

Chinese Table Tennis Team



INTERIM REPORT 2025

LI NING COMPANY LIMITED

李寧有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Codes: 2331 (HKD counter) and 82331 (RMB counter)

Chinese Diving Team



Chinese Shooting Team



MISSION

Let Sports Light Your Passion

CORE VALUES

"Serve With Sportsmanship"

"Go Above and Beyond to Win"

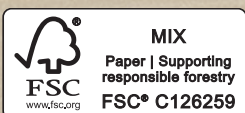
"Individual and Team Synergy"

"Fairness in Competition and Corporate Environments"

"Perfect Harmony between Employee, Organization,
Society and Nature"

VISION

To be the most Prominent, Stylish, World-Leading Sports
Brand from China



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ABOUT LI NING GROUP

Li Ning Company Limited is one of the leading sports brand companies in China, mainly operates in professional and leisure footwear, apparel, equipment and accessories under the LI-NING brand. The Group has comprehensive research and development, design, manufacturing, marketing, distribution and retail management capabilities. It has established an extensive retail distribution network and supply chain management system in China. We are committed to be the most prominent, stylish, world-leading sports brand from China.

In addition to its core LI-NING brand, the Group also manufactures, develops, markets, distributes, sells various sports products which are self-owned by or licensed to the Group, including Double Happiness (table tennis), AIGLE (outdoor sports) and Kason (badminton), which are operated through joint venture/associate with third parties of the Group.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LI Ning (*Executive Chairman and Joint Chief Executive Officer*)
Mr. KOSAKA Takeshi (*Joint Chief Executive Officer*)
Mr. LI Qilin

Independent non-executive Directors

Mr. KOO Fook Sun, Louis
Ms. WANG Ya Fei
Dr. CHAN Chung Bun, Bunny, *GBM, GBS, SBS, BBS, JP*
Ms. WANG Yajuan

AUDIT COMMITTEE

Mr. KOO Fook Sun, Louis (*Committee Chairman*)
Ms. WANG Ya Fei
Dr. CHAN Chung Bun, Bunny, *GBM, GBS, SBS, BBS, JP*

REMUNERATION COMMITTEE

Ms. WANG Ya Fei (*Committee Chairperson*)
Dr. CHAN Chung Bun, Bunny, *GBM, GBS, SBS, BBS, JP*
Ms. WANG Yajuan

NOMINATION COMMITTEE

Mr. LI Ning (*Committee Chairman*)
Ms. WANG Ya Fei
Dr. CHAN Chung Bun, Bunny, *GBM, GBS, SBS, BBS, JP*

AUTHORISED REPRESENTATIVES

Mr. LI Ning
Ms. WANG Ya Fei

COMPANY SECRETARY

Ms. TAI Kar Lei

REGISTERED OFFICE

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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Fax: +852 3102 0927

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Beijing Economic-Technological Development Area (Tongzhou)
Beijing, PRC 101111
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Fax: +8610 8080 0000

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Corporate Information (Continued)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East,
Wanchai
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Hong Kong law
YYC Legal LLP

Mainland China law
TAHOTA Law Firm

PRINCIPAL BANKERS

Hong Kong
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China Limited

Mainland China
Industrial & Commercial Bank of China
China Construction Bank
Bank of China
China Merchants Bank
China Resources Bank of Zhuhai Co., Ltd.
Ping An Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
Hang Seng Bank (China) Limited
HSBC Bank (China) Company Limited
DBS Bank (China) Limited

