

# CHINA LILANG LIMITED 中國利郎有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1234)

LILANZ 利郎



## 2013 INTERIM RESULTS

# Disclaimer

“Company”)

Company’s

Company’s

# Agenda

**Financial Highlights**



**Business and Operational Review**



**Prospects and Strategies**



**Open Forum**

# Results Summary

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1. Turnover down by 13.2% year-on-year to RMB1,092.5 million
  2. Net profit decreased by 12.8% to RMB242.3 million
  3. Basic earnings per share is RMB20.2 cents, down by 12.9% year-on-year
  4. Gross margin increased 0.3 percentage point to 40.0%
  5. An interim dividend of 12 HK cents per share and a special interim dividend of 5 HK cents per share were proposed
  6. Turnover of **LILANZ** was RMB1,013.2 million, contributing 92.7% of the
  7. Turnover of **L2**
  8. Net cash amounted to RMB1.46 billion at 30 June 2013

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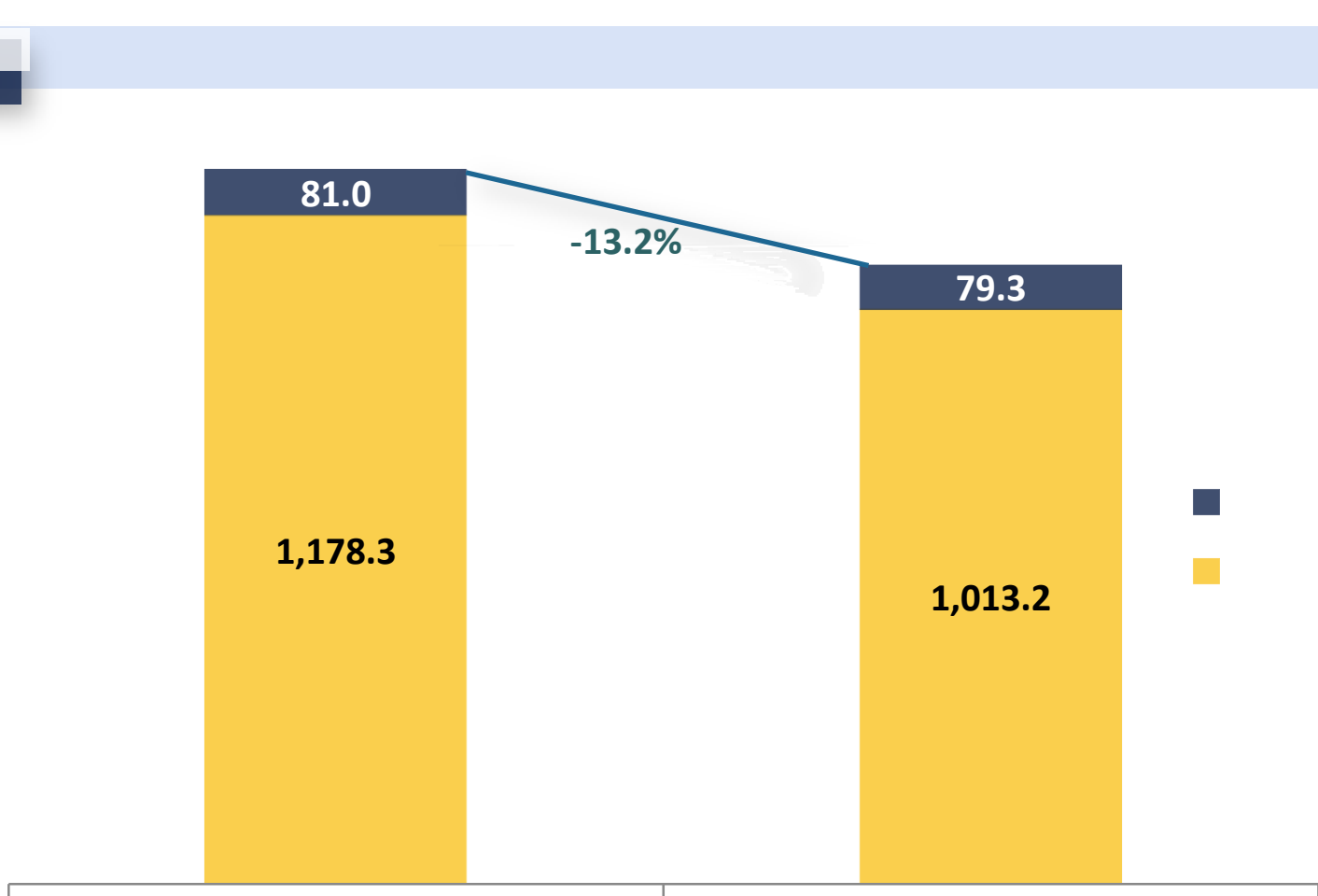


