

# LILANZ 利郎



## INTERIM RESULTS 2017 中期业绩

China Lilang  
Limited\_1234 HK

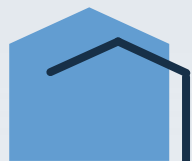
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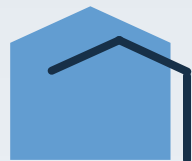
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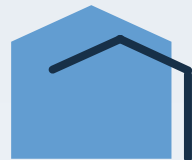
# AGENDA 议程



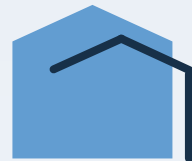
Results Highlights 业绩亮点



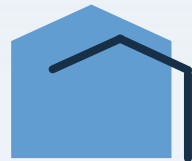
Financial Review 财务表现回顾



Business and Operational Review 业务及营运回顾



Outlook and Strategy 前景及策略



Open Forum 问答时间

**LILANZ 利郎**



**RESULTS HIGHLIGHTS**

业绩亮点

# STEADY PROGRESS WITH “IMPROVING PRODUCT QUALITY WITHOUT RAISING THE PRICE” STRATEGY 「提质不提价」策略下稳步进展

1

原创产品的比例进一步上升，LILANZ的产品定位更清晰，风格更突出，充份体现出与其他品牌的差异  
Proportion of original design products further increased: LILANZ products fully differentiated from other brands with clearer positioning and prominent designs

2

以轻商务系列(\*)发展一、二线市场，进度良好，推出后受到消费者的欢迎  
Satisfactory progress in the development of the 1<sup>st</sup> and 2<sup>nd</sup> tier markets with smart casual collection, products well received by consumers

3

继续加强零售渠道的管理，提升渠道经营效率，保持渠道健康，零售门店录得中单位数的同店销售增长  
Continued to enhance retail channel management, channel operating efficiency improved and channel in healthy state with mid-single digital same-store sales growth

4

收入为人民币1,022.3百万元，净利润为人民币270.6百万元，利润比率有所上升  
Revenue was RMB1,022.3 mn, net profit was RMB270.6 mn, profit margins improved

5

财政健康，现金流充足，保持高派息比率 — 中期股息每股13港仙及特别中期股息每股5港仙  
Financially healthy and sufficient cash flows to support high dividend payout ratio – interim dividend HK13 cents per share and special interim dividend HK5 cents per share

( \* 即休闲时尚系列 )