SPORTS

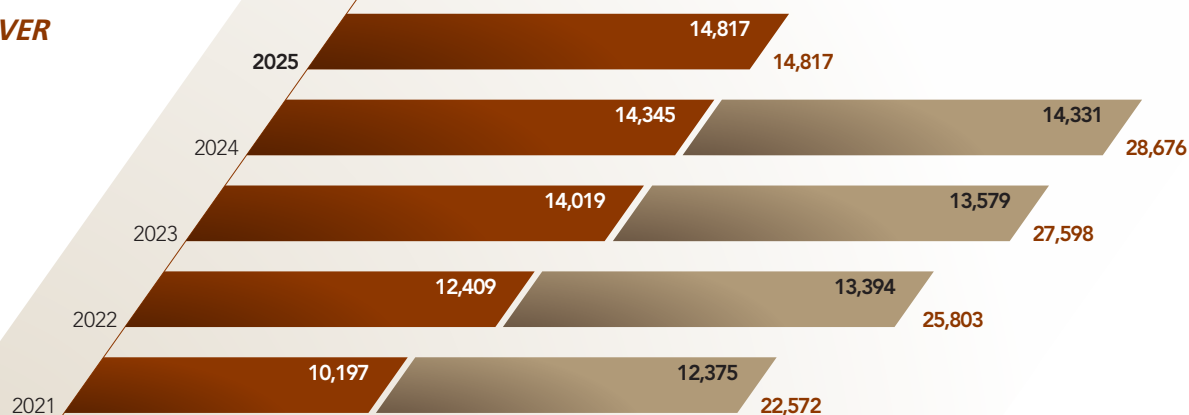




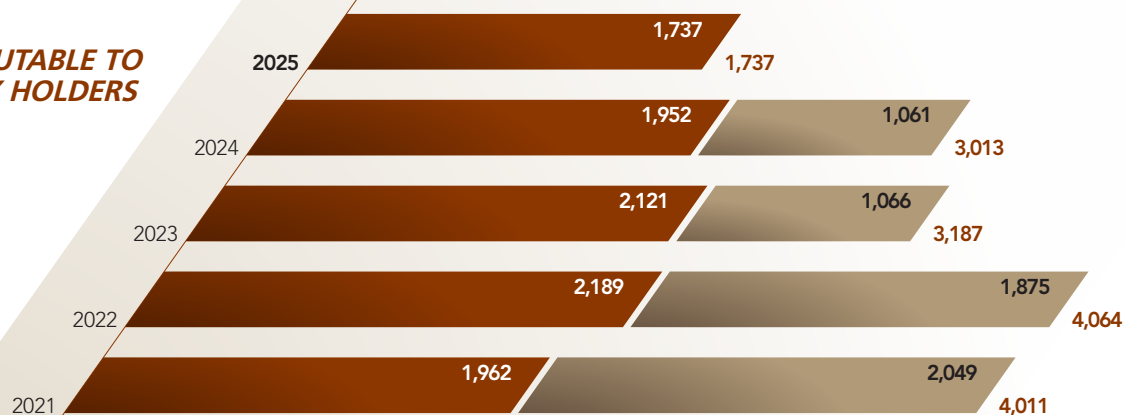
SPORTSMANSHIP

Five-Year Financial Highlights

TURNOVER



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS



(All amounts in RMB millions)

First half year
 Second half year
 Full year

Management Discussion and Analysis

FINANCIAL OVERVIEW

The key operating and financial performance indicators of the Group for the six months ended 30 June 2025 are set out below:

	Six months ended 30 June		Change
	2025	2024	(%)
	(Unaudited)	(Unaudited)	
Income statement items			
<i>(All amounts in RMB thousands unless otherwise stated)</i>			
Revenue	14,816,763	14,345,288	3.3
Gross profit	7,414,803	7,235,602	2.5
Operating profit	2,438,485	2,401,895	1.5
Earnings before interest, tax, depreciation and amortisation (EBITDA) (Note 1)	3,512,607	3,443,608	2.0
Profit attributable to equity holders	1,737,422	1,952,032	(11.0)
Basic earnings per share (RMB cents) (Note 2)	67.43	75.80	(11.0)
Key financial ratios			
Profitability ratios			
Gross profit margin (%)	50.0	50.4	
Operating profit margin (%)	16.5	16.7	
Effective tax rate (%)	33.3	25.3	
Margin of profit attributable to equity holders (%)	11.7	13.6	
Return on equity attributable to equity holders (%) (Note 3)	6.5	7.8	
Expenses to revenue ratios			
Staff costs (%)	7.7	8.5	
Advertising and marketing expenses (%)	9.0	8.7	
Research and product development expenses (%)	2.3	2.2	
Asset efficiency			
Average inventory turnover (days) (Note 4)	61	62	
Average trade receivables turnover (days) (Note 5)	14	15	
Average trade payables turnover (days) (Note 6)	44	46	
	30 June	31 December	
	2025	2024	
Debt-to-equity ratio (%) (Note 7)	35.4	36.8	
Net asset value per share (RMB cents) (Note 8)	1,054.73	1,013.56	

Management Discussion and Analysis (Continued)

Notes:

