

LILANG 利郎

CHINA LILANG LIMITED  
中國利郎有限公司

Stock Code:1234

# Interim Results 2014



# Disclaimer

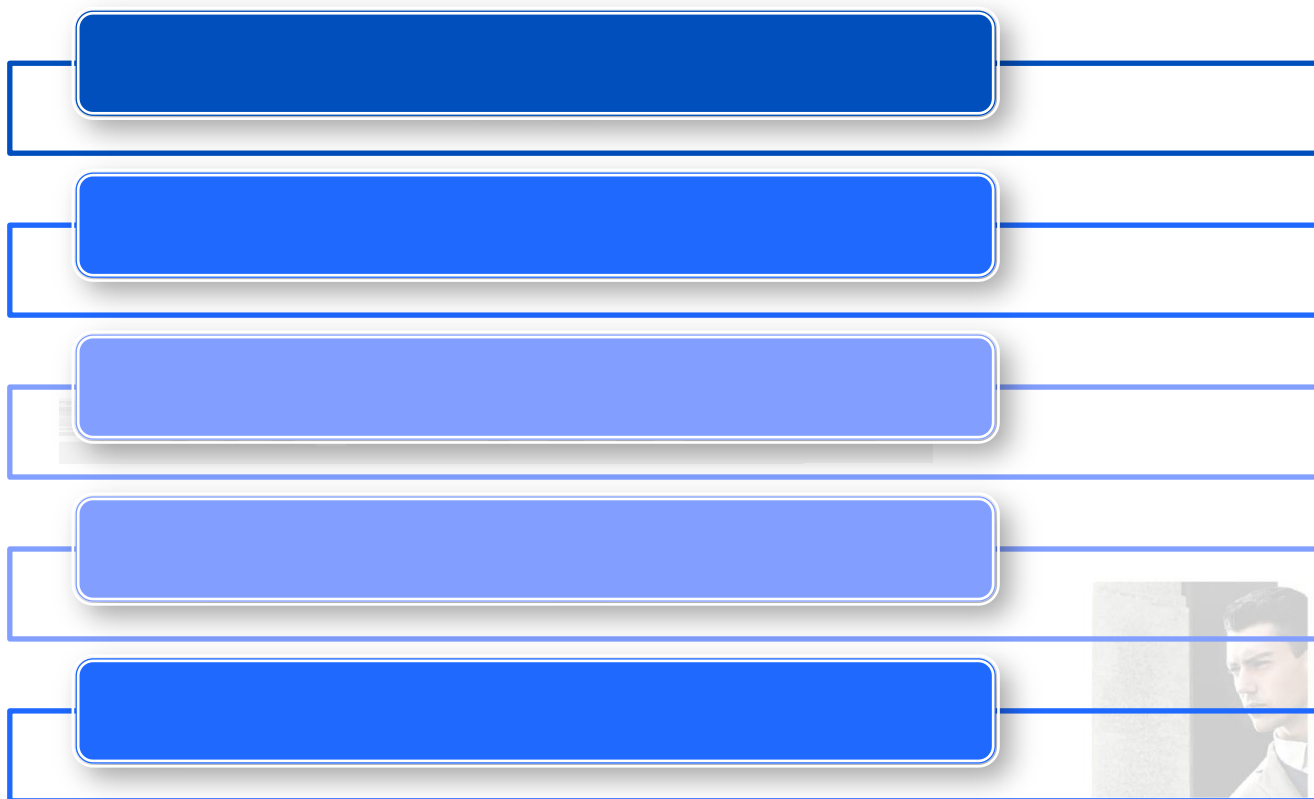
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# Agenda



# Interim Results

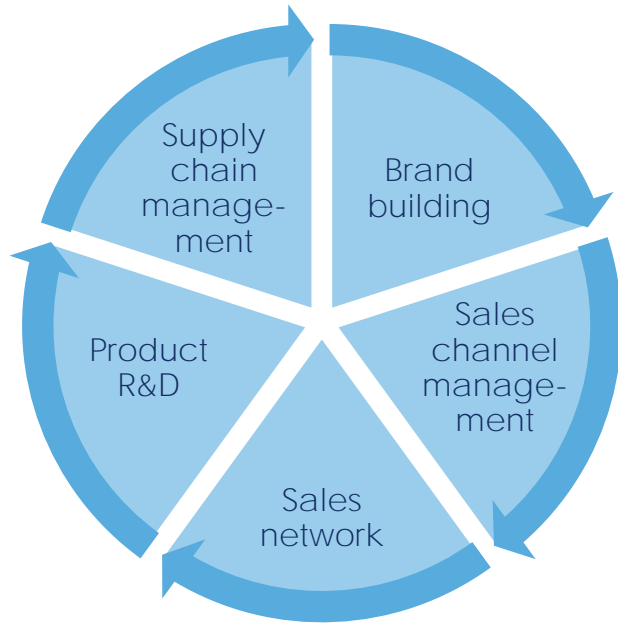


# Outperformed Other Industry Players

## PRC menswear industry showed no obvious improvement

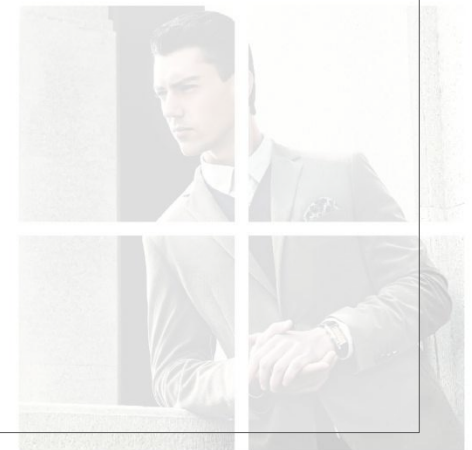
- Industry's aggressive retail discounts and store realignment continue
- Industry's issue of product homogeneity remains serious