**LILANZ 利郎**



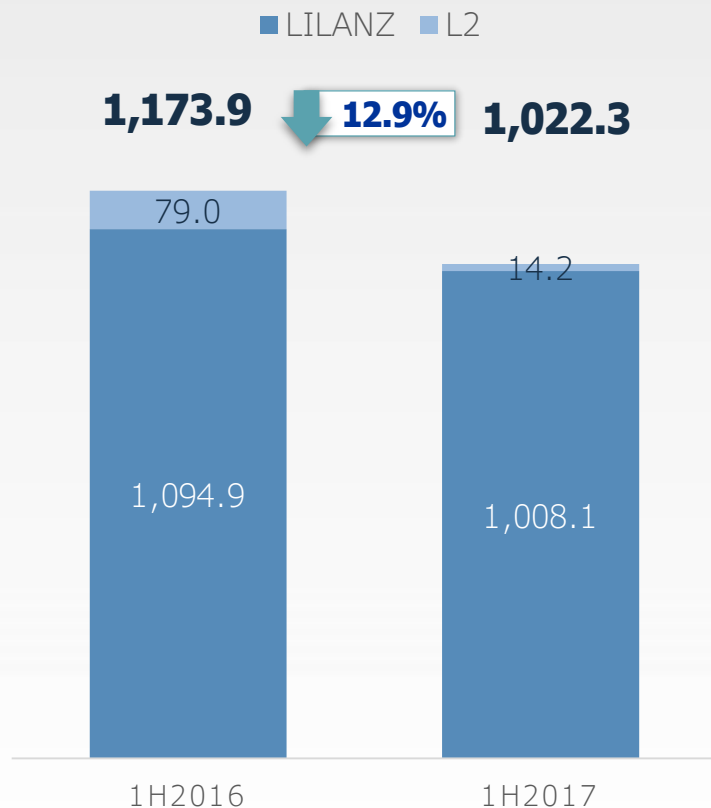
# FINANCIAL REVIEW

财务表现回顾

# REVENUE ANALYSIS 收入分析

## Total Revenue & Revenue by Brand 总收入及按品牌分类收入

Unit: RMB mn

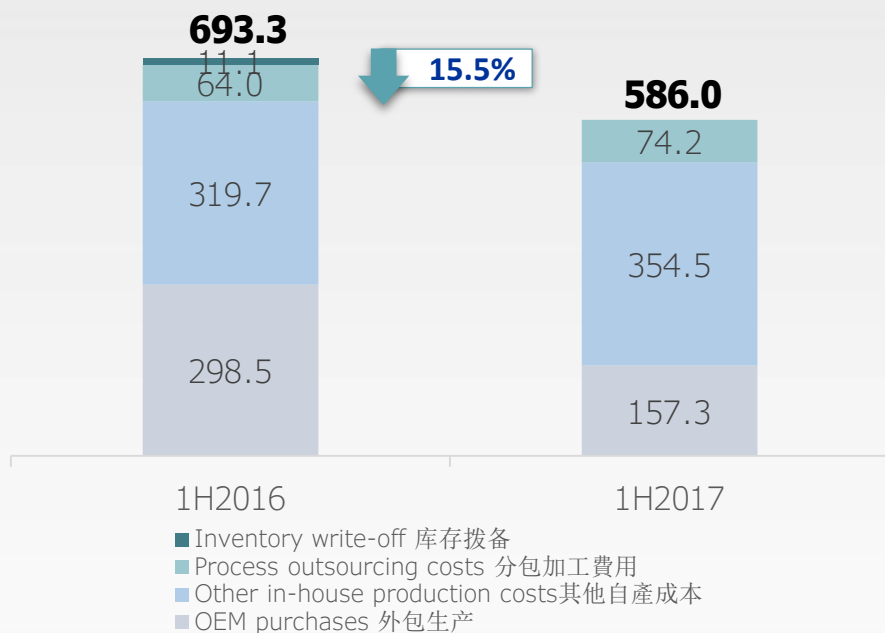


- ▲ Revenue of **LILANZ** down by 7.9% to RMB1,008.1 mn. Sales of spring and summer collections were reduced to keep the channel inventory healthy  
**LILANZ** 的销售额下降7.9%至人民币10.1亿元；为确保渠道库存健康，减少春夏季产品销售
- ▲ **L2** will cease operation starting fall season and has started inventory clearance; sales for 1H amounted to RMB14.2 mn  
**L2** 将在秋季开始停止业务，现已开始清理库存，上半年销售额为人民币1,420万元

# COST OF SALES 销售成本

## Cost of Sales Breakdown 销售成本分析

Unit: RMB mn



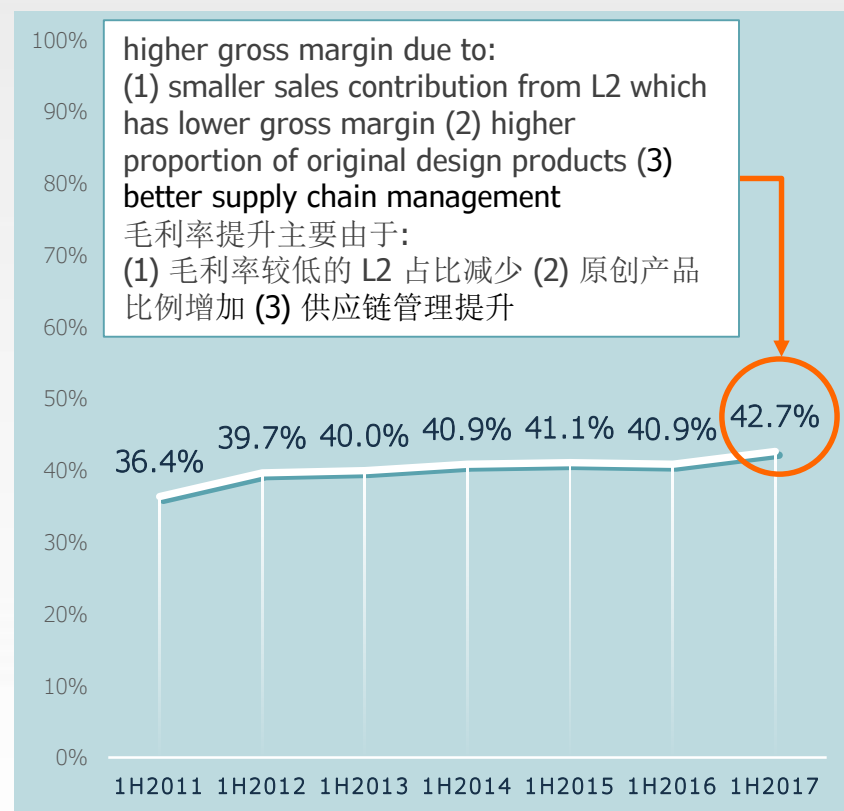
**73.2 %**  
(+17.9 p.p.)

Cost of in-house production  
(incl. process outsourcing costs)  
as % of total cost of sales  
自产成本 (包括分包加工费用) 占总销售成本