1. The calculation of earnings before interest, tax, depreciation and amortisation (EBITDA) is based on profit for the period, excluding the sum of income tax expense, finance income – net, depreciation and impairment on property, plant and equipment, depreciation and impairment on investment properties, amortisation and impairment of land use rights and intangible assets (excluding goodwill) and depreciation and impairment on right-of-use assets.
 2. Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue less shares held for Restricted Share Award Scheme and Shares repurchased by the Company for cancellation during the period. Such weighted average number of shares outstanding shall be adjusted for events such as bonus issue and stock dividend.
 3. The calculation of return on equity attributable to equity holders is based on the profit attributable to equity holders of the Company for the period, divided by the average of opening and closing balances of capital and reserves attributable to equity holders of the Company of the period.
 4. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances of the period, divided by cost of sales and multiplied by the total number of days in the period.
 5. The calculation of average trade receivables turnover (days) is based on the average of opening and closing balances of trade receivables of the period, divided by revenue and multiplied by the total number of days in the period.
 6. The calculation of average trade payables turnover (days) is based on the average of opening and closing balances of trade payables of the period, divided by total purchases and multiplied by the total number of days in the period.
 7. The calculation of debt-to-equity ratio is based on total liabilities divided by capital and reserves attributable to equity holders of the Company at the end of the period/year.
 8. The calculation of net asset value per share is based on the net asset value, divided by the number of shares in issue less shares held for Restricted Share Award Scheme and Shares repurchased by the Company for cancellation at the end of the period/year.
- * *The aforesaid indicators provided by the Group may not necessarily be the same in terms of calculation methods as those provided by other issuers.*
- ** *The Group adopted the aforesaid non-GAAP financial indicators such as EBITDA, margin of profit attributable to equity holders, return on equity attributable to equity holders, expenses (staff costs/advertising and marketing expenses/research and product development expenses) to revenue ratio, average inventory/trade receivables/trade payables turnover days, debt-to-equity ratio and net asset value per share because comparable companies in the industry in which the Group operates use the aforesaid common indicators as a supplementary measurement for results of operation, which are also widely used by investors to measure the results of operation of the comparable companies.*

Management Discussion and Analysis (Continued)

Revenue

For the six months ended 30 June 2025, the Group steadily consolidated its operational foundation and actively accumulated momentum for business development, achieving steady revenue growth of 3.3% year-on-year to RMB14,816,763,000. Changes in revenue from all channels were as follows: (1) during the period, e-commerce revenue increased by 7.4% year-on-year, representing the largest contribution to overall revenue growth, driven by the continued optimisation of platform operations, enhanced online marketing strategies, and the improvement of the membership service system, resulting in simultaneous growth in both sales scale and customer loyalty; (2) revenue from franchised distributors increased steadily by 4.4% year-on-year, further increasing its contribution to 46.5% of total revenue, and continued to serve as a core pillar of the Group's channel structure; and (3) the retail channel remained under pressure, with revenue decreasing by 3.4% year-on-year, due to adjustments to the directly-operated store layout and a shift in consumer scenarios. The Group will remain focused on identifying different growth opportunities across various channels and is committed to achieving sustainable revenue growth in the future.

Revenue breakdown by product category

	Six months ended 30 June 2025		Six months ended 30 June 2024		Revenue Change (%)
	RMB'000	% of total revenue	RMB'000	% of total revenue	
Footwear	8,230,716	55.6	7,844,159	54.7	4.9
Apparel	5,192,797	35.0	5,375,222	37.5	(3.4)
Equipment and accessories	1,393,250	9.4	1,125,907	7.8	23.7
Total	14,816,763	100.0	14,345,288	100.0	3.3

Revenue breakdown (in %) by sales channel

	Six months ended 30 June		Change (%)
	2025 % of revenue	2024 % of revenue	
The PRC market			
Sales to franchised distributors	46.5	46.0	0.5
Sales from direct operation	22.8	24.4	(1.6)
Sales from e-commerce channels	29.0	27.9	1.1
Other regions	1.7	1.7	–
Total	100.0	100.0	–

Management Discussion and Analysis (Continued)

Revenue breakdown by geographical location

	Note	Six months ended 30 June				Revenue Change (%)
		2025	% of revenue	2024	% of revenue	
		RMB'000		RMB'000		
The PRC market						
Northern region	1	7,034,893	47.5	6,841,952	47.7	2.8
Southern region	2	7,531,794	50.8	7,255,024	50.6	3.8
Other regions		250,076	1.7	248,312	1.7	0.7
Total		14,816,763	100.0	14,345,288	100.0	3.3

Notes:

1. The Northern region includes provinces, municipalities and autonomous regions covering Beijing, Tianjin, Shanxi, Shandong, Hebei, Inner Mongolia, Henan, Heilongjiang, Jilin, Liaoning, Shaanxi, Gansu, Ningxia, Xinjiang and Qinghai.
2. The Southern region includes provinces, municipalities, autonomous regions and special administrative regions covering Yunnan, Guizhou, Sichuan, Jiangxi, Chongqing, Tibet, Shanghai, Zhejiang, Jiangsu, Hunan, Hubei, Anhui, Guangdong, Guangxi, Fujian, Hainan, Macau and Hong Kong.

