

LILANG 利郎

CHINA LILANG LIMITED

中國利郎有限公司

Stock Code:1234

Interim Results 2014



Disclaimer

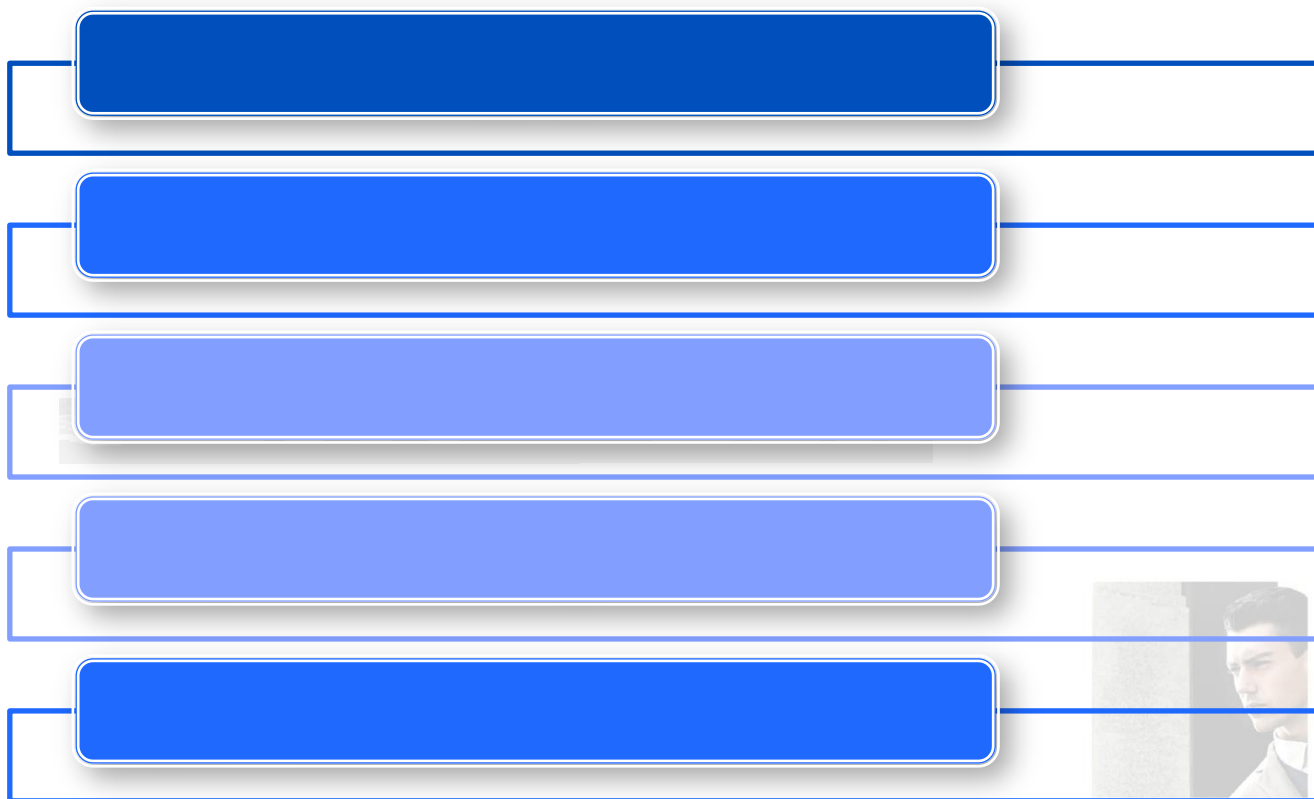
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Agenda



Interim Results

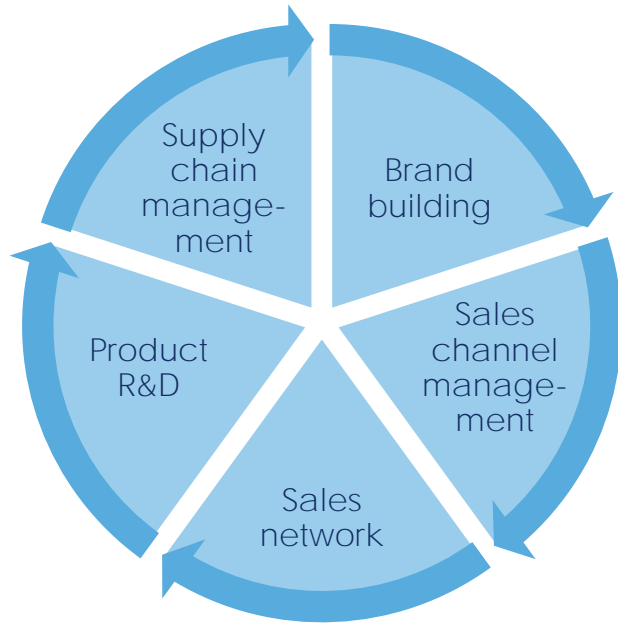


Outperformed Other Industry Players

PRC menswear industry showed no obvious improvement

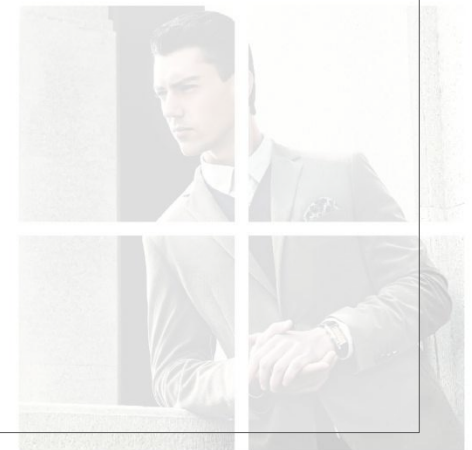
- Industry's aggressive retail discounts and store realignment continue
- Industry's issue of product homogeneity remains serious

China Lilang outperformed other industry players



minimalist aesthetic
quality craftsmanship

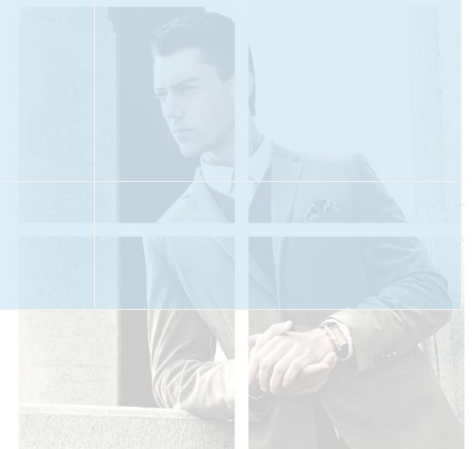
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2014 Interim Results Financial Highlights