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# Financial Highlights

	2013		
Turnover	1,092.5		-13.2%
Gross profit	436.7		-12.6%
Profit from operations	275.0		-20.0%
Profit attributable to equity shareholders	242.3		-12.8%
Basic EPS	20.2		-12.9%
Dividend per share	12.0		-7.7%
	5.0		-16.7%
Profitability ratios			
	40.0		+0.3p.p.
	25.2		-2.1p.p.
	22.2		+0.1p.p.
Effective tax rate (%)	20.2		-5.4p.p.
A&P expenses	8.3		+2.4p.p.

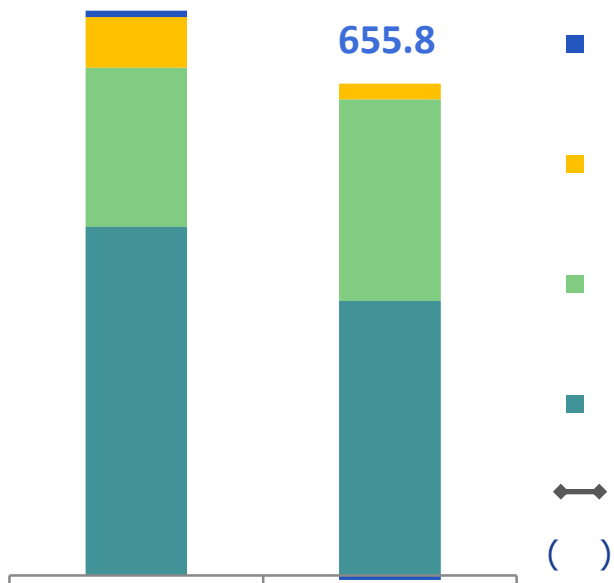
# Turnover Analysis



# Cost of Sales, and SD&A

759.9

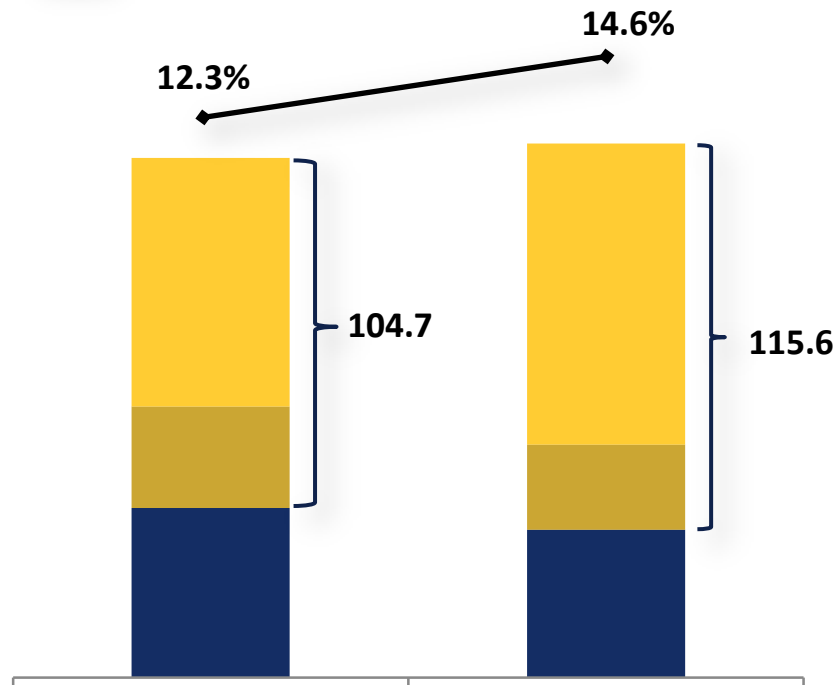
655.8



( )