Cost of Sales and Gross Profit

For the six months ended 30 June 2025, the overall cost of sales of the Group amounted to RMB7,401,960,000 (2024: RMB7,109,686,000), and the overall gross profit margin was 50.0% (2024: 50.4%). During the period, the gross profit margin decreased by 0.4 percentage points as compared to the corresponding period of last year. The decline in gross profit margin was primarily attributable to adjustments in channel structure, with a lower proportion of revenue from direct-to-customer channels, the increase in discount offerings due to intensified promotional competition in self-operated channels, resulting in a slight decline in gross profit margin.

Selling and Distribution Expenses

For the six months ended 30 June 2025, the Group's overall selling and distribution expenses amounted to RMB4,292,730,000 (2024: RMB4,326,883,000), accounting for 29.0% (2024: 30.2%) of the Group's total revenue.

The selling and distribution expenses decreased by 0.8% as compared to the corresponding period of last year. The Group continued to optimise its channel layout by closing underperforming directly-operated stores, thereby effectively reducing operating costs such as store decoration and fixture amortisation. The decline in revenue from directly-operated channels also resulted from a reduction in certain revenue-related costs, including rental and staff costs. Meanwhile, to strengthen brand competitiveness and support long-term growth momentum, the Company strategically increased investment in marketing, with a particular focus on sports marketing and premium brand building, thereby achieving a dynamic optimisation of the cost structure.

Management Discussion and Analysis (Continued)

Administrative Expenses

For the six months ended 30 June 2025, the Group's overall administrative expenses amounted to RMB776,642,000 (2024: RMB680,297,000), accounting for 5.2% (2024: 4.7%) of the Group's total revenue with a year-on-year increase of 0.5 percentage points. Administrative expenses mainly comprised staff costs, management consulting fees, depreciation and amortisation charges, research and product development expenses, taxes and other miscellaneous daily expenses.

The increase in administrative expenses was mainly attributable to the impairment of goodwill in the amount of RMB72,387,000 fully recognised during the period, which resulted from the acquisition of the Kason in 2009.

Share of Profit of Joint Ventures and Associates

For the six months ended 30 June 2025, the Group's share of profit of joint ventures and associates amounted to RMB133,724,000 (2024: RMB110,860,000).

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

For the six months ended 30 June 2025, the Group's EBITDA amounted to RMB3,512,607,000 (2024: RMB3,443,608,000), representing a year-on-year increase of 2.0%.

Reconciliations of EBITDA and the profit for the period are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Reconciliation of profit for the period to EBITDA:		
Profit for the period	1,737,422	1,952,032
Income tax expense	869,094	661,098
Finance income	(193,993)	(221,238)
Finance expenses (including amortisation of discount on lease liabilities)	159,686	120,863
Depreciation on property, plant and equipment	344,022	470,250
Impairment of property, plant and equipment (<i>Note 1</i>)	48,430	18,389
Amortisation of land use rights and intangible assets	33,236	31,145
Impairment of trademark rights under intangible assets (<i>Note 1</i>)	4,041	–
Depreciation on right-of-use assets	250,817	319,210
Impairment of right-of-use assets (<i>Note 1</i>)	104,311	50,820
Depreciation on investment properties	49,603	41,039
Impairment of investment properties (<i>Note 1,2</i>)	105,938	–
EBITDA	3,512,607	3,443,608

Management Discussion and Analysis (Continued)

Notes:

1. Impairment charges included as an adjustment item in EBITDA primarily resulted from our impairment evaluation of non-current assets whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. If these non-current assets were not impaired, depreciation of the assets would have been recorded as an adjustment item in EBITDA. Therefore, impairment charges were a non-cash item similar to depreciation and amortization of non-current assets.
2. During the six months ended 30 June 2025, the property market in Mainland China and Hong Kong was confronted with a highly challenging and uncertain environment. This environment led to sluggish demand and soft sentiments, ultimately resulting in an overall decline in both the price and rental indices. As a result, Management concluded that there were impairment indications for the Group's investment properties and conducted impairment assessment on the investment properties as at 30 June 2025 in accordance with IAS 36 *Impairment of Assets*. The Group estimated the recoverable amounts of the investment properties with reference to their respective fair values as at 30 June 2025 which were determined using the income approach. Based on the results of the impairment assessments, impairment losses of RMB105,938,000 were recognised against the carrying amount of investment properties during the six months ended 30 June 2025 (30 June 2024: Nil).