LILANZ 利郎

	1H2014		
Turnover	1,090.5		
Gross profit	445.8		
Profit from operations	295.0		
Net Profit	248.1		
Dividend per share	12.0 5.0		
Net cash per share	1.39		

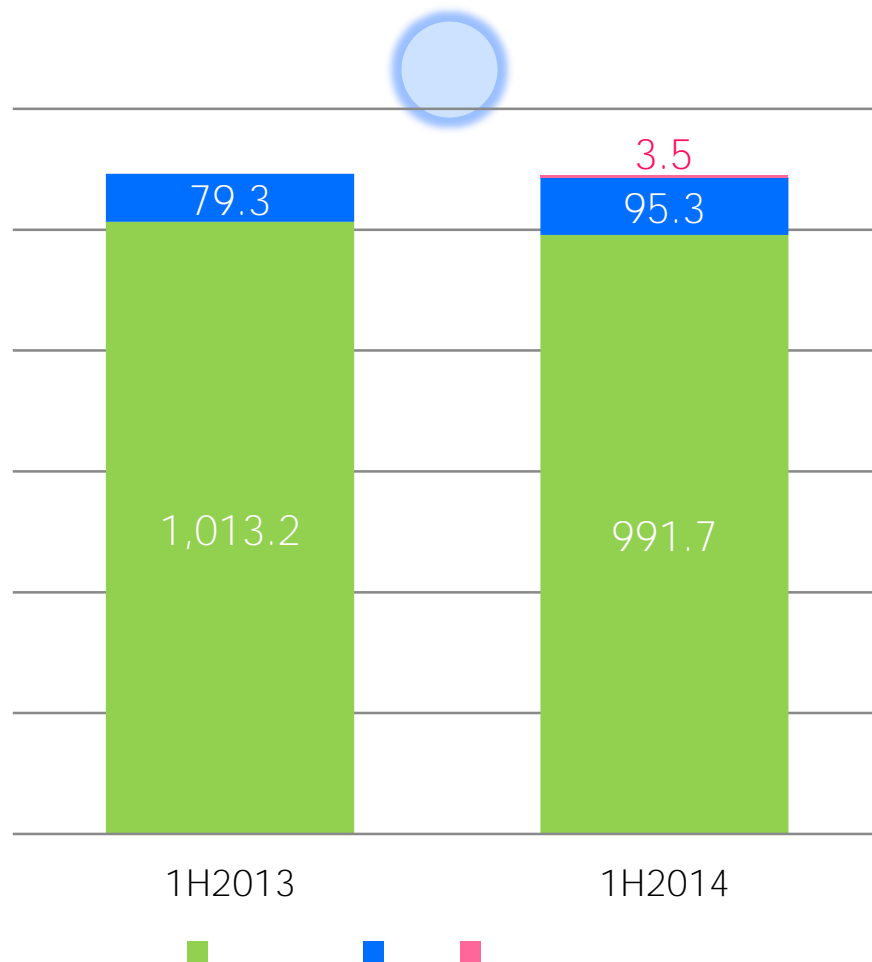


Financial



Turnover Analysis

Total Turnover
& Turnover By Brand



Turnover change due to:

“improving product quality without raising the price” and shares the

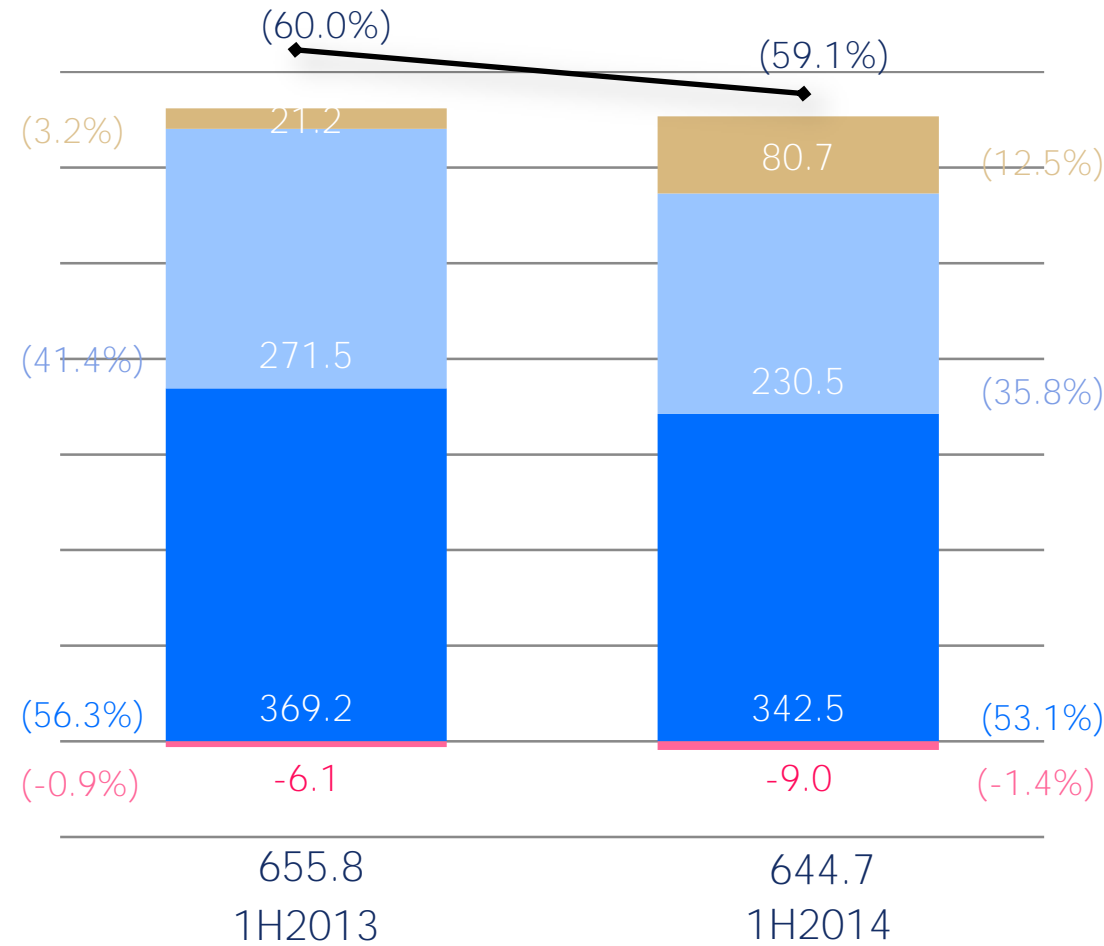
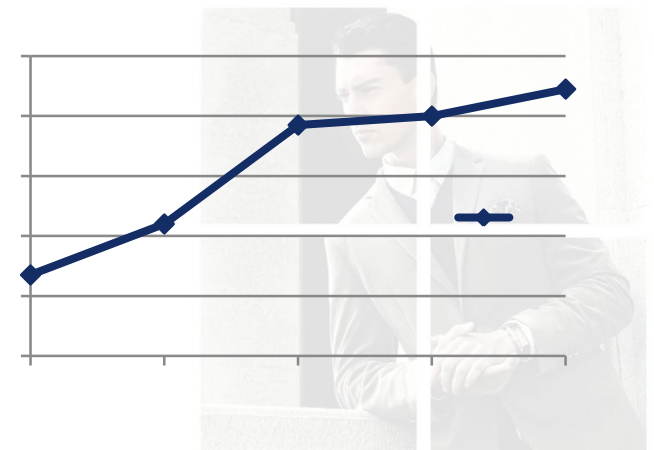
- LILANZ
 - L2
 - LILANZ, L2
- LILANZ L2