12.3%

14.6%





# Working Capital Cycle

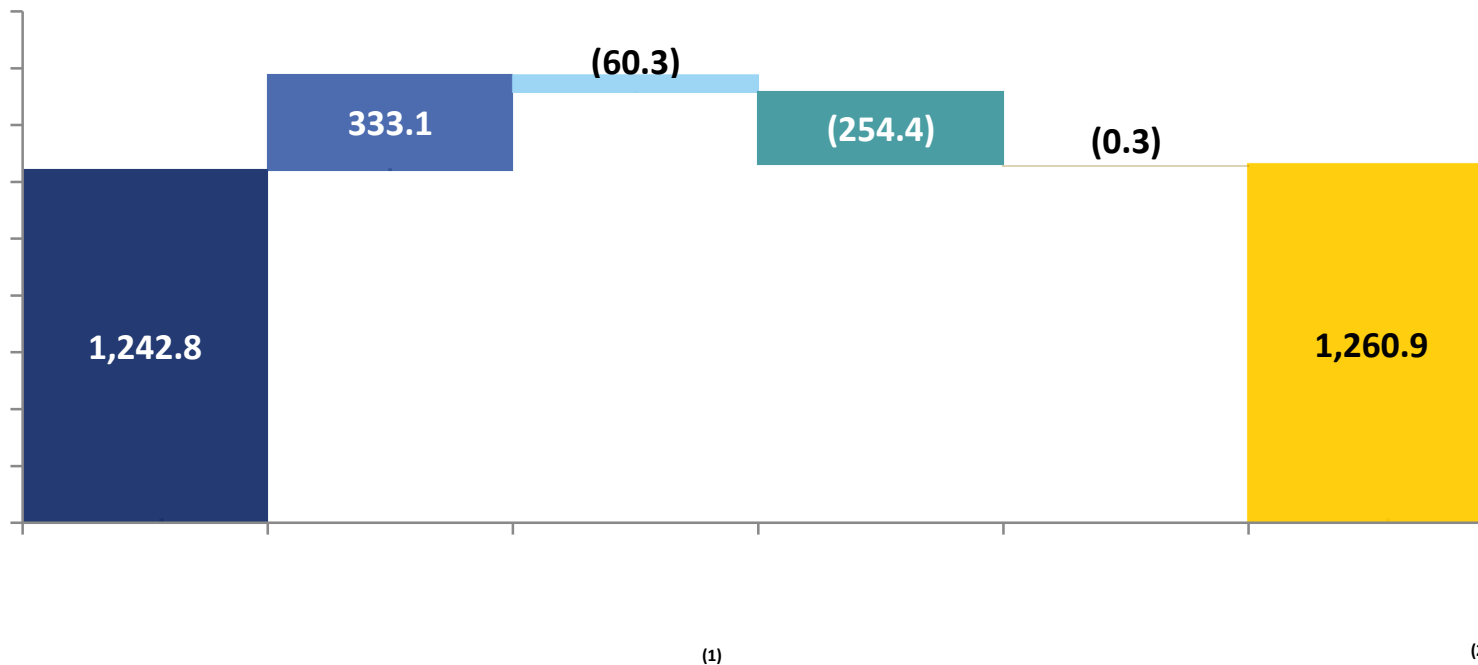


■ Average Trade Receivables Turnover <sup>(1)</sup>

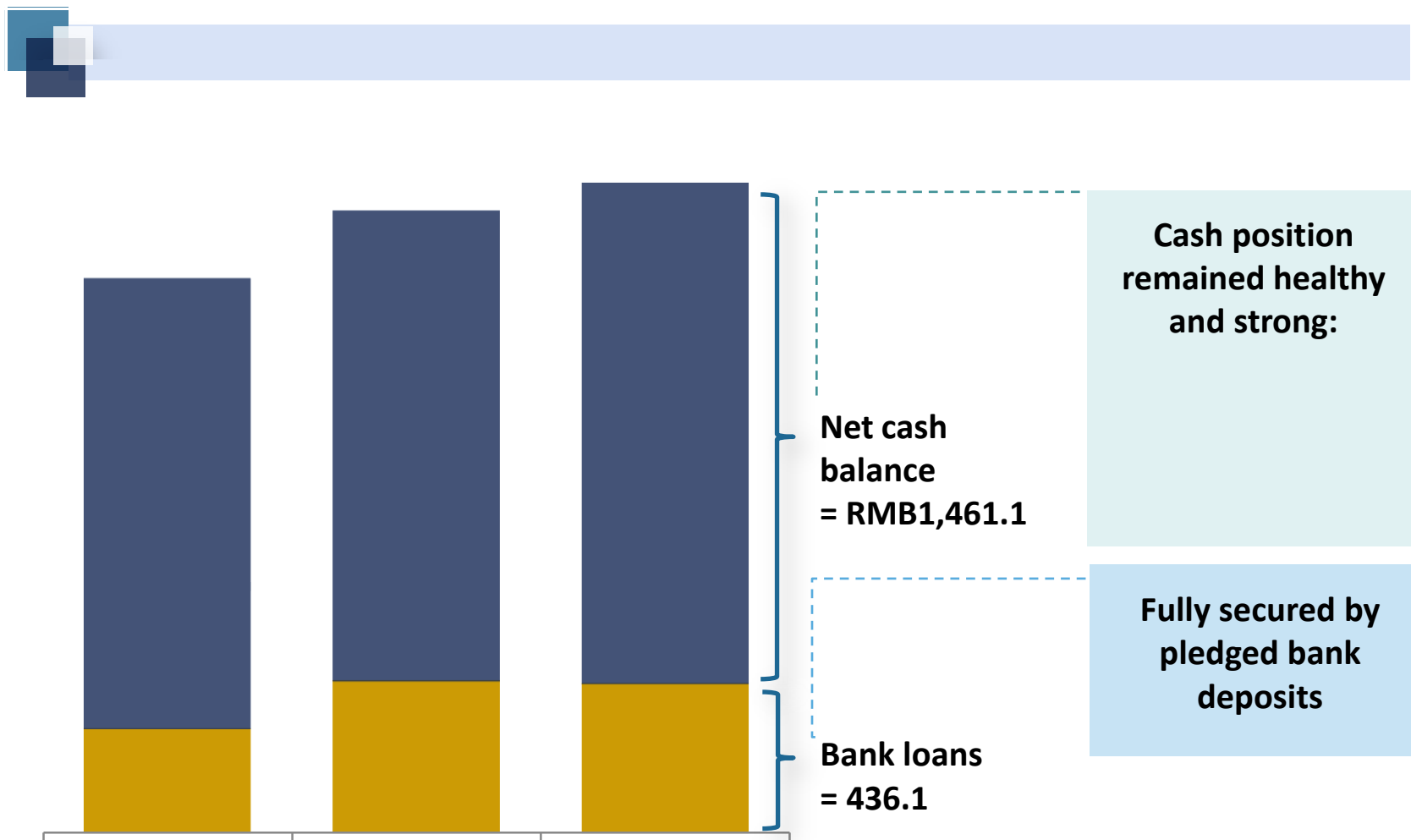
◆ Average Inventory Turnover

▲ Average Trade Payables Turnover

# Cash Flow Statement



# Healthy and Strong Cash Position





# Brand Marketing and Promotion



- for “LILANZ” undertaken since the latter half of 2012
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- Renovated approximately 300 “LILANZ” stores during the first half of 2013
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# Nationwide Distribution Network



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# Sales Channel Management

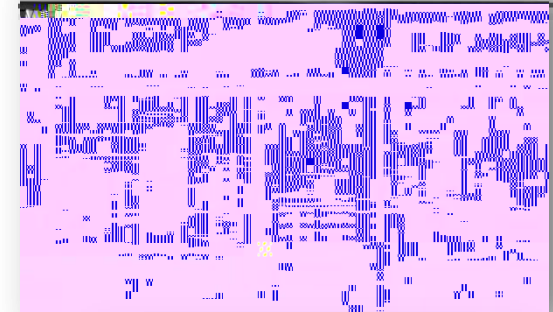
Regular monitoring of sales channels

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Elevating IT management skills and efficiency

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Utilizing front-line data to better address market needs

- Sales and inventory levels of all retail stores of “LILANZ” and “L2” are web
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# Product Design and Development