## China Lilang outperformed other industry players



Highly independent  
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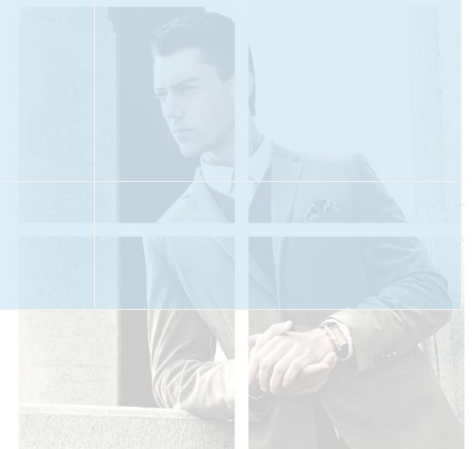
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# 2014 Interim Results Financial Highlights

**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		

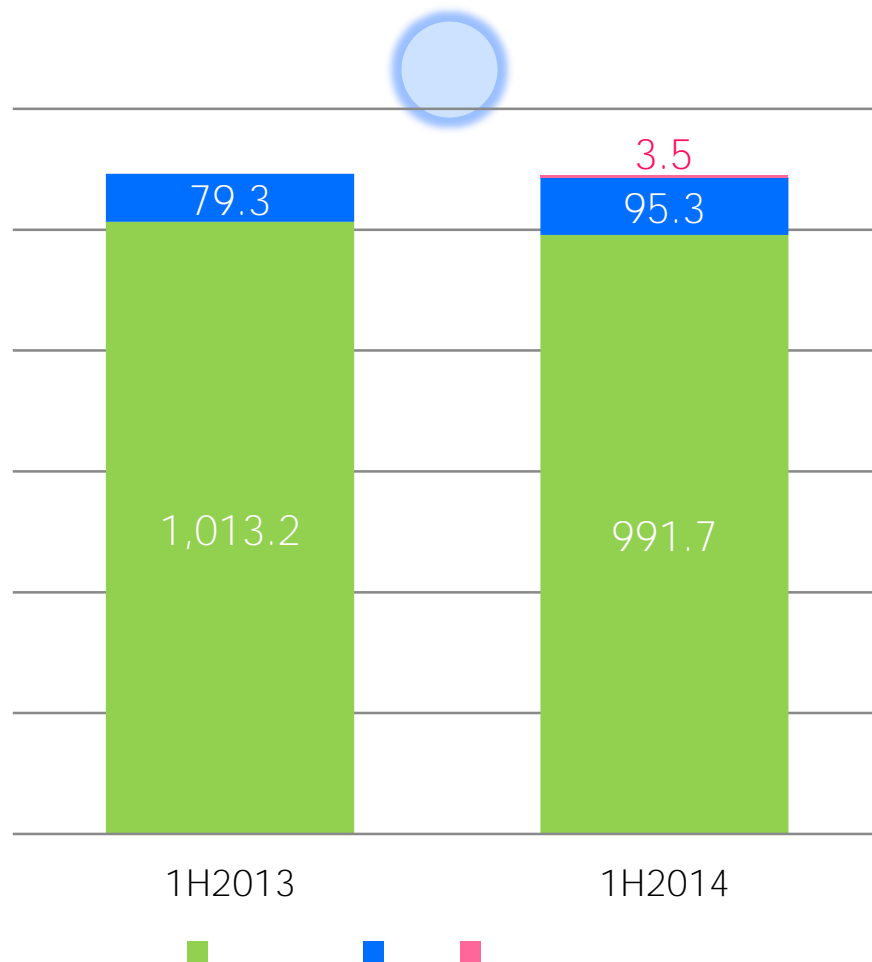


# Financial



# Turnover Analysis

Total Turnover  
& Turnover By Brand



Turnover change due to:

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

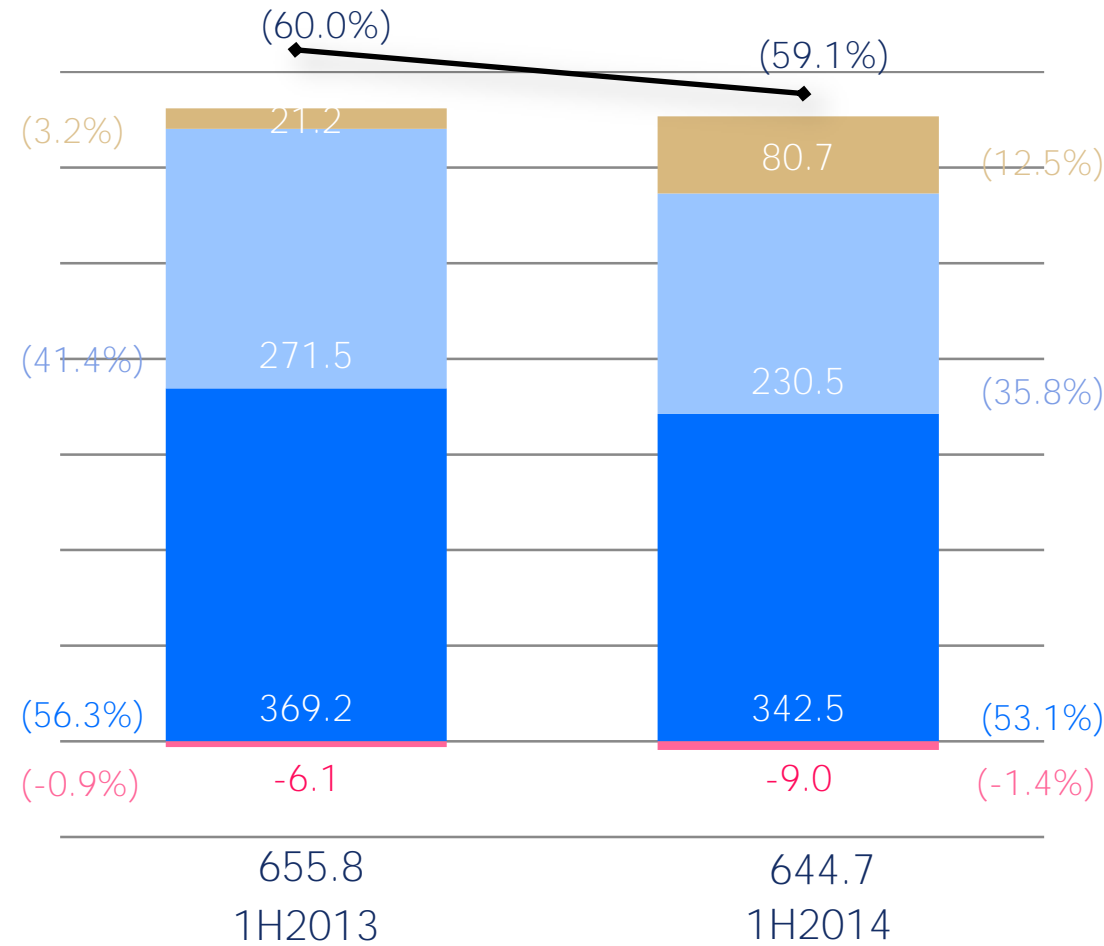
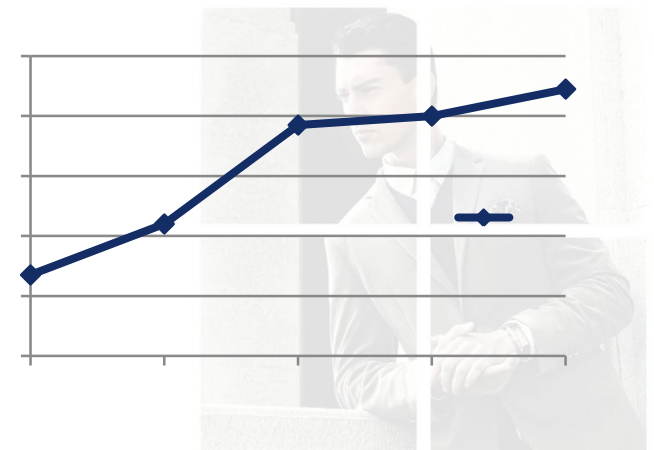
- LILANZ
  - L2
  - LILANZ, L2
- LILANZ L2