Cost of goods sold

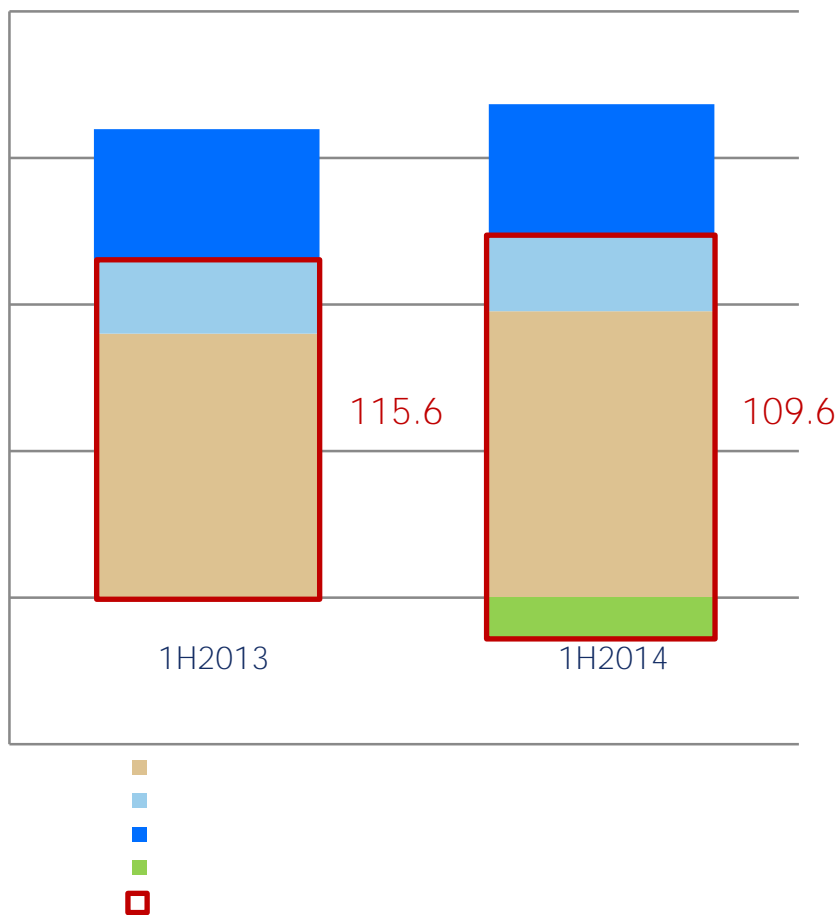
Gross profit margin increased by 0.9 p.p. to 40.9% from 40.0% for 1H2013, due to:

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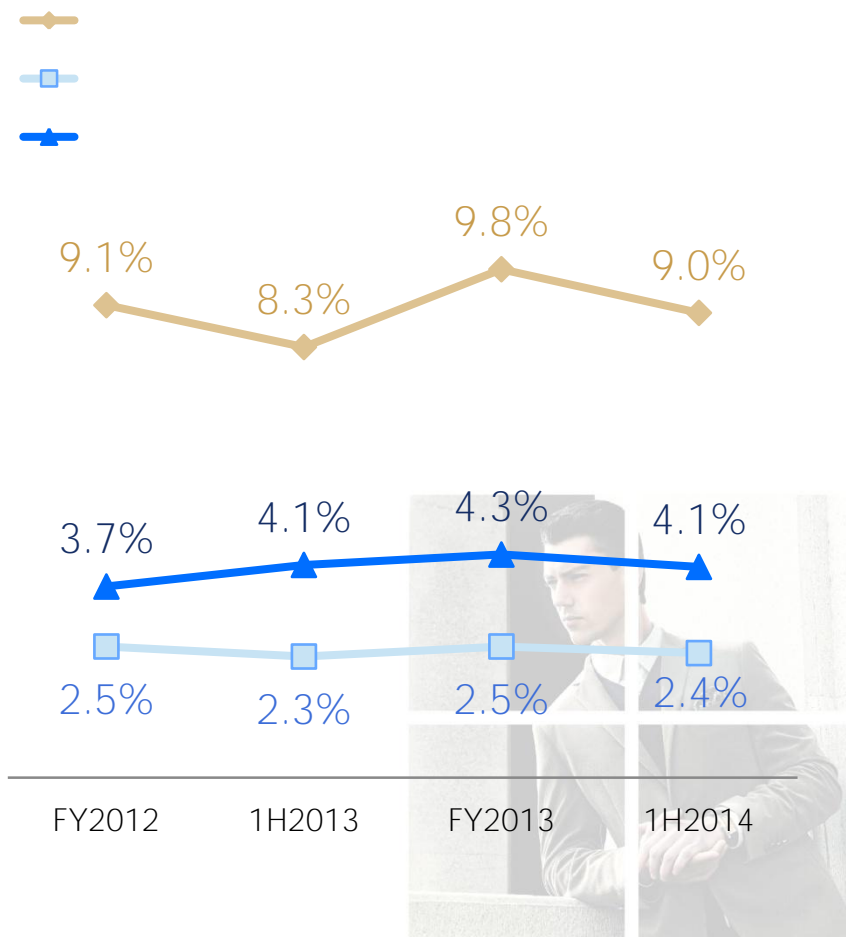