**Formed international R&D team for LILANZ, helps to strengthen the position as a trend-setter**

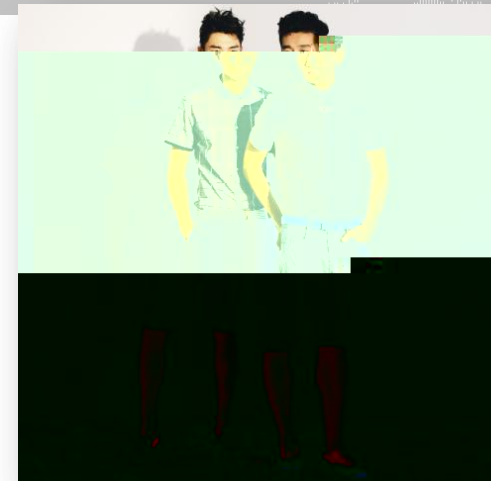
- Set up international R&D team for “LILANZ”
- international taste and elements to the brand’s

**Enhanced L2 growth capability with more focused product line structure**

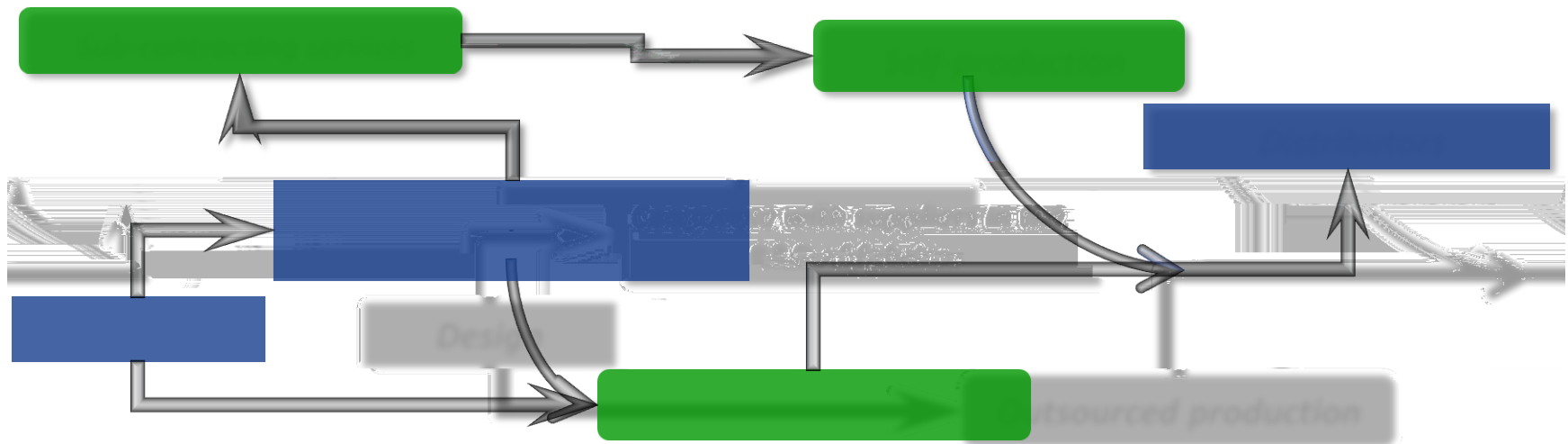
- Restructuring of “L2” product line largely completed.