# Cost of goods sold

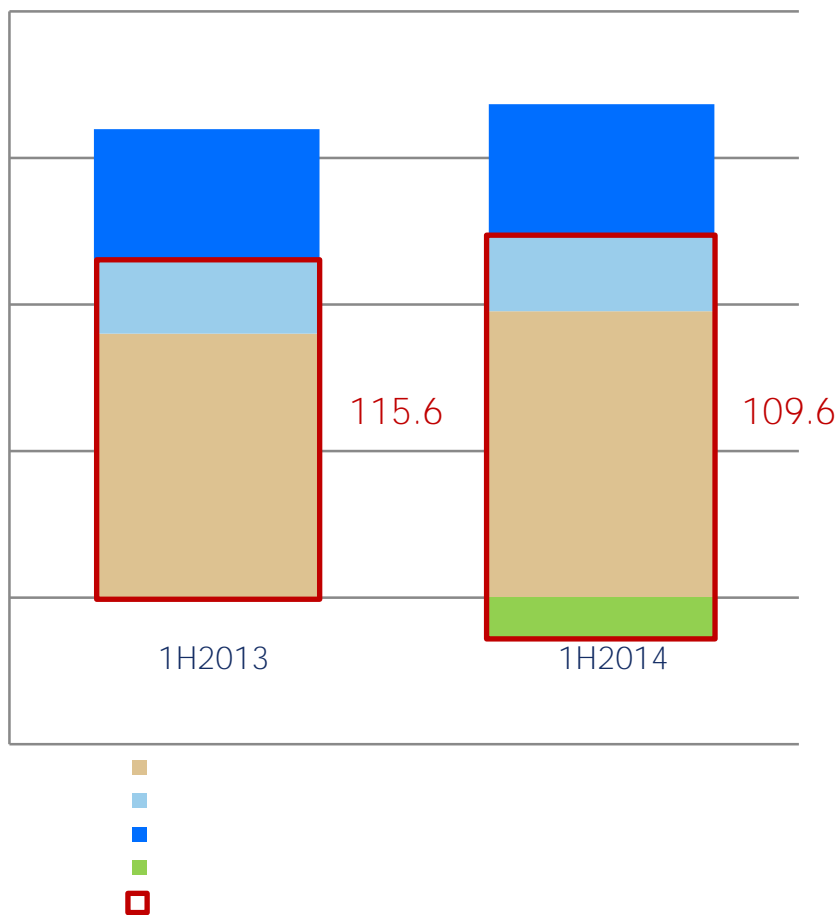
Gross profit margin increased by 0.9 p.p. to 40.9% from 40.0% for 1H2013, due to:

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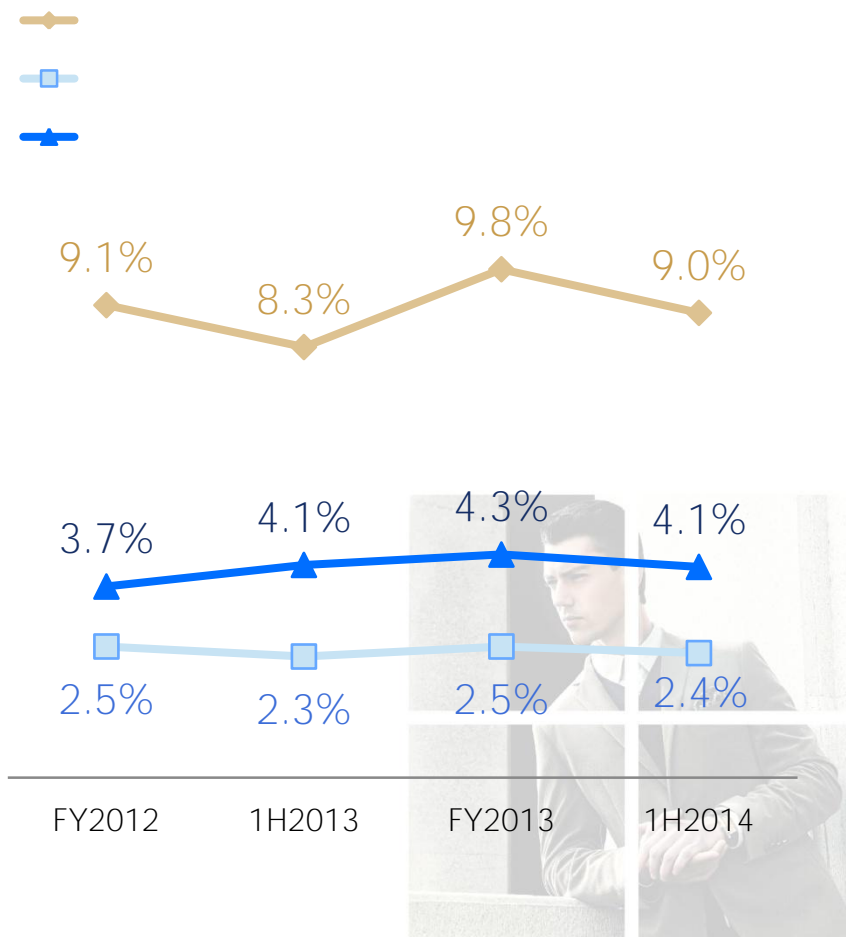