SD&A Expenses

SD&A Expenses
Total Amount

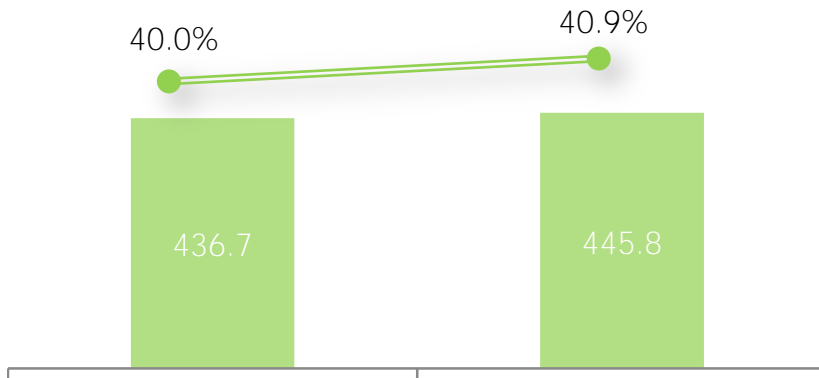


SD&A Expenses
As % of Turnover

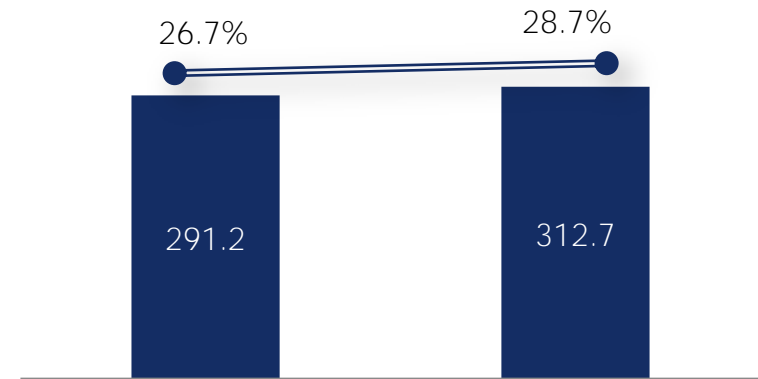


Increased Profit and Margins

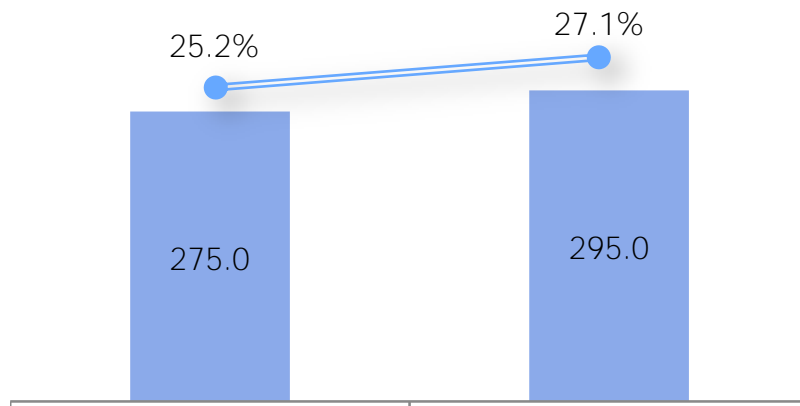
Gross Profit & Gross Margin



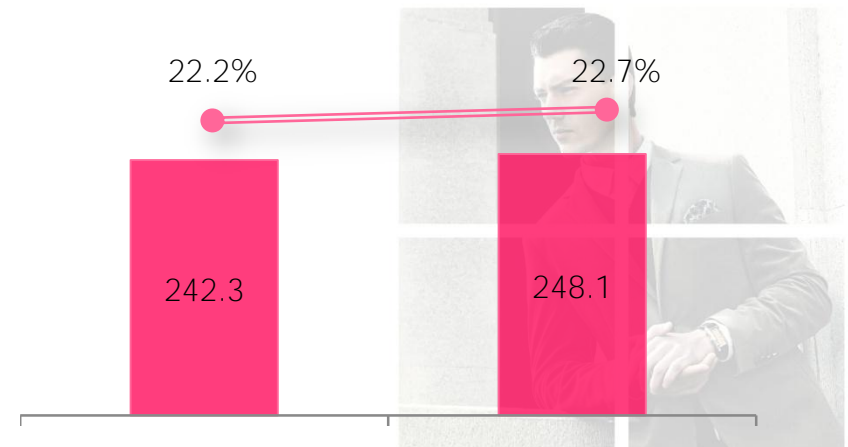
EBITDA & EBITDA Margin



Operating Profit & Operating Margin

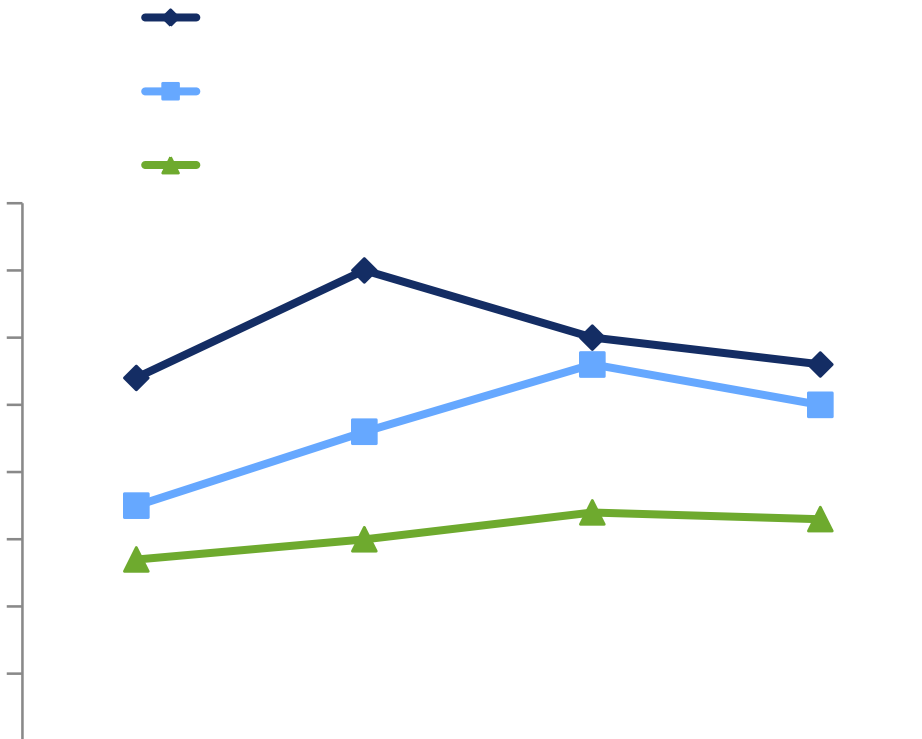


Net Profit & Net Margin