Finance Income – Net

For the six months ended 30 June 2025, the Group's net finance income amounted to RMB34,307,000 (2024: RMB100,375,000). The year-on-year decrease in net finance income was due to the increase of exchange losses for the period, and the decrease of interest income as a result of the decrease in interest rates.

Income Tax Expense

For the six months ended 30 June 2025, the income tax expense of the Group amounted to RMB869,094,000 (2024: RMB661,098,000) and the effective tax rate was 33.3% (2024: 25.3%). Mainly based on exchange rate fluctuations, fund yield and other comprehensive factors, the Company made a more reasonable plan for the domestic and foreign capital structure, so the corresponding withholding income tax was accrued, resulting in the increase in tax rate for the period.

Overall Profitability Indicators

During the period, the Group recorded steady revenue growth. While gross profit margin declined year-on-year, the expense achieved a slight improvement. However, the tax rate increased significantly. As a result of the combined impact, profit attributable to equity holders of the Company decreased. During the period, the Group's profit attributable to equity holders amounted to RMB1,737,422,000 (2024: RMB1,952,032,000). The margin of profit attributable to equity holders was 11.7% (2024: 13.6%), and return on equity attributable to equity holders was 6.5% (2024: 7.8%).

Provision for Inventories

The Group's policy in respect of provision for inventories for the first half of 2025 was the same as that in 2024. Inventories of the Group are stated at the cost or net realisable value, whichever is lower. In the event that net realisable value falls below cost, the difference is taken as provision for inventories. The Group considers this policy to be adequate in ensuring appropriate provision for inventories is made by the Group.

As at 30 June 2025, the accumulated provision for inventories was RMB187,934,000 (31 December 2024: RMB166,817,000). The Group will continue to exercise control over the inventory ageing structure and inventory turnover rate so as to maintain the same at a reasonable level.

Management Discussion and Analysis (Continued)

Expected Credit Loss Allowance

The Group's policy in respect of expected credit loss allowance for the first half of 2025 was the same as that in 2024. The expected credit loss allowance was recorded at an amount equal to the lifetime expected credit losses of the trade receivables that do not contain a significant financing component, and 12 months expected credit losses or lifetime expected credit losses of other receivables, depending on whether there has been a significant increase in credit risk since initial recognition.

As at 30 June 2025, the accumulated expected credit loss allowance was RMB46,484,000 (31 December 2024: RMB45,678,000), among which the accumulated expected credit loss allowance for trade receivables was RMB41,631,000 (31 December 2024: RMB41,658,000) and the accumulated expected credit loss allowance for other receivables was RMB4,853,000 (31 December 2024: RMB4,020,000). The trade receivables and other receivables of the Group written off during the six months ended 30 June 2025 as uncollectible and the effect of change in exchange rate amounted to RMB35,000 (2024: RMB29,000). The Group will continue to monitor the ageing structure and settlements to maintain a sound receivable turnover ratio.

Liquidity and Financial Resource

The Group's net cash generated from operating activities for the six months ended 30 June 2025 amounted to RMB2,411,101,000 (2024: RMB2,730,305,000). As at 30 June 2025, cash and cash equivalents (including cash at banks and in hand, and time deposits with original maturity of no more than three months) amounted to RMB11,798,043,000, representing a net increase of RMB4,299,447,000, as compared with the position as at 31 December 2024. Adding back the amount recorded as time deposits, cash balance amounted to RMB19,190,456,000, which represented a net increase of RMB1,049,529,000 as compared to 31 December 2024. The increase was due to the following items:

	Six months ended 30 June 2025 RMB'000 (Unaudited)
Item	
Operating activities:	
Net cash generated from operating activities	2,411,101
Investing activities:	
Net cash generated from investing activities (including placement and redemption of time deposits)	2,895,561
Financing activities:	
Net cash used in financing activities	(933,187)
Add: Exchange losses on cash and cash equivalents	(74,028)
Net increase in cash and cash equivalents	4,299,447
Add: Net decrease in time deposits	(3,249,918)
Net increase in cash balance	1,049,529

Management Discussion and Analysis (Continued)

During the period, the decrease in retail revenue led to a reduction in retail collections. In addition, tax payments increased, resulting in a year-on-year decrease in net cash generated from operating activities. Meanwhile, the maturity and redemption of time deposits led to a significant increase in net cash generated from investing activities. The Group will continue to place extra emphasis on cash flow management to ensure the stable development of the Company in the long term.