# SD&A Expenses

SD&A Expenses  
Total Amount

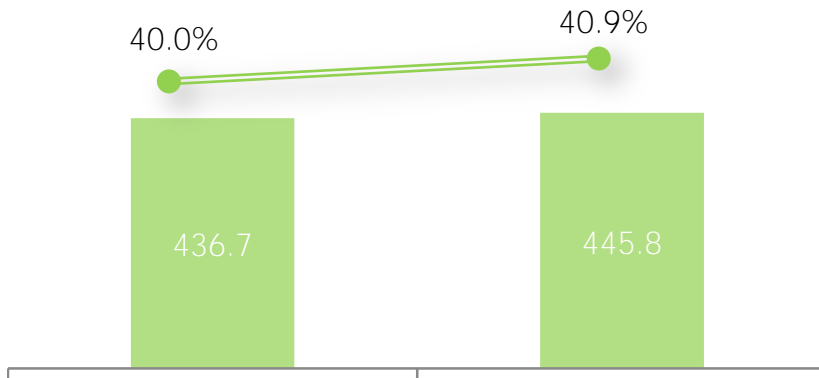


SD&A Expenses  
As % of Turnover

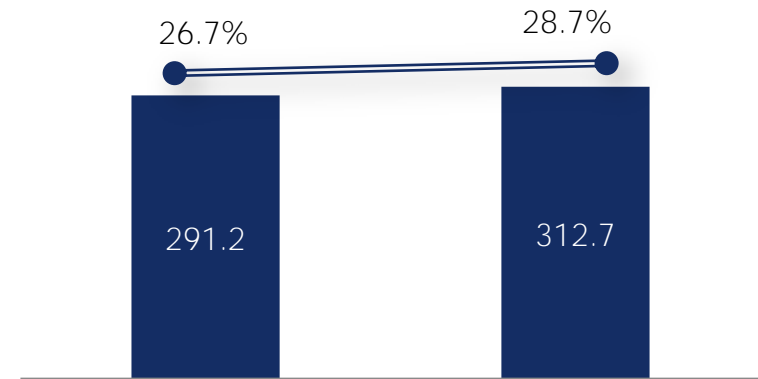


# Increased Profit and Margins

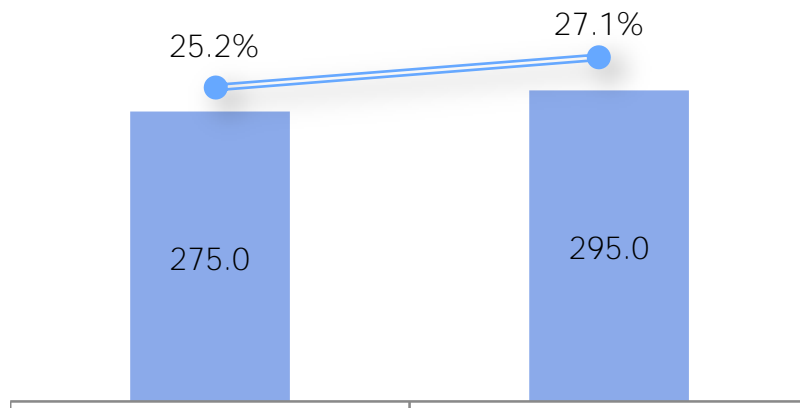
## Gross Profit & Gross Margin



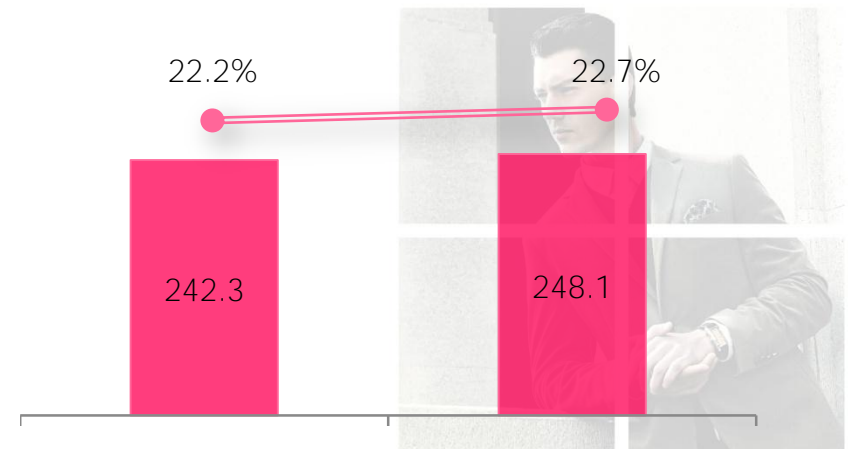