Working Capital Cycle

Turnover Days



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Notes

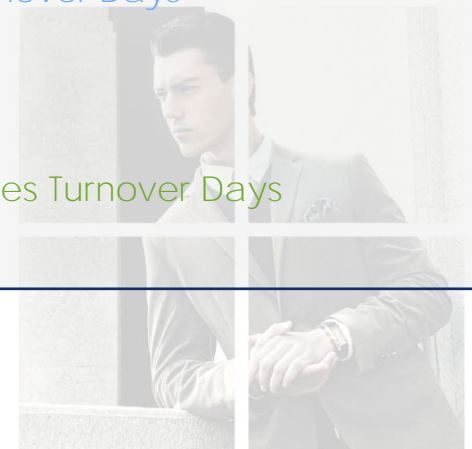
- Trade Receivables Turnover Days



- Inventory Turnover Days

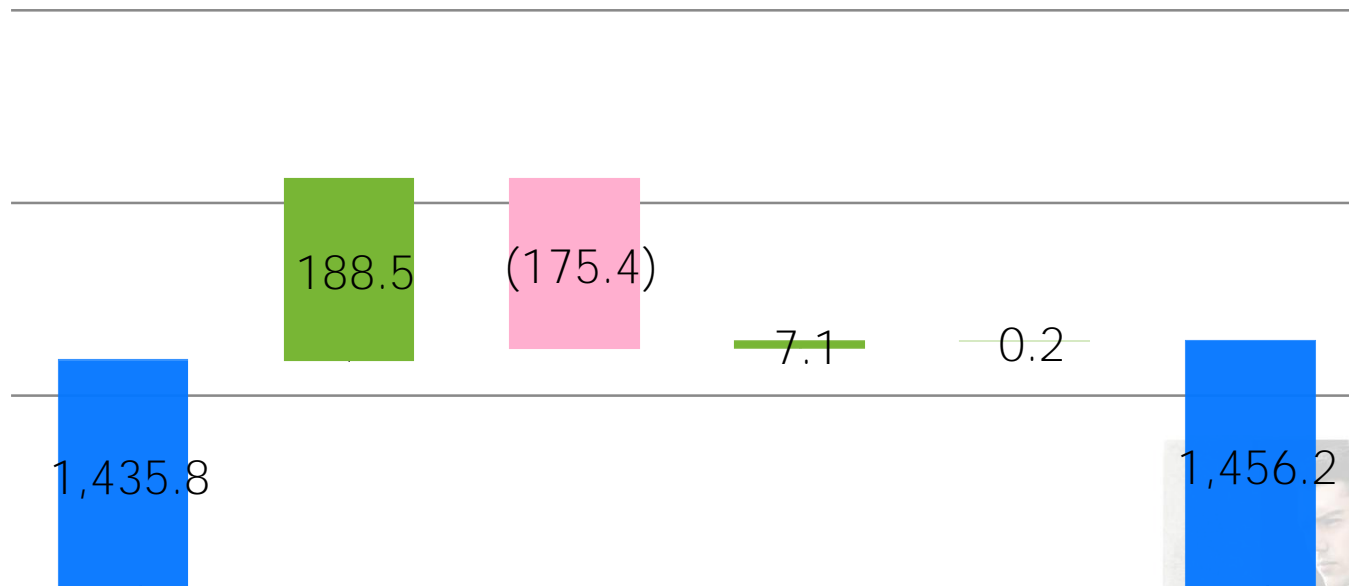


- Trade Payables Turnover Days

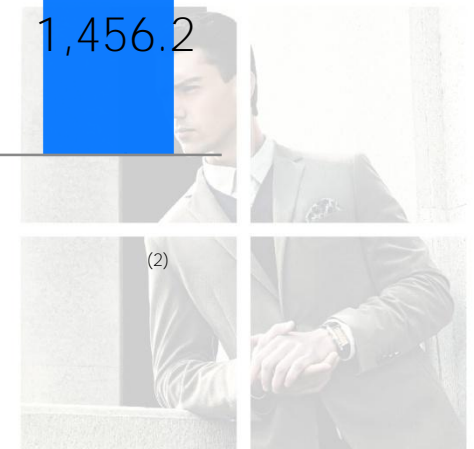


Cash Flow Statement

Cash and cash equivalents



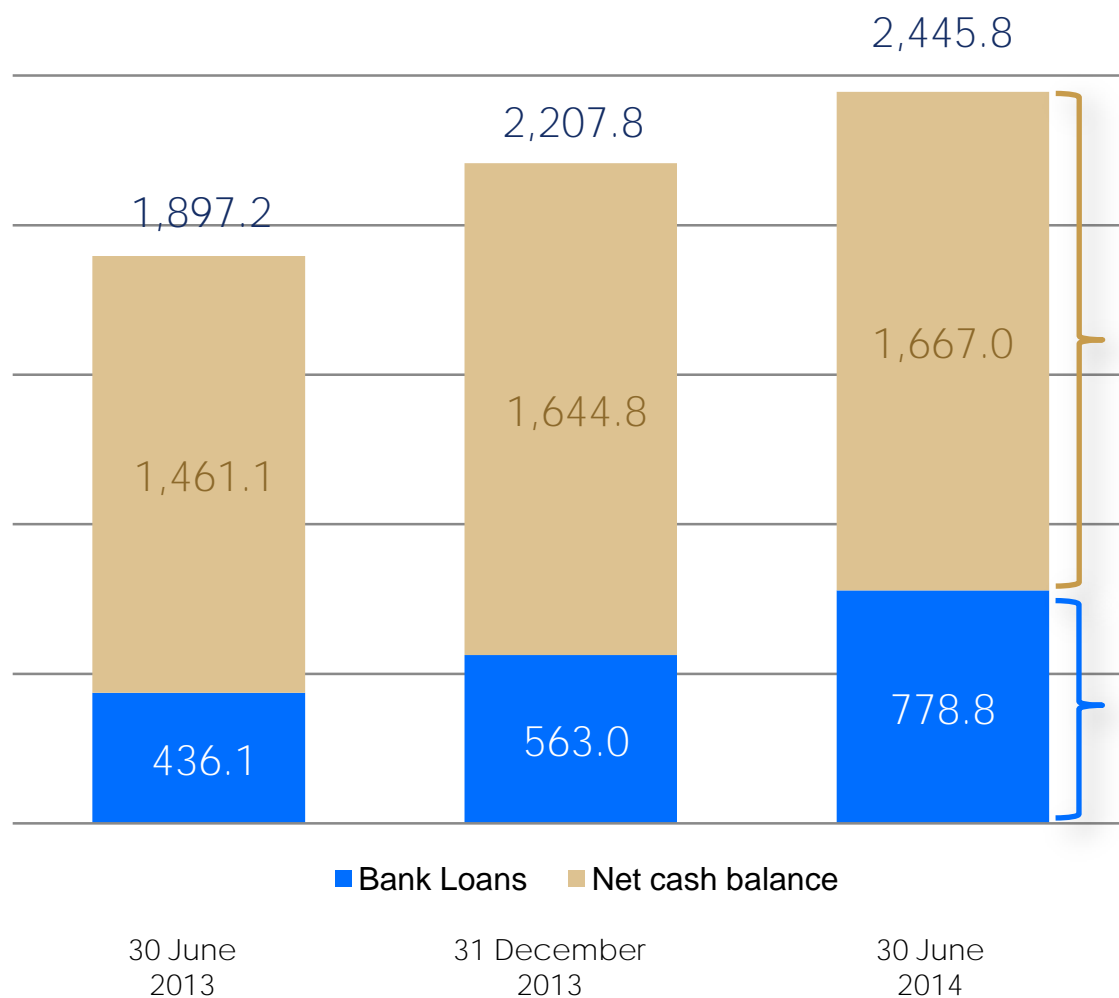
(1)