Total R&D costs 总研发成本 **RMB36.5** 百万元  
mn

## Gross margin 毛利率

Unit: RMB mn

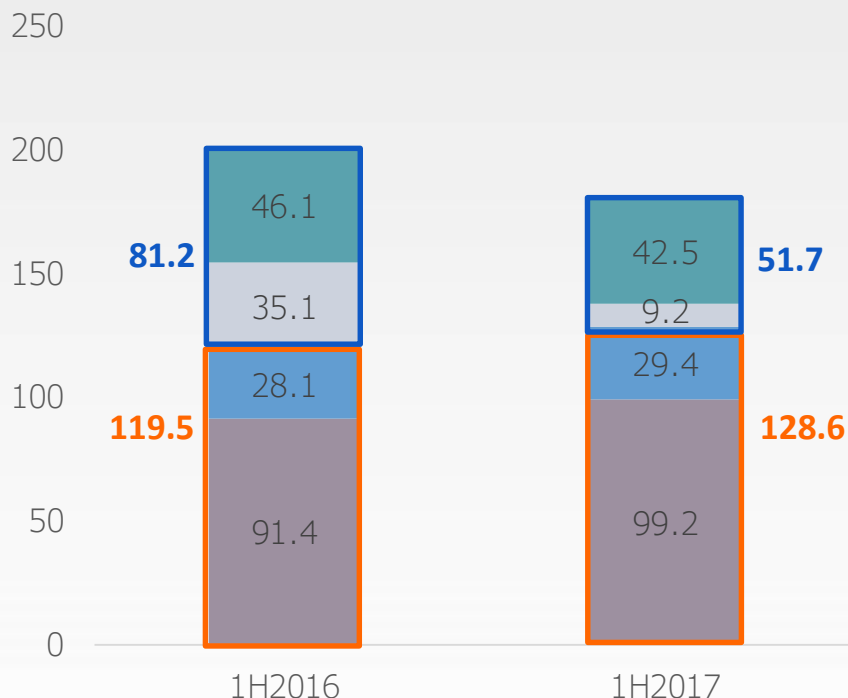




# SD&A EXPENSES 销售、分销及行政开支

## Total SD&A Expenses 销售、分销及行政开支总额

Unit: RMB mn



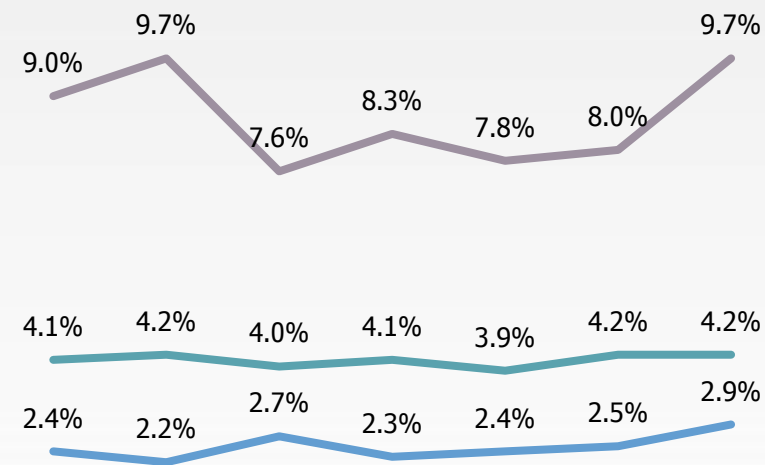
- Administrative expenses 行政开支
- AR provision 应收帐款拨备
- Other selling and distribution expenses 其他销售及分销开支
- Advertising and promotional expenses 宣传及市场推广开支

Total selling and distribution expenses 总销售及分销开支

Total administrative expenses 总行政开支

## SD&A as % of Revenue 销售、分销及行政开支占收入比例%

- Administrative expenses (excludes AR provision)  
行政开支(不含应收帐款拨备)
- Other selling and distribution expenses 其他销售及分销开支
- Advertising and promotional expenses 宣传及市场推广开支

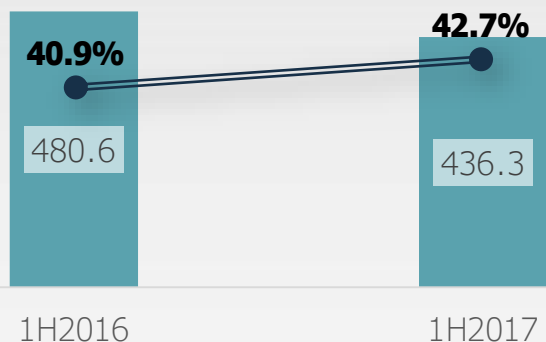


1H2014 FY2014 1H2015 FY2015 1H2016 FY2016 1H2017

# PROFIT & MARGIN 利润及利润率

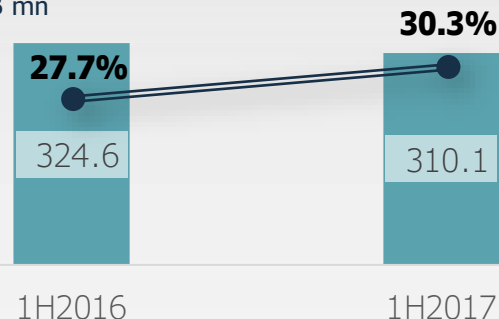
## Gross profit and margin 毛利及毛利率

Unit: RMB mn



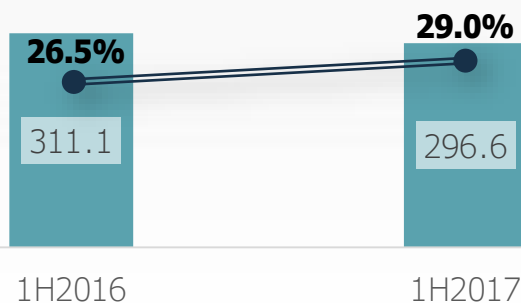
## EBITDA and margin 利息、税、折旧及摊销前利润及利润率

Unit: RMB mn



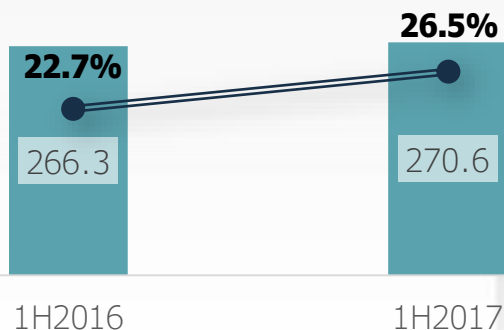
## Operating profit and margin 经营利润及经营利润率

