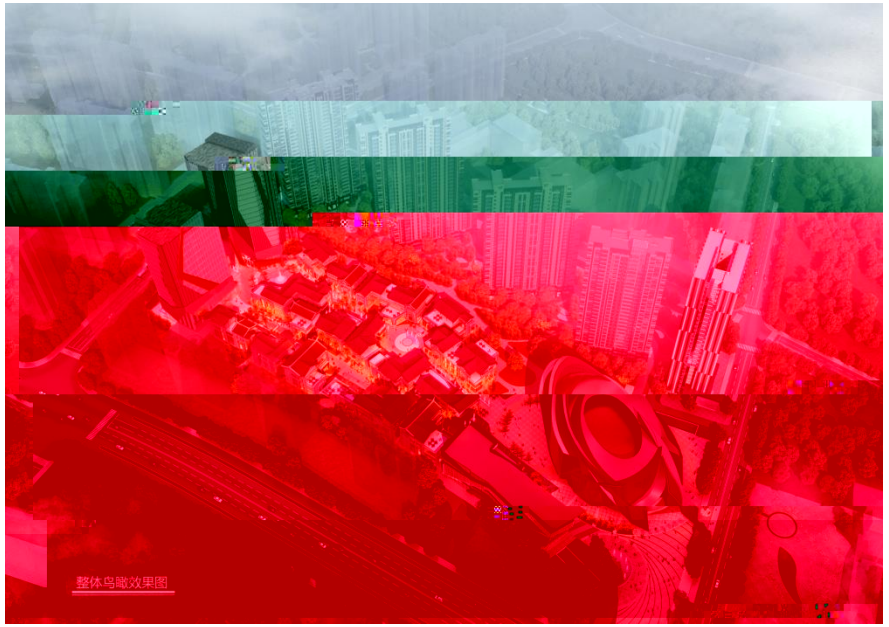
2018

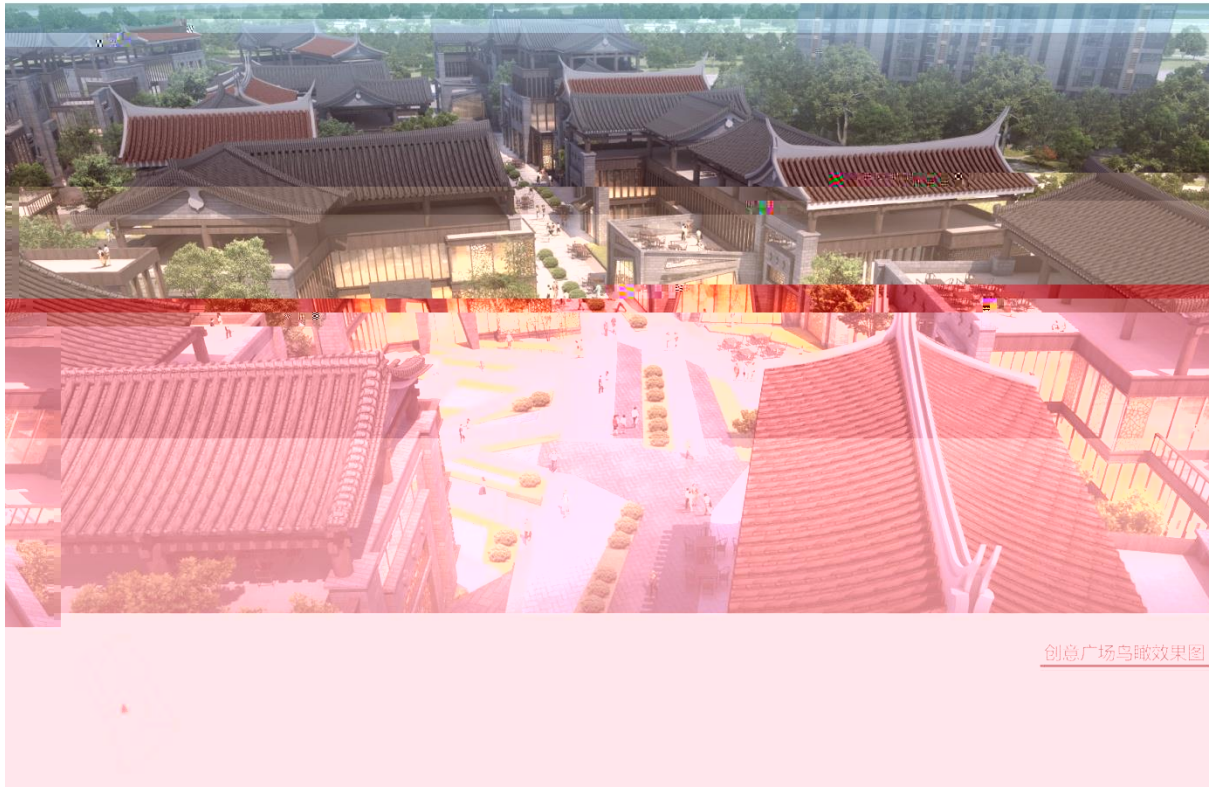
R&D and production enhancement

Continue with the strategy of offering consumers with products of excellent value-for-the-money to gain a larger share in market
Continue to improve product range and increase the proportion of season-neutral products to drive sales growth
The design and operation centre for the smart casual collection in Shanghai will be put into use in 2H 2018

LILANZ

Operating Targets for 2H 2018





DISCLAIMER