## EBITDA & EBITDA Margin



## Operating Profit & Operating Margin

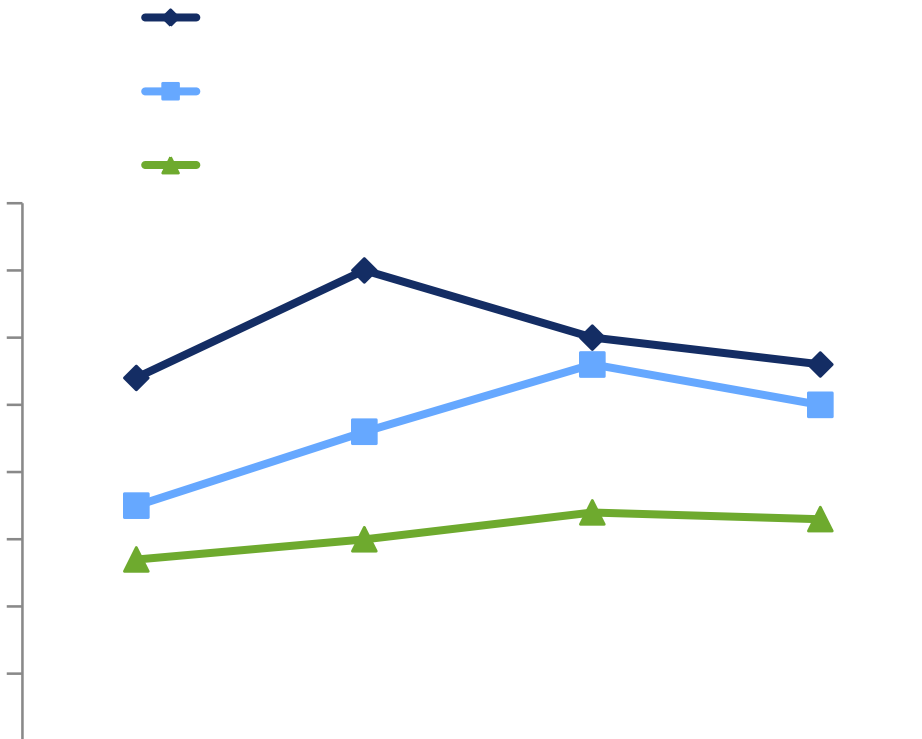


## Net Profit & Net Margin



# Working Capital Cycle

Turnover Days



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## Notes

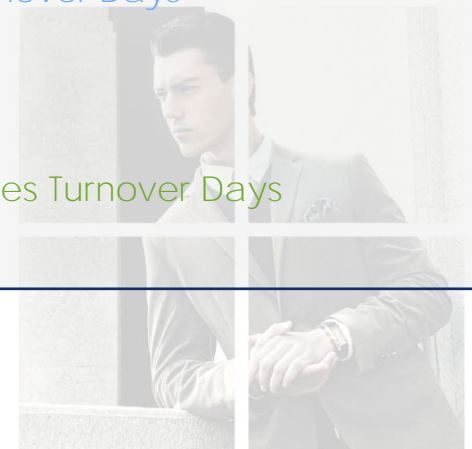
- Trade Receivables Turnover Days



- Inventory Turnover Days

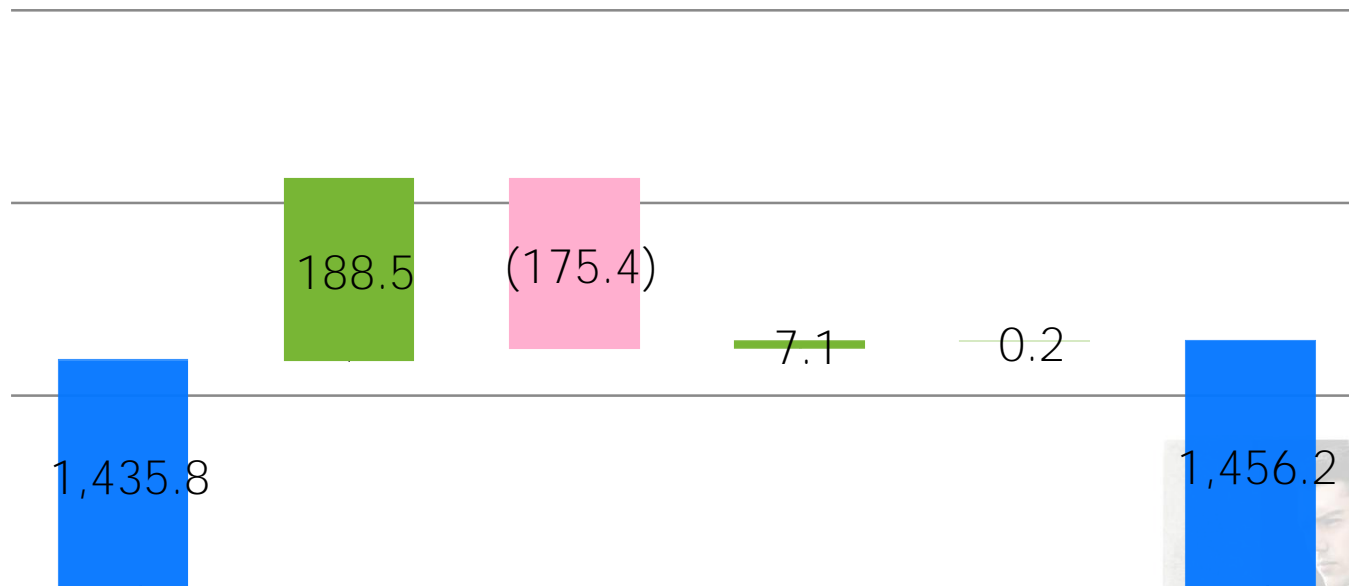


- Trade Payables Turnover Days