Unit: RMB mn



## Net profit and margin 净利润及净利润率

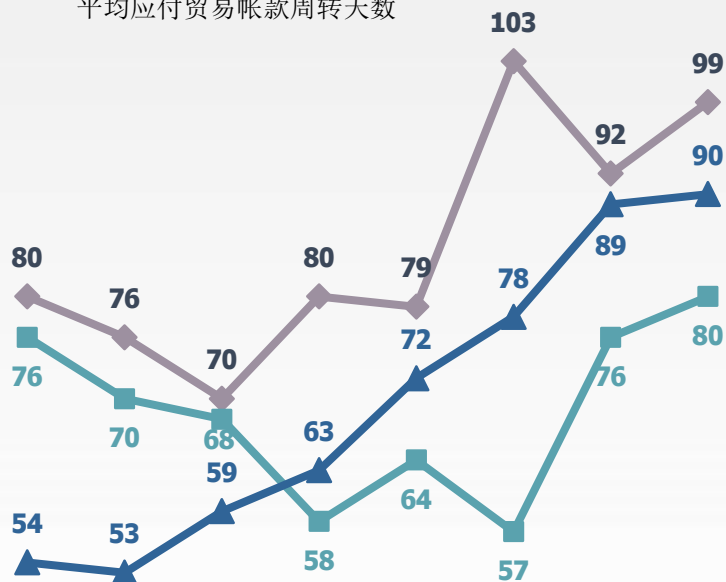
Unit: RMB mn



# WORKING CAPITAL CYCLE 营运资金周转天数

## Turnover days 周转期

- ◆ Average trade receivables turnover days  
平均应收贸易帐款周转天数
- Average inventory turnover days  
平均存货周转天数
- ▲ Average trade payables turnover days  
平均应付贸易帐款周转天数



FY2013 1H2014 FY2014 1H2015 FY2015 1H2016 FY2016 1H2017

## TRADE RECEIVABLES 应收贸易帐款

- LILANZ AR balance decreased by RMB105 mn, 14%, to RMB621 mn VS 1H 2016, reflecting drop in sales and improved channel inventory
  - Additional credits during peak delivery period from June to September every year
  - Additional credits to some distributors as incentive for opening large stores in shopping malls
  - Full provision made for LILANZ overdue AR balances totaling RMB18.4 mn
  - L2 AR balance of RMB19.2 mn net of provision
- LILANZ 应收贸易账款与去年同期比较减少人民币105百万元(14%)至人民币621百万元, 反映销售减少, 以及渠道库存有所改善
  - 每年6-9月发货高峰期延长分销商账期
  - 延长部分分销商账期以鼓励其于购物商场开设大店
  - LILANZ 逾期账款共人民币18.4百万元已悉数拨备
  - L2 应收账款拨备后净额为人民币19.2百万元

## INVENTORY 库存

- LILANZ inventory balance increased by 45% to RMB190.1 mn VS 1H 2016, reflecting:
  - Increases in 2017 fall and winter trade fair orders
  - More raw materials held by sub-contractors as proportion of original design products increases
- L2 inventory was RMB33.6 mn net of provision

- LILANZ 库存与去年同期比较增加45%至人民币190.1百万元, 反映:
  - 2017年秋冬季订单增加
  - 由于原创产品比例上升, 分包商持有的原材料亦有所上升
- L2 库存拨备后净额为人民币33.6百万元

## TRADE PAYABLES 应付贸易账款

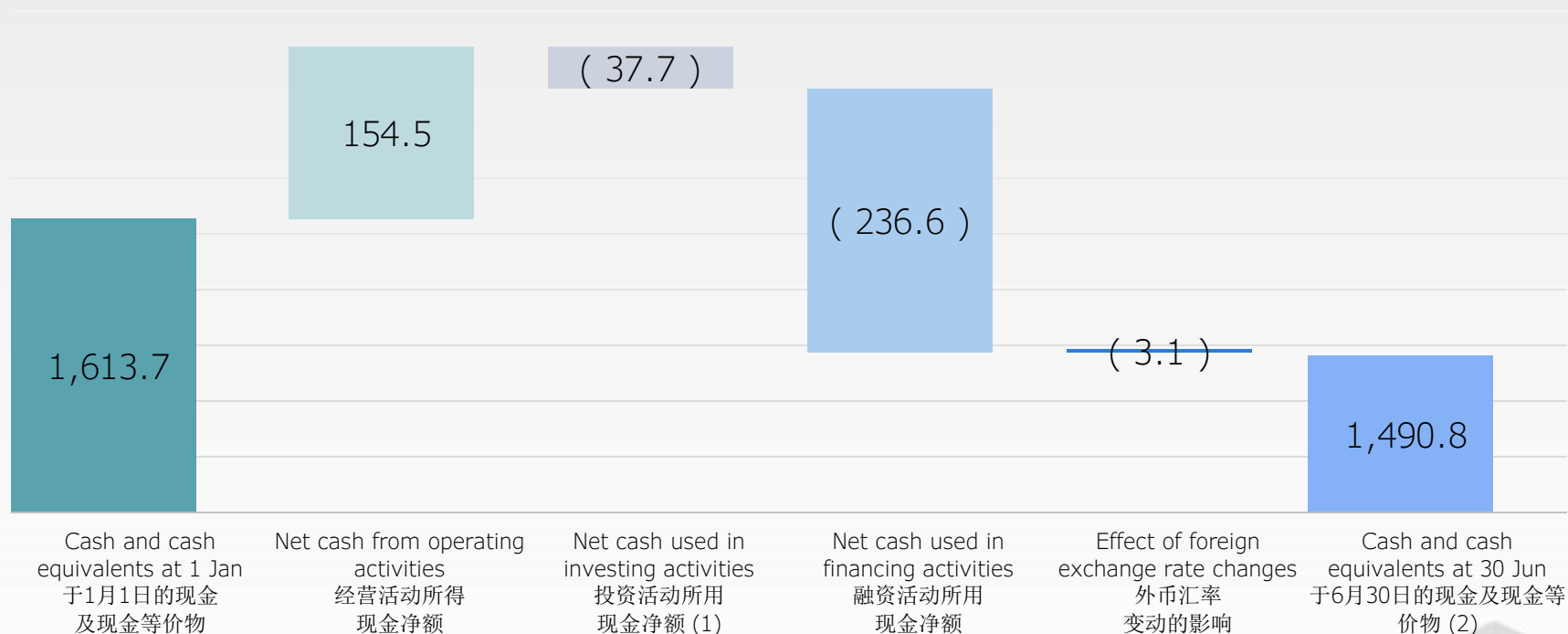
- Turnover days similar to last year 周转天数与去年相若