On 27 October 2021, the Company, a wholly owned subsidiary of Viva China Holdings Limited (subsequently renamed as Viva Goods Company Limited) and the placing agents entered into the placing and subscription agreement, pursuant to which the parties jointly proceeded with the top-up placing of existing shares of the Company and the subscription of new shares of the Company under the general mandate, and agreed to the top-up placing and subscription of 120,000,000 shares of the Company at HK\$87.50 per share. On 3 November 2021, both parties completed the top-up placing and the subscription. The net proceeds from the top-up placing of shares amounted to HK\$10,433,042,000 (equivalent to approximately RMB8,571,787,000). Please refer to the announcements of the Company dated 28 October 2021 and 3 November 2021 respectively for details.

For the six months ended 30 June 2025, RMB382,187,000 of the net proceeds from the top-up placing had been used. As at 30 June 2025, RMB529,434,000 of the net proceeds from the top-up placing were unutilised and are intended to be used as follows:

Intended use of net proceeds	Percentage of total net proceeds (approximately)	Unutilised net proceeds as at 31 December 2024 (approximately RMB'000)	Amount used during the six months ended 30 June 2025 (approximately RMB'000)	Unutilised net proceeds as at 30 June 2025 (approximately RMB'000)	Expected timeframe for utilising the unutilised net proceeds(1)
Investment in newly launched product categories as well as future business investments when opportunity arises, including international business expansion ⁽²⁾	40%	–	–	–	–
Investment in reengineered infrastructure and further improvement of the supply chain system	30%	911,621	382,187	529,434	Before 31 December 2026
Development of the brand and IT system ⁽²⁾	20%	–	–	–	–
General working capital ⁽²⁾	10%	–	–	–	–
Total	100%	911,621	382,187	529,434	Before 31 December 2026

Management Discussion and Analysis (Continued)

Notes:

1. The net proceeds have been applied in the manner consistent with the use of proceeds as disclosed in the announcement of the Company dated 3 November 2021. The expected timeframe for utilising the unutilised net proceeds is subject to change based on the current and future development of market conditions and market opportunities made available to the Group.
2. As at 30 June 2025, the net proceeds allocated for investment in newly launched product categories as well as future business investments when opportunity arises, including international business expansion, brand and IT system development and general working capital have been fully utilised.

As at 30 June 2025, the Group's banking facilities amounted to RMB14,741,000,000, without outstanding borrowings.

During the period, the Group did not hedge its exposure to interest rate risks via interest-rate swaps.

Foreign Exchange Risk

The Group's operations are mainly carried out in the PRC, with most transactions settled in Renminbi. The presentation currency of the Group is Renminbi. The Group's subsidiaries in South Korea, Hong Kong, Macau and Singapore use South Korean Won, Hong Kong Dollars, Macau Pataca and Singapore Dollars, respectively, as their functional currencies. The Group has a partial amount of cash and bank deposits denominated in Hong Kong Dollars, United States Dollars, Euros, South Korean Won, Pound Sterling, Macau Pataca and Singapore Dollars. The Company pays dividends in Hong Kong Dollars, certain license fees, sponsorship fees and consultation fees in United States Dollars or Euros, and certain investments in Hong Kong Dollars or United States Dollars.

The Group did not hedge its foreign exchange exposure during the period. Any significant exchange rate fluctuations of foreign currencies against Renminbi may have had financial impact on the Group.

Significant Investments

In order to satisfy the needs of the Group's commercialization layout, expand its international business by establishing a footing in Hong Kong and explore global business opportunities, a subsidiary of the Group (the "Purchaser") and a subsidiary of Henderson Land Development Company Limited (the "Vendor") entered into a sale and purchase agreement (the "SPA") on 10 December 2023. To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the Vendor and its ultimate beneficial owner were independent third parties of the Company and its connected person(s). Pursuant to the SPA, the Purchaser conditionally agreed to (1) acquire the entire share capital of Vansittart Investment Limited (the "Target Company", a company incorporated in Hong Kong with limited liability) and (2) take up the assignment of the loan amount owing by the Target Company to one of its related parties as at the date of completion of the above acquisition (the "Acquisition"). The adjusted aggregate consideration for the Acquisition is HK\$2,221 million (equivalent to approximately RMB2,013 million). The Target Company is principally engaged in property investment and is the sole legal and beneficial owner of a property comprising 22 storeys of commercial/office space and two storeys of retail areas in Hong Kong (the "Property"), which is the principal asset of the Target Company. For details, please refer to the announcement of the Company dated 10 December 2023.