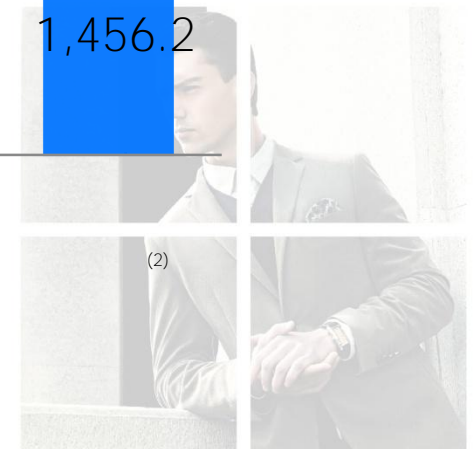


# Cash Flow Statement

## Cash and cash equivalents



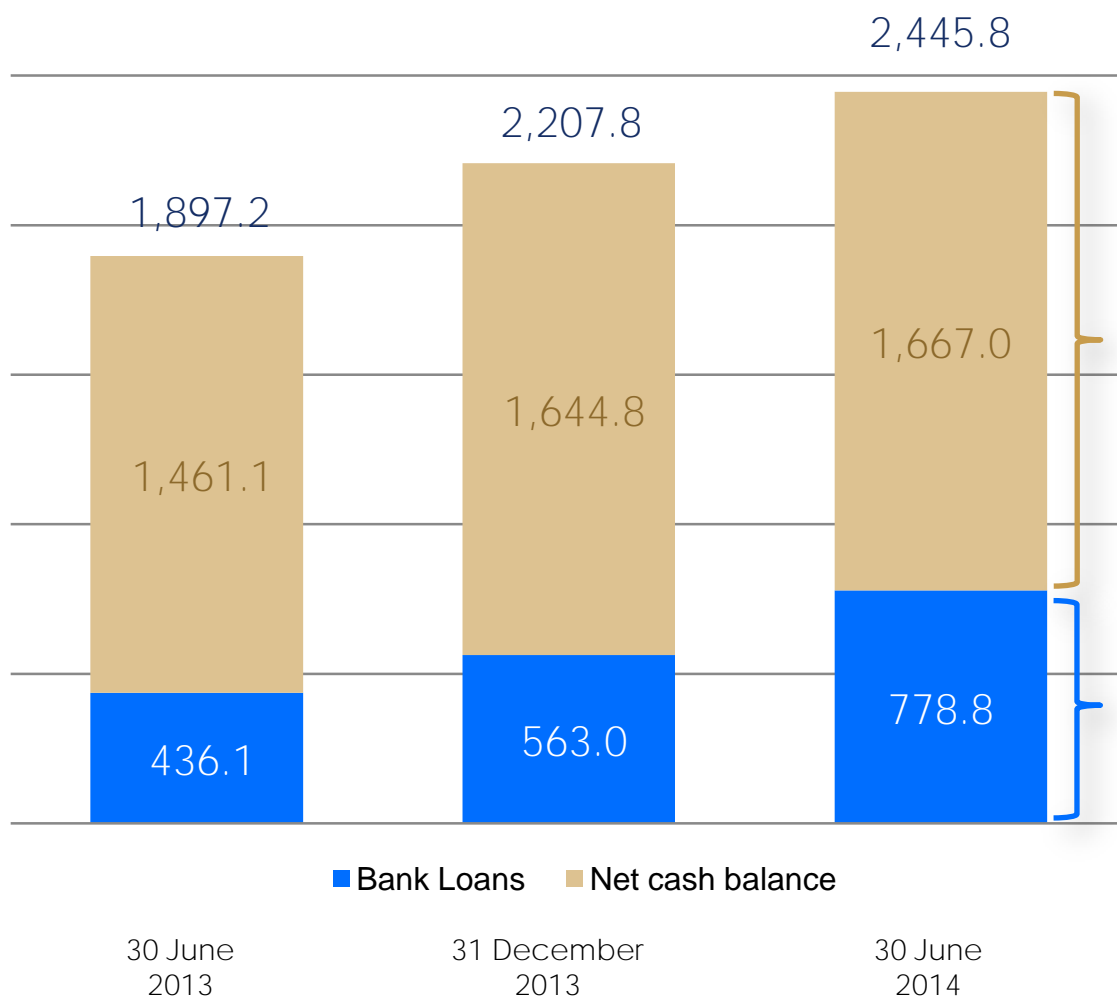
(1)



(2)

# Healthy and Strong Cash Position

## Total Cash and Bank Balance



Cash position remained healthy and strong:

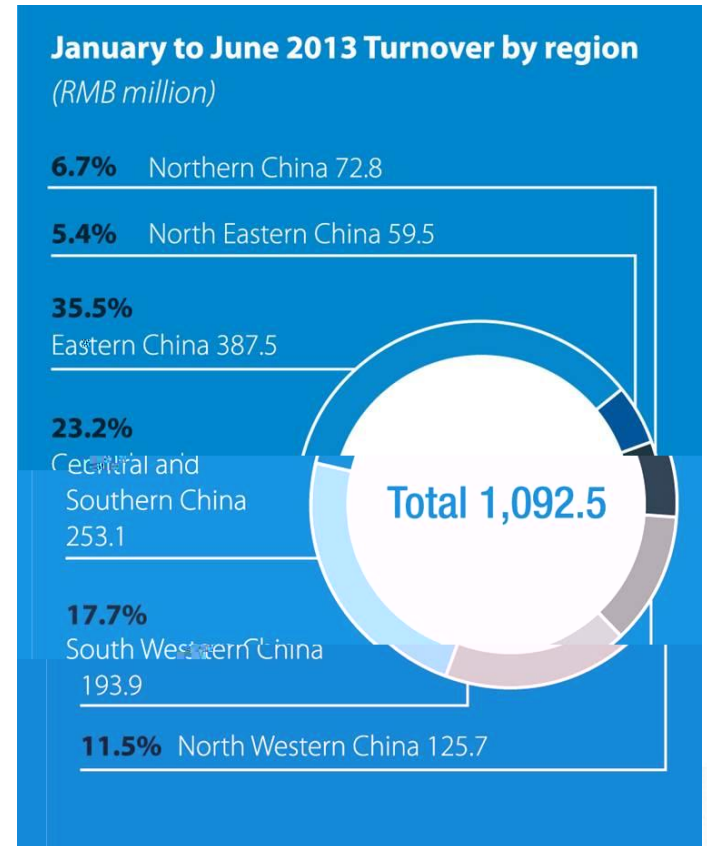
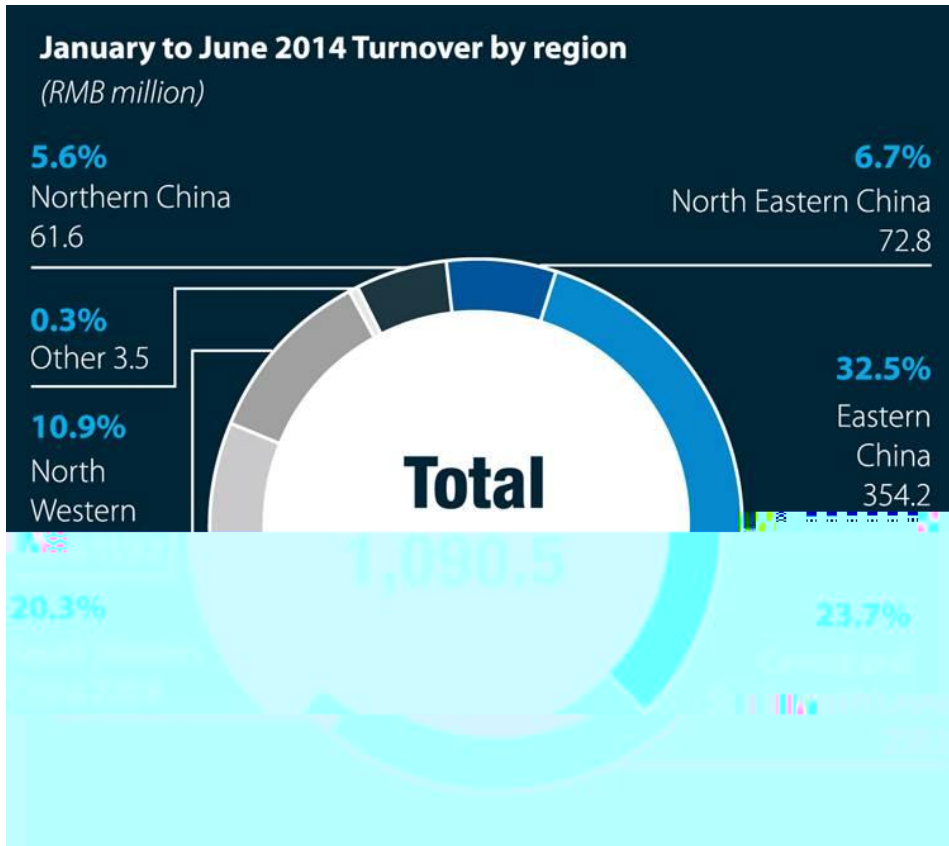