(2)

Healthy and Strong Cash Position

Total Cash and Bank Balance



Cash position remained healthy and strong:

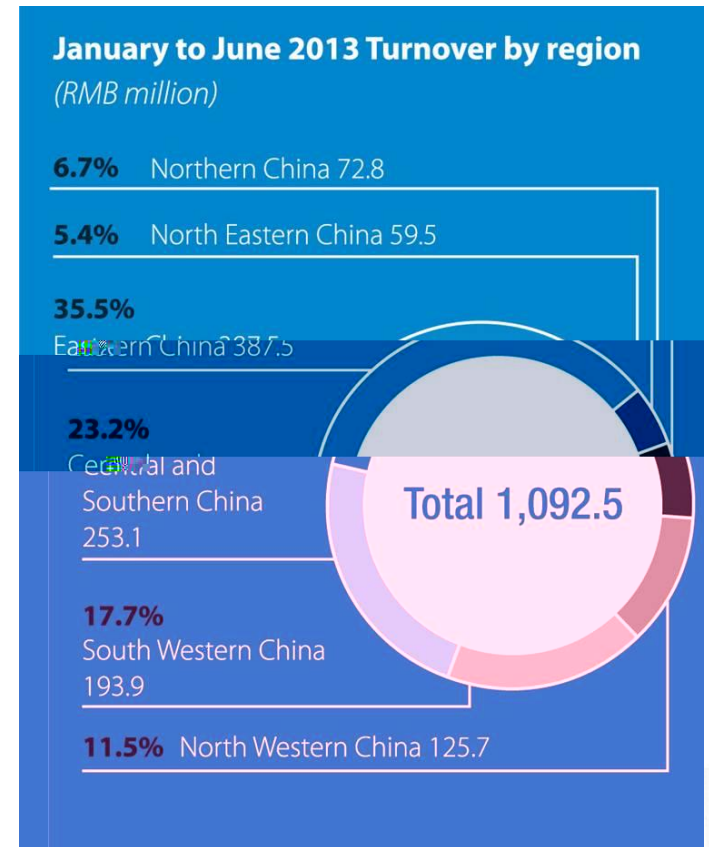
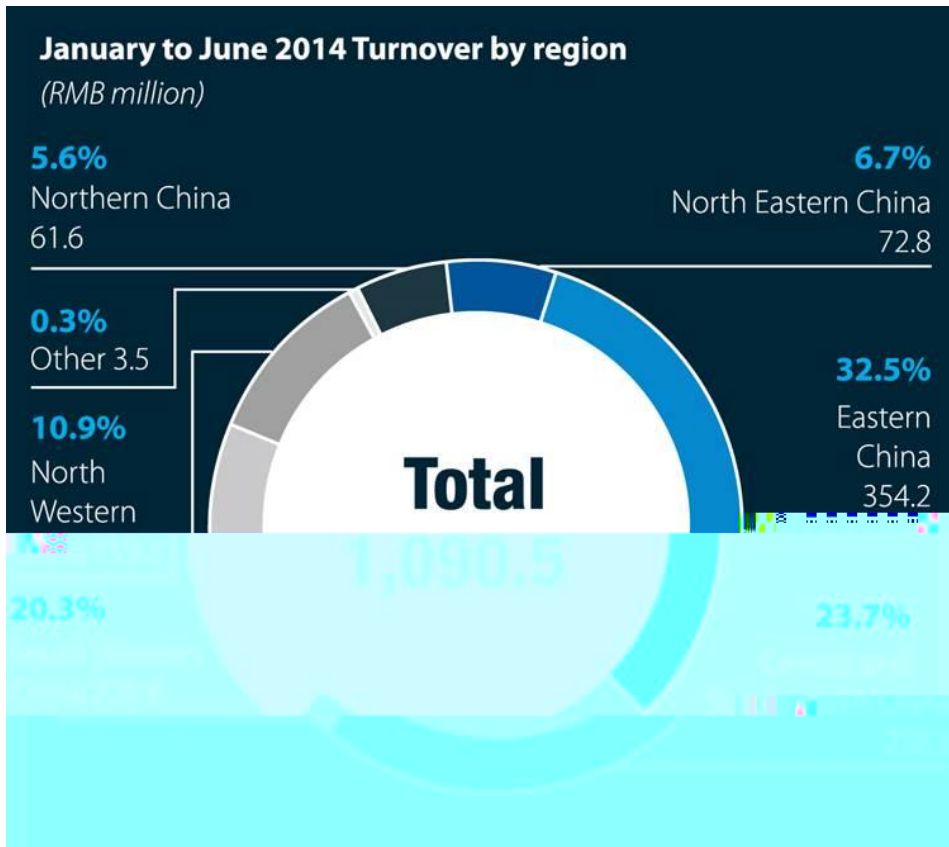