# CASH FLOW 现金流量



## Cash and cash equivalents 现金及现金等价物

Unit: RMB mn



(1) Include placements of time deposits and pledged bank deposits with maturity over 3 months  
包括到期日超过3个月的定期存款及抵押银行存款

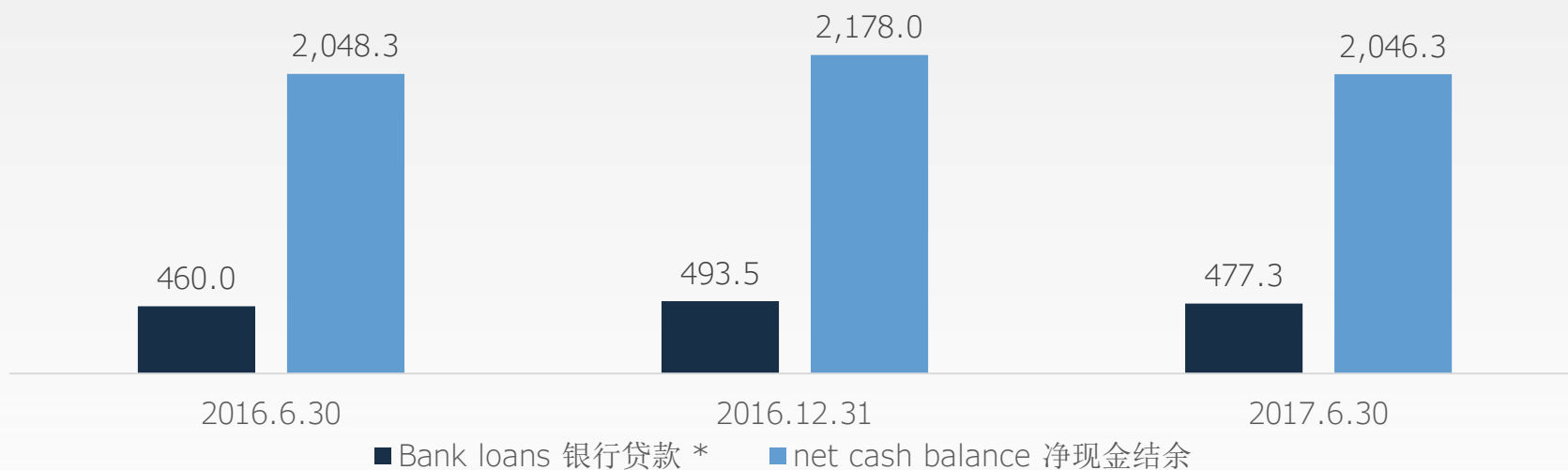
(2) Exclude fixed deposits held at banks with maturity over 3 months and bank deposits pledged as security for bank loans and bills payables  
不包括在银行到期日超过3个月的定期存款，和作为银行贷款及应付票据担保的抵押银行贷款