Management Discussion and Analysis (Continued)

The completion of the Acquisition took place on 28 January 2024. Upon completion, the Target Company has become an indirect wholly-owned subsidiary of the Company and the financial results of which are consolidated into the financial statements of the Group. Following the completion of the Acquisition, the Group will continue to perform the original leases of the major portion of the Property, and the remaining portion of the Property will be used as the Hong Kong headquarters of the Group. Up to the date of this report, the consideration for the Acquisition has been fully paid. The Acquisition was funded by the Group's net proceeds from the top-up placing of shares and internal resources.

The investment cost of the Property was RMB2,021,450,000. The Group adopted the cost method for subsequent measurement of the portion of the Property classified as investment properties. As of 30 June 2025, the carrying value of the Property was RMB1,847,079,000 after depreciation and impairment, representing a percentage of approximately 5.0% of the Group's total assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the six months ended 30 June 2025, the Group has not made any other material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Significant Investments and Capital Assets

In order to establish a high-end intelligent manufacturing and flexible supply chain base and a high-level research and development (R&D) and experience center to meet the Group's future development needs, a subsidiary of the Group (the "Subsidiary") entered into and updated an investment agreement with a local governmental authority in Guangxi Zhuang Autonomous Region of the PRC on 8 November 2019 and 23 May 2023 respectively, pursuant to which the Subsidiary had agreed to acquire the land use right over a piece of industrial land through the listing-for-sale bidding process, and construct a supply chain base over the land for the production and packaging of high-end sports equipment (including but not limited to sports shoes, sports apparels and sports equipment) to expand its production capacity and output of differentiated sports products, as well as focusing on putting resources into R&D and experience to enhance the Group's technological R&D capability and to provide consumers with better product experience, sports experience and consumption experience.

The maximum investment amount pursuant to the investment agreement was estimated to be approximately RMB3.3 billion, which refers to the total cost of completing the project and putting it into operation, including the cost of acquiring the land use right, the expenditure involved in the construction of the supply chain base, investment in purchasing machinery and equipment, and working capital.

As of 30 June 2025, the Subsidiary had successfully acquired the land use right over the relevant land and had been making investments on the construction of the supply chain base. As at 30 June 2025, the carrying amount of the non-current assets after depreciation and impairment under the investment was RMB1,945,279,000, representing approximately 5.3% of the Group's total assets. The remaining investment amount will be funded by the Group's unutilised net proceeds from the top-up placing of shares and internal resources.

Pledge of Assets

As at 30 June 2025 and 31 December 2024, the Group had no pledged assets.

Management Discussion and Analysis (Continued)

Contingent Liabilities

As announced by the Company on 31 December 2020, two wholly-owned subsidiaries of the Company (the “Purchasers”) entered into a transfer agreement on 31 December 2020 with Blooming Target Investments Ltd. (the “Vendor”) and 中銀投資資產管理有限公司 (Bank of China Investment Asset Management Company Limited) (“BOCIAM”) pursuant to which the Purchasers agreed to acquire the entire share capital in Matsunichi Communications (Hong Kong) Limited (the “Target Company”), the Vendor’s rights in the loan extended to the Target Company, and BOCIAM’s rights in the loan extended to the PRC subsidiary of the Target Company, Matsunichi High-tech Electronic (Shenzhen) Company Limited. The share transfer of the Target Company was completed on 28 January 2021, and since then, the Target Company became an indirect wholly-owned subsidiary of the Company. The Target Company was subsequently renamed as Li Ning Communications (Hong Kong) Limited.

As announced by the Company on its annual results announcement for the year ended 31 December 2024 on 28 March 2025, the Target Company received a statutory demand (the “Statutory Demand”) from the joint and several liquidators (the “Liquidators”) of Vast Gold Holdings Limited (in liquidation) (“Vast Gold”) and Active Legend Limited (in liquidation) (“Active Legend”) on 24 March 2025, alleging that Active Legend had extended a short-term loan in the principal amount of HK\$500,000,000 (the “Subject Loan”) pursuant to a loan facility letter from Active Legend dated 20 August 2018 and confirmed by the Target Company and Mr. Pan Sutong on the same day. In the Statutory Demand, the Liquidators further alleged that the Subject Loan remained outstanding at a total amount of HK\$1,955,338,833 (including the loan principal, interest and default interest amounts). On 29 April 2025, upon the Target Company’s application to restrain the Liquidators from commencing any winding up proceedings against the Target Company based on the alleged debt stated in the Statutory Demand, the Liquidators withdrew the Statutory Demand.