Fully secured by pledged bank deposits

# Business



# Nationwide Distribution Network



g l e h i d g h d c i	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
- 
- 

L2

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Enhance competitiveness

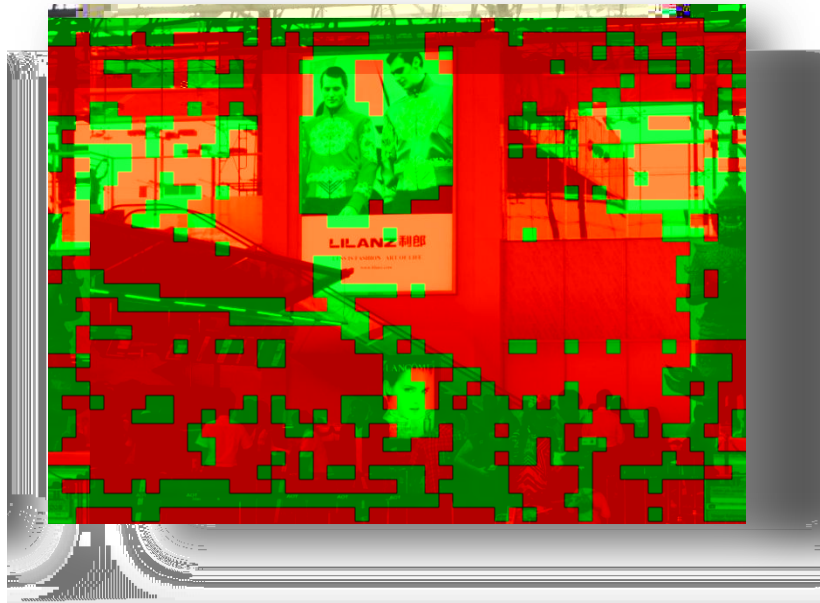


# Marketing and Promotion



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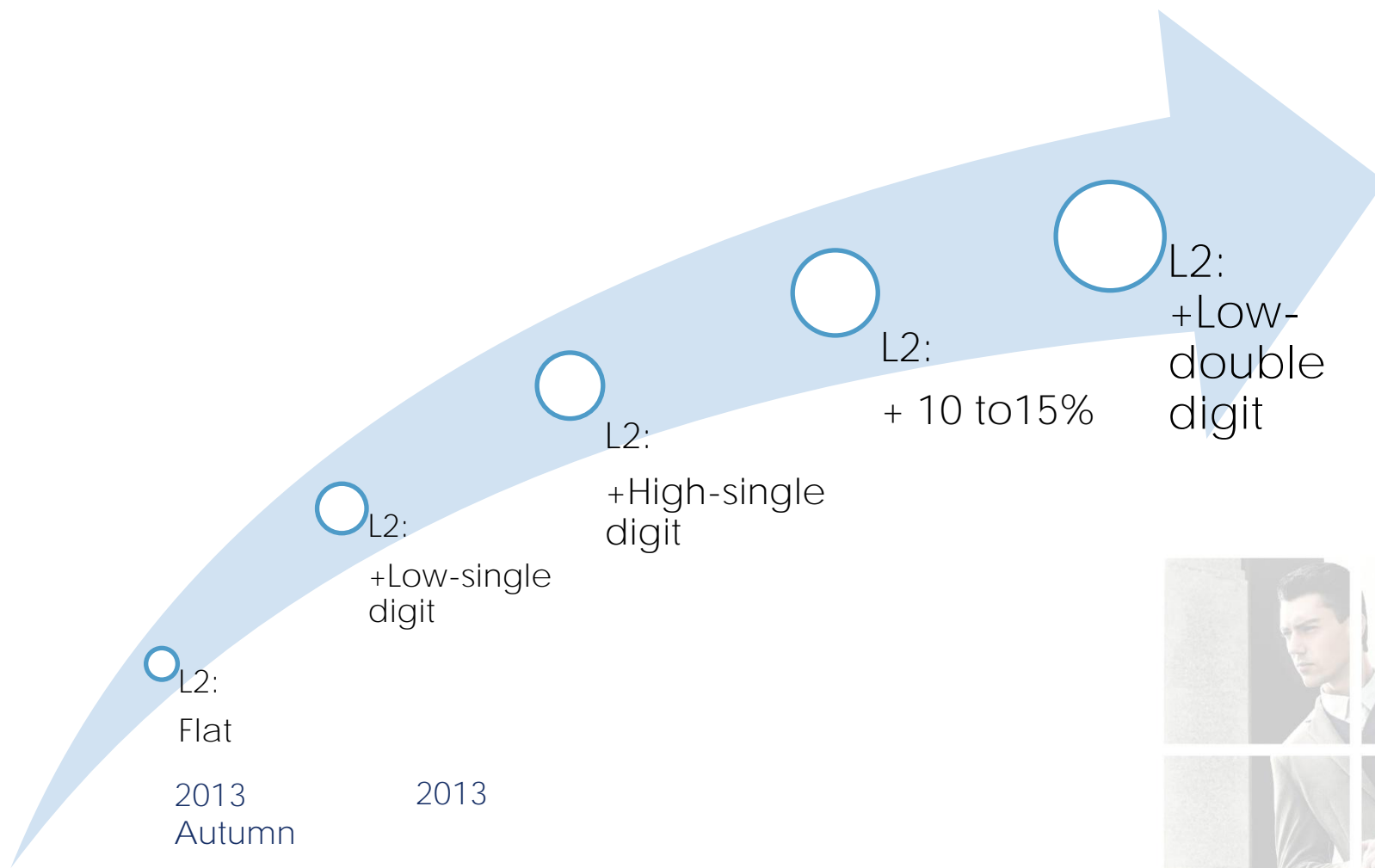
LILANZ