# HEALTHY AND STRONG CASH POSITION 稳健的现金水平



## Total cash and bank balance 银行及现金结余

Unit: RMB mn



\* Secured by pledged bank deposits 以已抵押银行存款担保

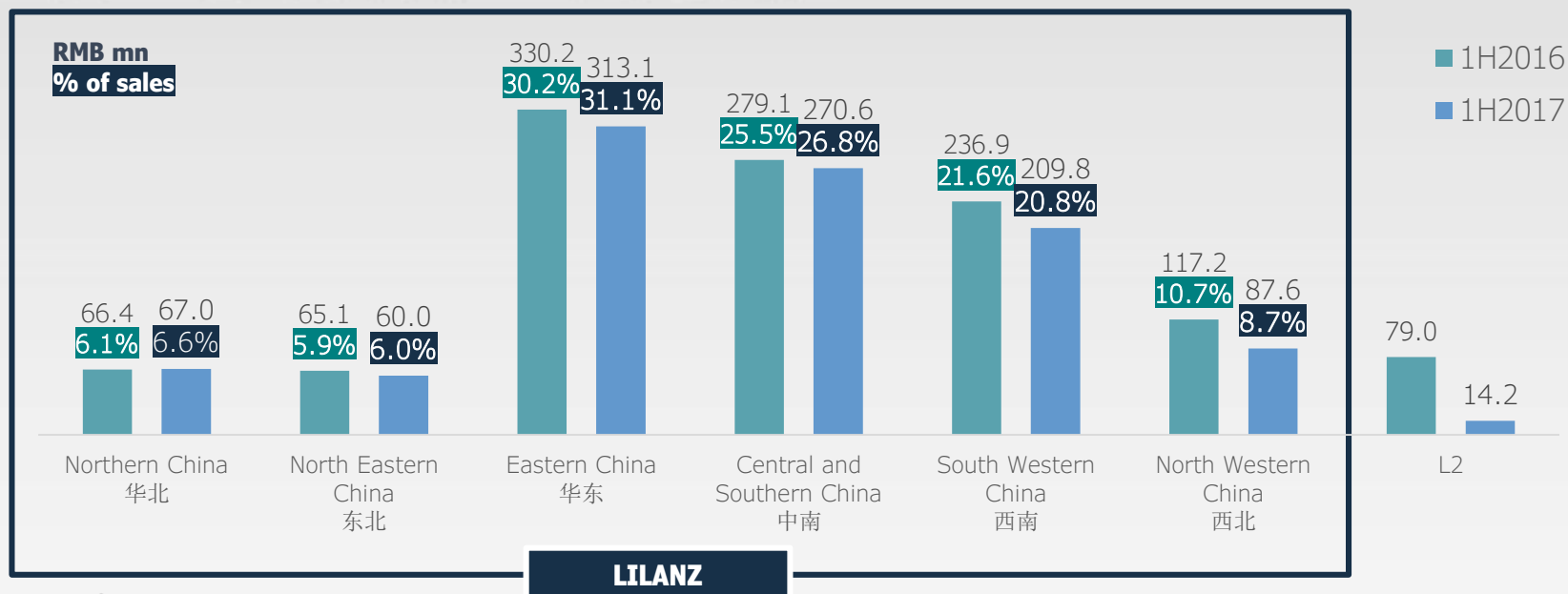
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# **BUSINESS & OPERATIONAL REVIEW**

业务及营运回顾

# PRUDENT STORE OPENING PLAN 审慎的开店计划



LILANZ



## Store number 门店数目

|                               | 2017.1.1     | 2017.6.30           | Net Change |
|-------------------------------|--------------|---------------------|------------|
| Northern China 华北             | 238          | <b>237</b>          | -1         |
| North Eastern China 东北        | 245          | <b>237</b>          | -8         |
| Eastern China 华东              | 615          | <b>625</b>          | +10        |
| Central and Southern China 中南 | 569          | <b>584</b>          | +15        |
| South Western China 西南        | 503          | <b>484</b>          | -19        |
| North Western China 西北        | <u>230</u>   | <u><b>226</b></u>   | <u>-4</u>  |
| Total LILANZ store            | <u>2,400</u> | <u><b>2,393</b></u> | <u>-7</u>  |

# ENHANCED CHANNEL MANAGEMENT 提升渠道管理

- Continued to open stores in shopping malls - # of stores increased to about 250 stores, sales performance in line with expectation
- # of specialty stores of LILANZ smart casual collection increased to about 50 stores
- Continued to monitor all stand-alone stores with ERP systems
- Continued to provide training to distributors
- 继续在购物商场开店 — 数目增至约250家，销售表现合符预期
- LILANZ轻商务系列专门店增加至约50家
- 继续通过接连所有独立店铺的ERP系统监控渠道销售及库存情况
- 继续为分销商之管理团队提供培训

## LILANZ 零售网络 Retail Network

Total retail area 总零售面积: 291,280 sq. m. (+0.5%)

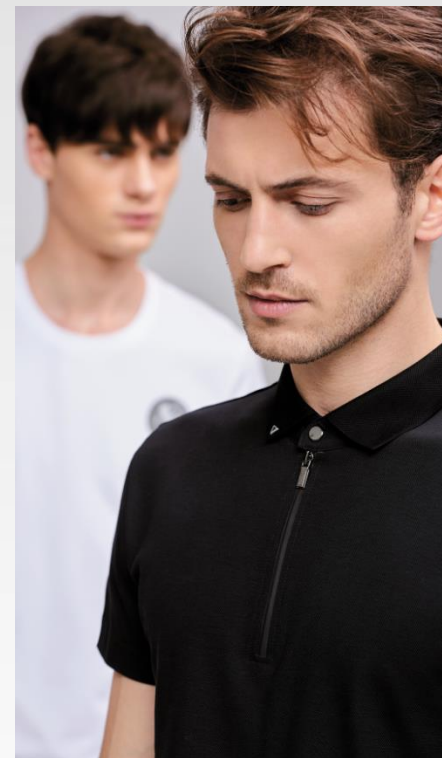




# PRODUCT DESIGN & DEVELOPMENT 产品设计与开发



- In 2017, original design products about 68%, and medium to long term target remains at 70%
- About 36% of original design products adopted the Group's proprietary fabrics, and target set at 50%
- Expanded and enriched LILANZ smart casual collection with encouraging market response
- 2017年原创产品比例预计接近68%，中长远目标维持约70%
- 约36%原创产品应用由集团开发的独有面料，目标是提升至50%
- 扩大LILANZ轻商务系列，市场反应令人鼓舞