**Closer cooperation with suppliers to enhance product design and cost efficiency**

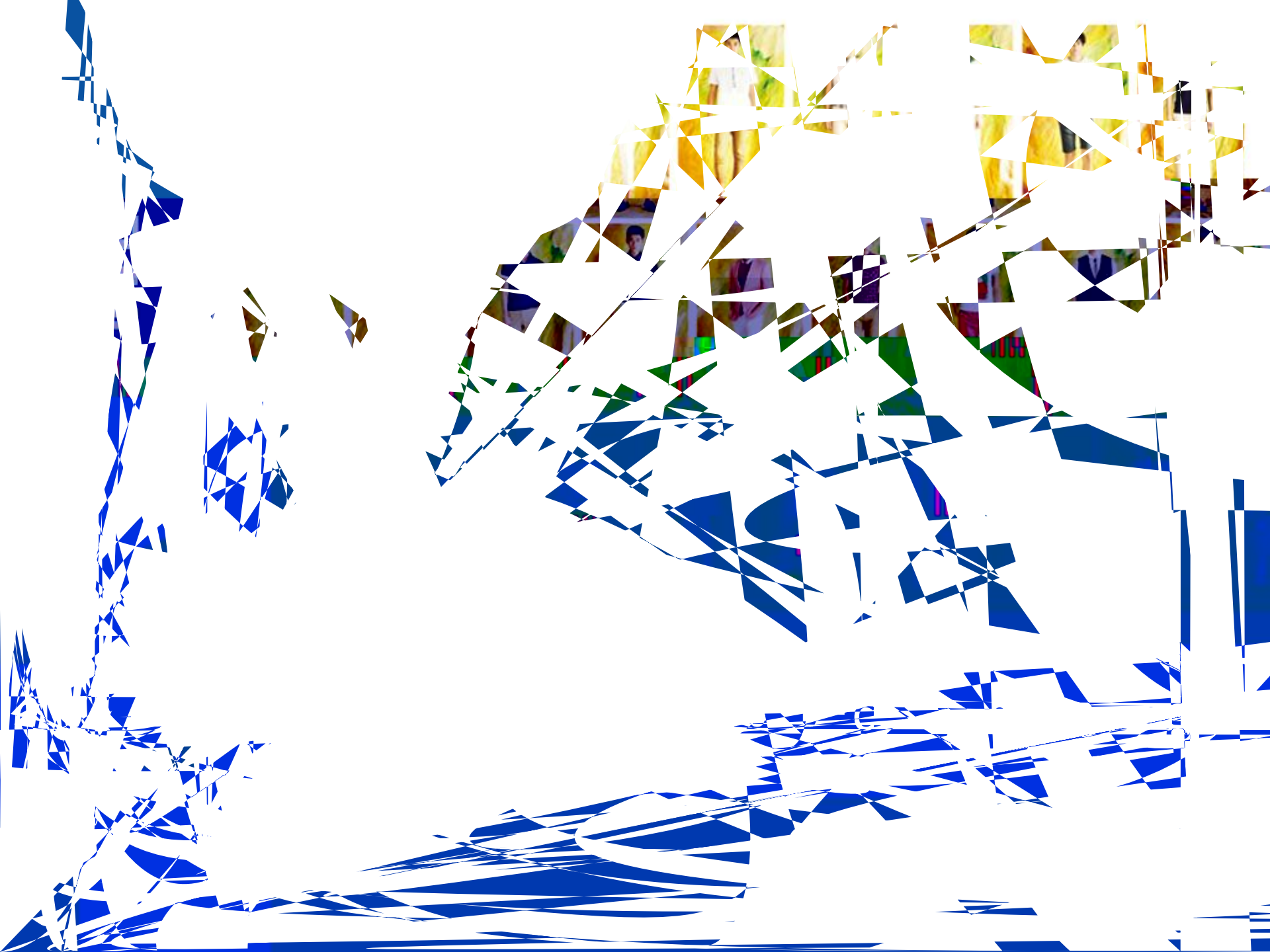
- staffers for “LILANZ” and a 35 strong team for “L2”
- enhance products’ value for money and maintain the



# Production and Supply Chain



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# Prospects and Strategies

Prudent and flexible operation strategy

Invest in product innovation and offer more value for money

Enhance retail management

Clear channel inventory

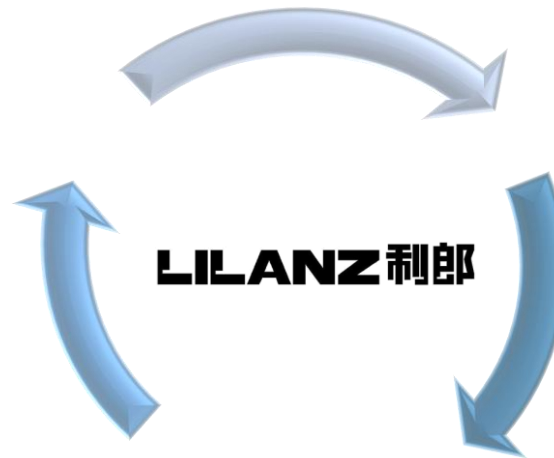
Maintain a proper pace for store opening