Fully secured by pledged bank deposits

Business



Nationwide Distribution Network



li o mi l mi ohn	2014 Jun 30	2014 Jan 1	Change

No. of stores renovated

- Current online sales market in China is still mainly focused on discount sales with relatively low profitability for the vendors
- Except for out-of-the-season products, Lilanz and L2 products and prices offered on the online sales platforms are the same as those in the brick-and-



Product Design and Development

Provide more diverse products to target consumers

LILANZ

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- and elements to the brand's
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L2

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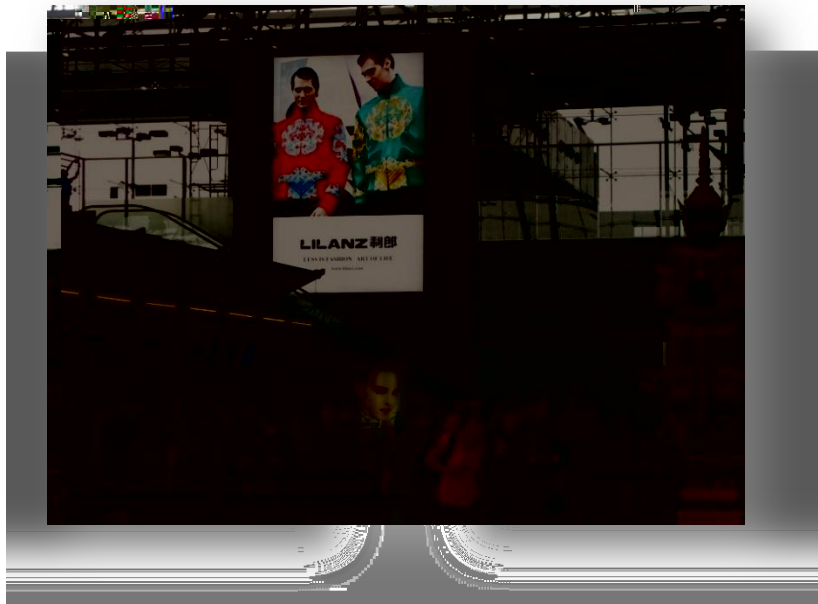
Enhance competitiveness