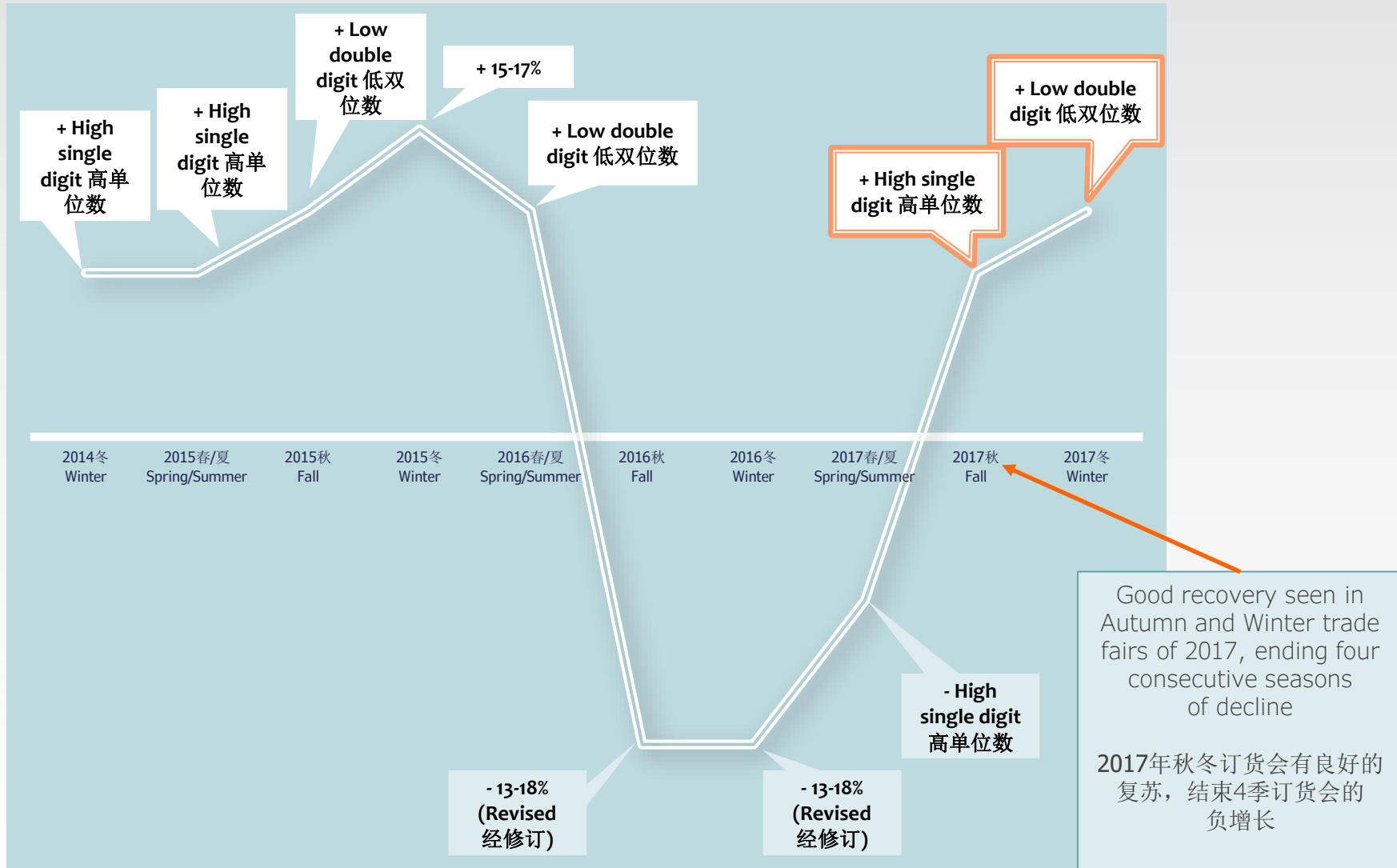


# MARKETING & PROMOTION 营销与宣传

- Advertising and promotion through advertising signs in EMU and EMU stations, airports and magazines
- Better use of online social media: in addition to sending out fashion tips through “LILANZ Menswear” public WeChat account, launched a nationwide promotion campaign - “Stylish Man” contest for online voting by WeChat users
- Renovated or partially upgraded another 180 stores with sixth-generation store image
- 在动车、动车站及机场摆放广告牌，以及在杂志作广告宣传
- 加大利用线上社交媒体，除了常规地在利郎男装的微信公众号，向粉丝们传授衣服搭配的技巧外，更推出专门针对微信用户的宣传活动 — 「我是型男」的全国性网络投票选举
- 将180家门店装修整改或局部提升至第六代形象



# TRENDS OF LILANZ TRADE FAIR RESULTS 订货会成绩趋势



**LILANZ 利郎**



**OUTLOOK & STRATEGY**

前景与策略

# INDUSTRY PROSPECTS STEADILY IMPROVE

## 男装行业稳中向好



### In 2H 2017: LAYING SOLID FOUNDATIONS FOR LONG TERM GROWTH

#### 2017年下半年：继续打好基础推动长远增长

- To continue with “improving product quality without raising the price” strategy
- Prudent store opening plan and store network enhancement:
  - Expect store number largely unchanged
  - Open more stores in shopping malls in 1<sup>st</sup> and 2<sup>nd</sup> tier markets
  - Open more specialty stores of the smart casual collection, with year end target set at about 100 stores
- Confident that the retail stores will achieve mid single-digit same-store sales growth
- Expect 2018 SS trade fair orders (commenced on 12 August) to have low double-digit growth
- 延續「提质不提价」策略
- 审慎开店，优化店铺网络：
  - 维持LILANZ店铺总数稳定
  - 积极在一、二线市场购物商场开设新店
  - 积极开设轻商务系列的专卖店，计划在年底前增加至约100家
- 有信心零售门店下半年达到中单位数的同店销售增长
- 2018年春夏季订货会刚于8月12日开始，预期订单有低双位数的增长