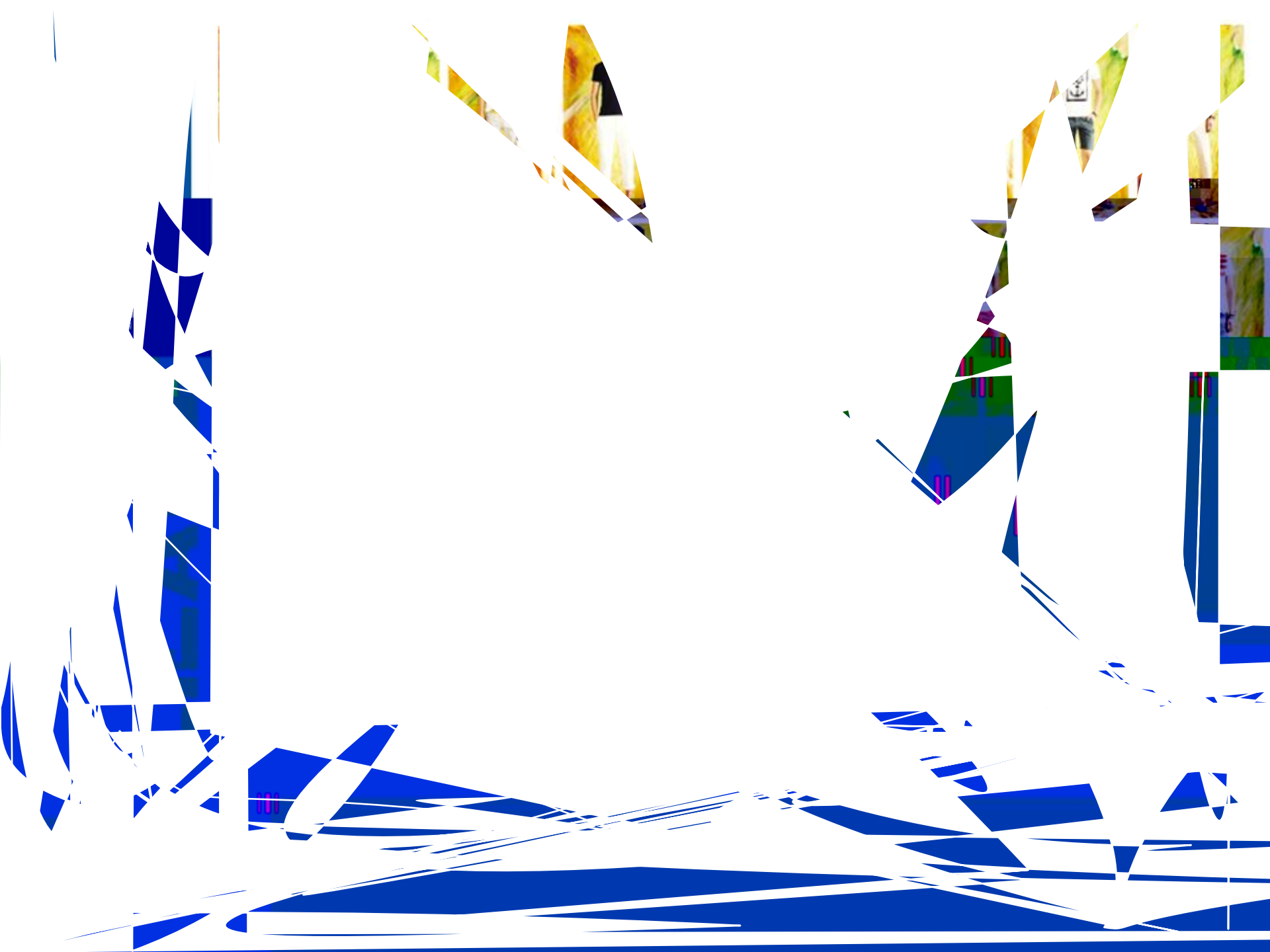
Upcoming trade fairs

“LILANZ”,

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“LILANZ”,





# Appendix Sales Fairs



	Order value	Delivery of order to start in
2013 Spring and Summer	-9%	January 2013
2013 Autumn	-26%	June 2013
2013 Winter	-16%	August 2013



	Order value	Delivery of order to start in
2013 Spring and Summer	+17%	January 2013
2013 Autumn	Flat	June 2013
2013 Winter	+ Low single-digit	August 2013