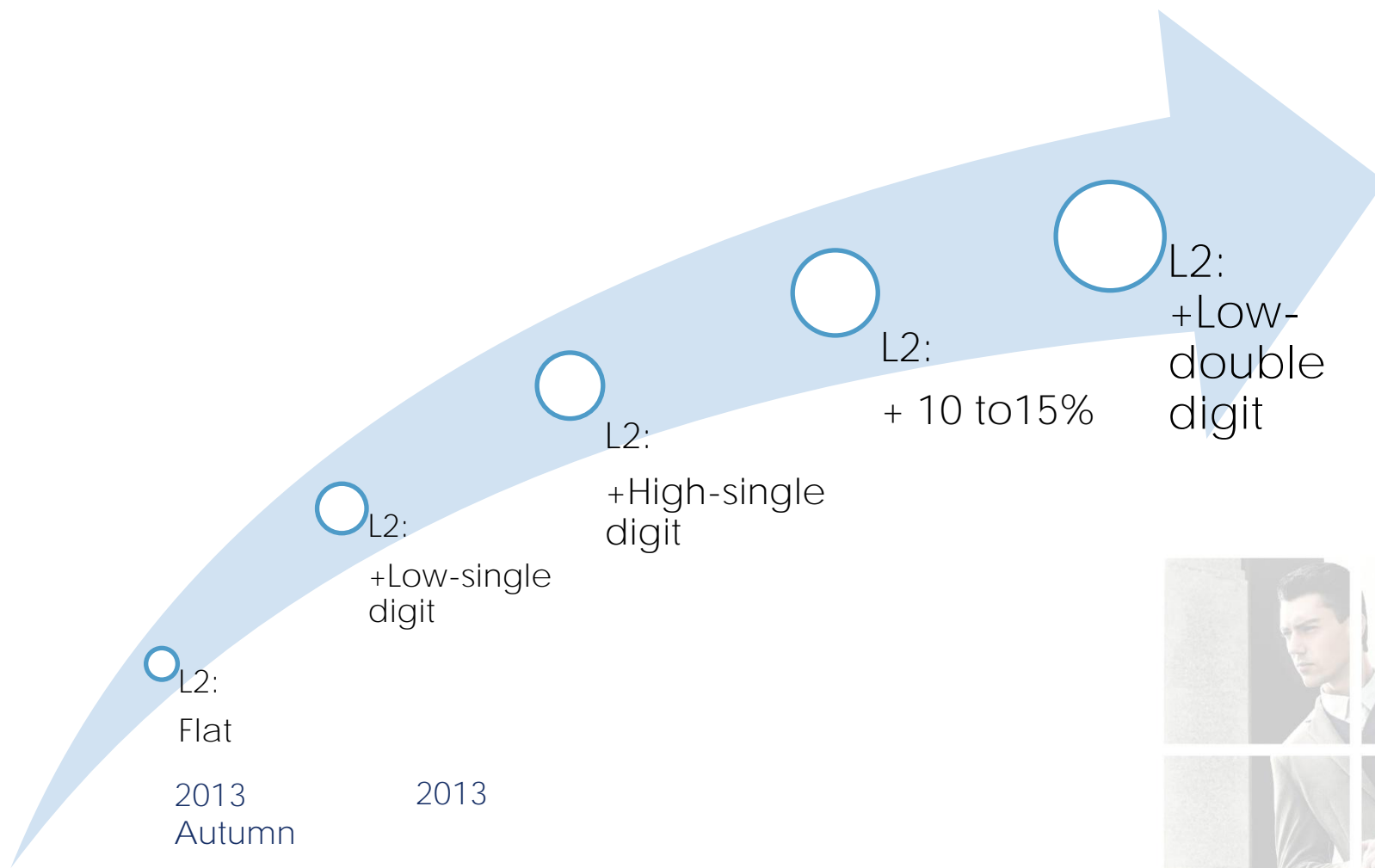
Marketing and Promotion



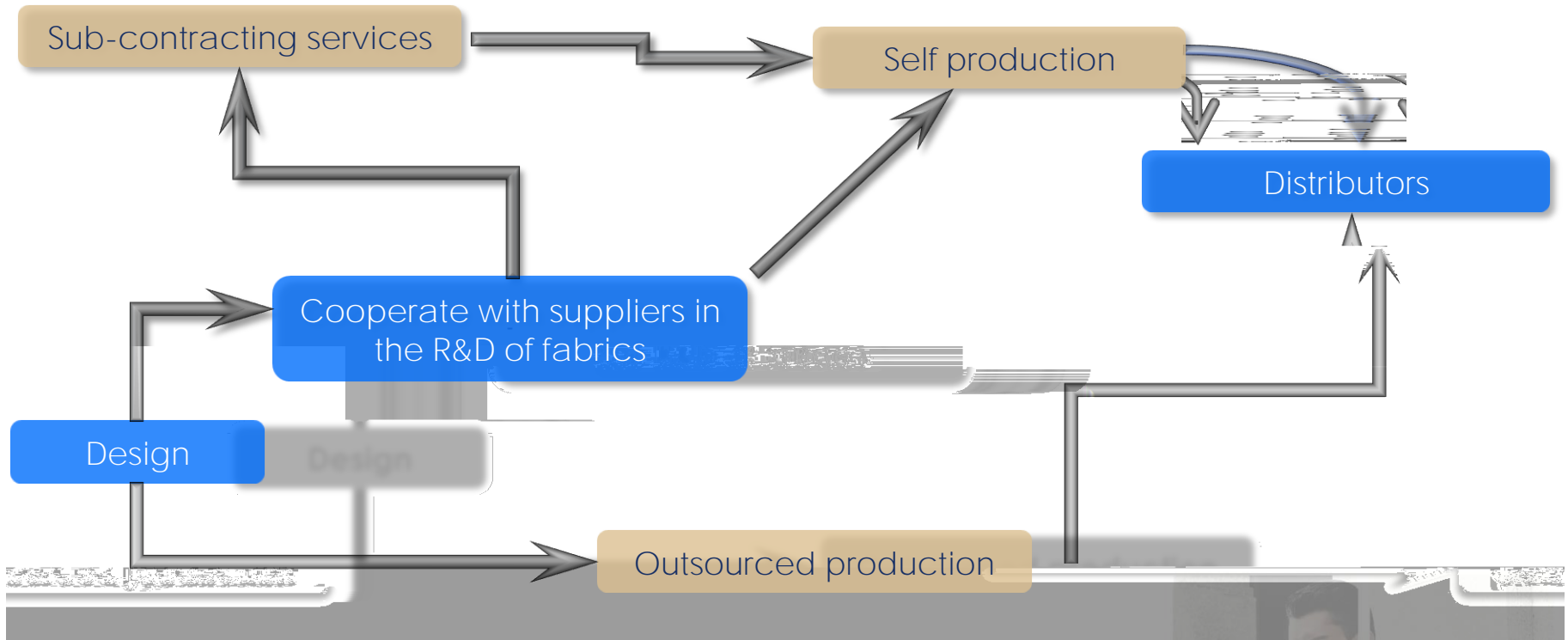
LILANZ



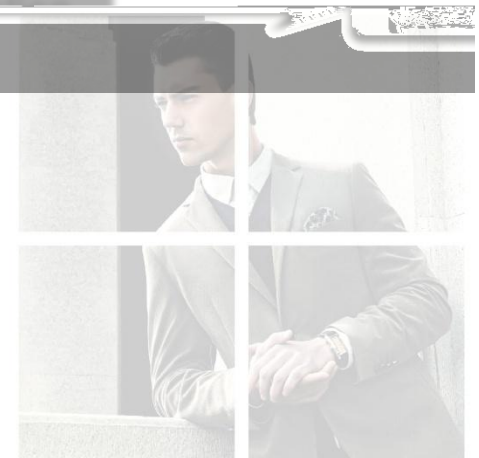
Trade Fair Results



Production and Supply Chain



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Prospect



Prudent and Flexible Operation Strategy

Enhance core competitiveness

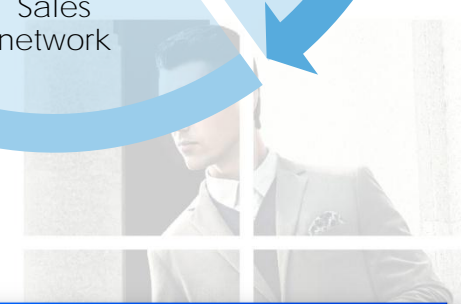
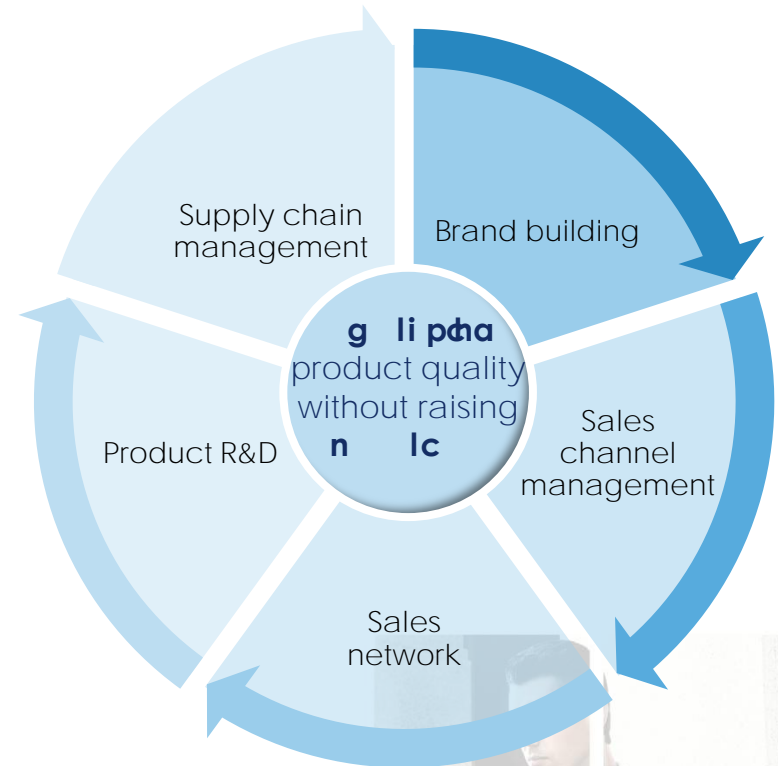
- **g li p ha li o n**
o f a s q a i o n l a t h a n l c
products' value for money

Increase market share

- industry's restructuring, further consolidate and

Realign retail network

- Continue to realign "LILANZ" stores of low
- Expand the "L2" retail network with a net
- "LILANZ"



We are cautiously optimistic about the prospects for the second half of the year, expecting continuous growth at 2015 Spring/Summer Trade Fair, and low-to-mid-single digit SSS growth

Open