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**OPEN FORUM**

问答时间

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

LILANZ 利郎

|                       |   | 1H2017         | 1H2016         |
|-----------------------|---|----------------|----------------|
|                       |   | RMB'000        | RMB'000        |
| 收入                    | Revenue   | 1,022,335      | 1,173,861      |
| 销售成本                  | Cost of sales   | (586,015)      | (693,266)      |
| 毛利                    | Gross profit  | 436,320        | 480,595        |
| 其他净收益                 | Other net income  | 44,352         | 36,062         |
| 销售及分销开支               | Selling and distribution expenses   | (128,629)      | (119,450)      |
| 行政开支                  | Administrative expenses   | (51,693)       | (81,201)       |
| 其他经营开支                | Other operating expenses  | (3,737)        | (4,909)        |
| <b>经营溢利</b>           | <b>Profit from operations</b>   | <b>296,613</b> | <b>311,097</b> |
| 融资收入净额                | Net finance income  | 23,884         | 52,937         |
| <b>除税前溢利</b>          | <b>Profit before taxation</b>   | <b>320,497</b> | <b>364,034</b> |
| 所得税                   | Income tax  | (49,886)       | (97,741)       |
| <b>期内溢利</b>           | <b>Profit for the period</b>  | <b>270,611</b> | <b>266,293</b> |
| 期内其他全面收益              | Other comprehensive income for the period   |                |                |
| 其后可能重新分类至损益之项目：       | Item that may be reclassified subsequently to profit or loss:   |                |                |
| 换算中国大陆境外附属公司财务报表的汇兑差额 | Exchange differences on translation of financial statements of subsidiaries outside the mainland of the PRC | (918)          | (4,170)        |
| <b>期内全面收益总额</b>       | <b>Total comprehensive income for the period</b>  | <b>269,693</b> | <b>262,123</b> |
| <b>每股盈利</b>           | <b>Earnings per share</b>   |                |                |
| 基本（人民币分）              | Basic (RMB cents)   | 22.4           | 22.0           |
| 摊薄（人民币分）              | Diluted (RMB cents)   | 22.4           | 22.0           |

**CONSOLIDATED BALANCE SHEET**

Unit: RMB'000

30.06.2017

31.12.2016

30.06.2016

|                      |  |                  |                  |                  |
|----------------------|--|------------------|------------------|------------------|
| <b>非流动资产</b>         | <b>Non-current assets</b>                                    |                  |                  |                  |
| 物业、厂房及设备             | Property, plant and equipment                                | 357,996          | 394,415          | 323,045          |
| 投资物业                 | Investment property  | 102,919          | 25,145           | 25,505           |
| 租赁预付款                | Lease prepayments  | 106,341          | 107,533          | 101,436          |
| 无形资产                 | Intangible assets  | 5,738            | 5,345            | 5,454            |
| 购买固定资产订金             | Deposits for purchases of fixed assets                       | 13,609           | 485              | 4,764            |
| 递延税项资产               | Deferred tax assets  | 12,010           | 20,423           | 34,604           |
|                      |  | <u>598,613</u>   | <u>553,346</u>   | <u>494,808</u>   |
| <b>流动资产</b>          | <b>Current assets</b>  |                  |                  |                  |
| 存货                   | Inventories  | 223,689          | 294,385          | 142,866          |
| 应收贸易账款及其他应收款项        | Trade and other receivables                                  | 742,037          | 714,429          | 859,493          |
| 已抵押银行存款              | Pledged bank deposits  | 480,624          | 488,907          | 486,748          |
| 存放于银行而到期日为三个月以上的定期存款 | Fixed deposits held at banks with maturity over three months | 552,205          | 568,943          | -                |
| 现金及现金等价物             | Cash and cash equivalents                                    | <u>1,490,757</u> | <u>1,613,658</u> | <u>2,021,505</u> |
|                      |  | <u>3,489,312</u> | <u>3,680,322</u> | <u>3,510,612</u> |
| <b>流动负债</b>          | <b>Current liabilities</b>                                   |                  |                  |                  |
| 银行贷款                 | Bank loans   | 477,344          | 493,528          | 459,999          |
| 应付贸易账款及其他应付款项        | Trade and other payables                                     | 409,618          | 514,057          | 449,430          |
| 应付即期税项               | Current tax payable  | 112,104          | 165,253          | 131,483          |
|                      |  | <u>999,066</u>   | <u>1,172,838</u> | <u>1,040,912</u> |
| <b>流动资产净值</b>        | <b>Net current assets</b>                                    | <u>2,490,246</u> | <u>2,507,484</u> | <u>2,469,700</u> |
| <b>总资产减流动负债</b>      | <b>Total assets less current liabilities</b>                 | <u>3,088,859</u> | <u>3,060,830</u> | <u>2,964,508</u> |
| <b>非流动负债</b>         | <b>Non-current liabilities</b>                               |                  |                  |                  |
| 递延税项负债               | Deferred tax liabilities                                     | 38,178           | 46,868           | 34,870           |
| 应付质保金                | Retention payables   | <u>2,400</u>     | <u>2,400</u>     | -                |
|                      |  | <u>40,578</u>    | <u>49,268</u>    | <u>34,870</u>    |
| <b>资产净值</b>          | <b>Net assets</b>  | <u>3,048,281</u> | <u>3,011,562</u> | <u>2,929,638</u> |