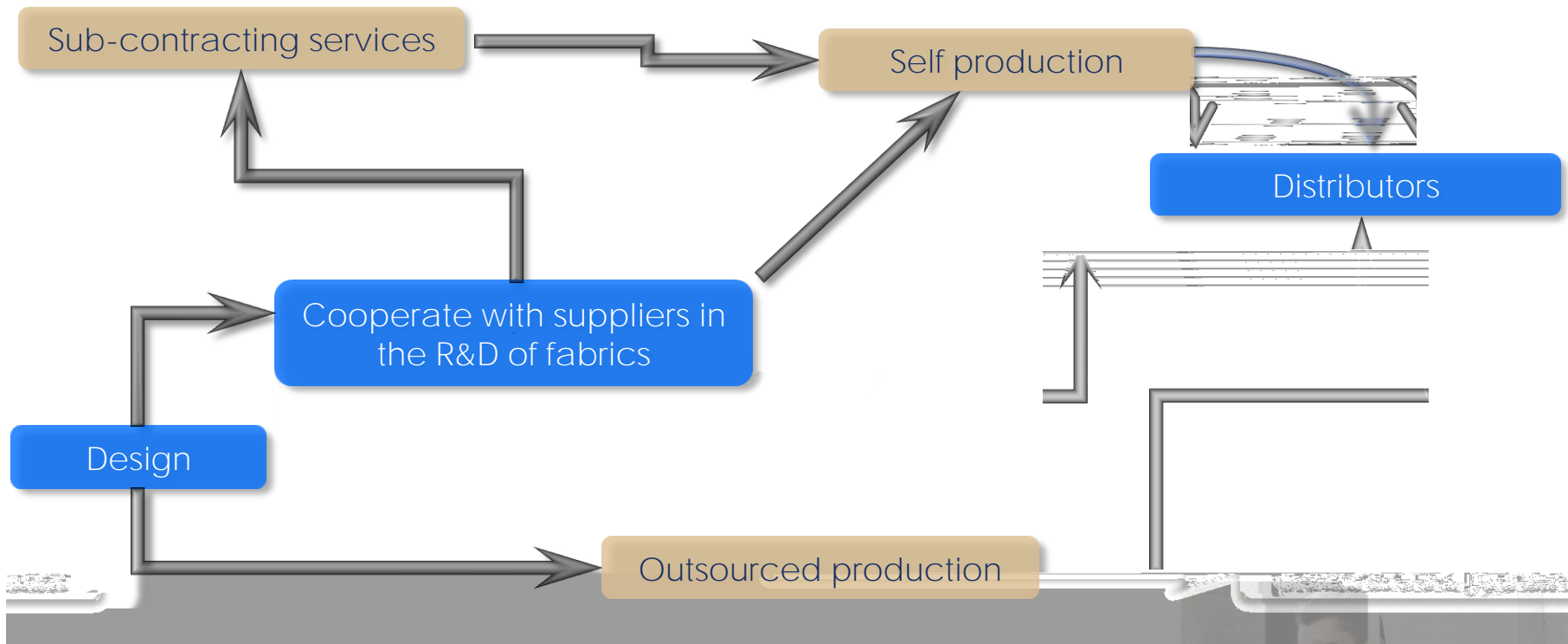
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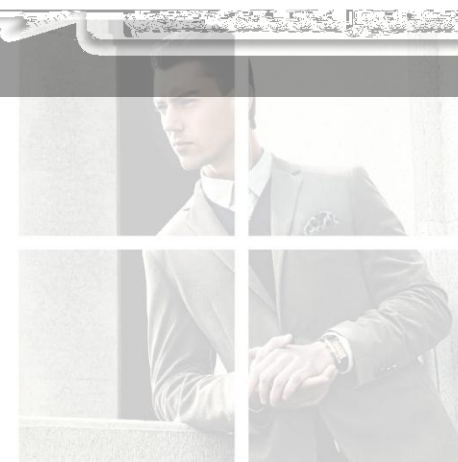
# Trade Fair Results



# Production and Supply Chain



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# Prospect



# Prudent and Flexible Operation Strategy

Enhance core competitiveness

- **Product quality** without raising prices

Increase market share

- **Product R&D** and **Supply chain management** to support 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