On 24 June 2025, Active Legend and Vast Gold served on the Target Company a writ of summons issued in the High Court of the Hong Kong Special Administration Region under action number HCA 770/2025 (the “Writ of Summons”).

Before the Target Company received the Statutory Demand, the Company was not aware of the existence of the Subject Loan and any matter related thereto, and the Target Company had never received any repayment demand or other correspondence from Active Legend or Vast Gold or the Liquidators.

The Group has been seeking legal advice since the Statutory Demand has been received by the Target Company. Based on the facts and circumstances available to the Group, the Group believes that there is no obligation for the Target Company to repay the Subject Loan. The Target Company will vigorously defend against the claim referred to in the Writ of Summons. The Company will make further announcement(s) on this matter when there is substantial development.

BUSINESS REVIEW

In the first half of 2025, facing a volatile external environment, the Chinese government intensified the implementation of more proactive counter-cyclical regulatory policies, with domestic demand remaining relatively stable and macroeconomic operations maintaining steady performance. Although the consumer market continued a moderate recovery trend overall in the first half of the year, the year-on-year growth rate of total retail sales of consumer goods slowed in June, consumer confidence fluctuated, and consumer behaviour became more rational, with significantly increased attention to product quality-to-price ratio. Against this backdrop, the Group steadily consolidated its operational foundation and actively accumulated momentum for business development, with results in the first half of the year generally in line with expectations. During the period, the Group’s deployment in key areas such as product upgrade, brand marketing, and channel optimisation progressed steadily as planned.

Management Discussion and Analysis (Continued)

In terms of product upgrade, the Group adhered to the core strategy of “Single Brand, Multi-categories, Diversified Channels”, continuously increasing R&D investment and technological innovation efforts, jointly promoting sports innovation empowered by aerospace technology with the China National Space Administration News and Publicity Center. At the same time, based on consumer demand and market trends, the Group launched products with high quality-to-price ratio, and systematically advanced comprehensive optimisation of the product matrix. On the basis of consolidating competitive advantages in the six core categories of running, basketball, training, badminton, table tennis, and sports casual, the Group, with a proactive business mindset, fully promoted product innovation and market expansion in various sub-segment categories, injecting new momentum into long-term growth.

In terms of brand marketing, the Group’s cooperation rights with the Chinese Olympic Committee (“COC”) have been successfully finalised, and the recognition of its identity as an official partner is being gradually promoted. The Group effectively utilised the platform resources of COC to strengthen mindshare in the brand’s professional sports attributes, leading consumers to intuitively perceive the important journey of Chinese sports progressing alongside the LI-NING brand. At the same time, relying on its cooperation with the Palace Museum, the Group has integrated traditional cultural elements with professional sports and sports casual products, demonstrating the brand’s unique capability and advantage in inheriting the value of Chinese culture.

In terms of channel optimisation, the Group continued to build a more resilient and growth-oriented omnichannel matrix, promoting coordinated development of online and offline channels. Online, the Group has continuously improved overall channel layout, significantly enhancing channel efficiency through strengthened governance and control, while actively exploring new retail business models to provide sustained momentum for brand development. Offline, the Group has focused on optimising single-store efficiency and service quality, expanding channels in emerging markets, and continuously advancing AI-powered digital empowerment and terminal experience enhancement to deliver “LI-NING’s Experience Value” to consumers.

Deepening Olympic marketing strategy to strengthen positioning as a professional sports brand

Leveraging years of efforts and accumulated experience in professional sports, and relying on superior product excellence and brand strength, the Group successfully signed an agreement in 2025 to become the official sportswear partner for the Chinese Olympic Committee and the Chinese Sports Delegation from 2025 to 2028. During the reporting period, anchored by its core theme of the marketing theme of “China’s Glory, LI-NING’s Support” (中國榮耀，李寧同行) under its new Olympic identity, the Group made efforts to reinforce its professional image as an unwavering supporter of Chinese sports, and further cemented its core positioning as a professional sports brand.

During the first half of the year, the Group proactively promoted its Olympic identity to retail stores. Through nationwide store visual refreshes, co-branded logo installations, and exclusive core visual displays, customers were enabled to intuitively experience the brand’s shared journey with Chinese sports, laying a solid foundation for subsequent marketing exercises. During the same period, the Group launched the “Glory by Me, Sports in China” (榮耀由我，運動中國) mini-program interactive experience, deeply connecting with 5,209 stores nationwide. It engaged more than 156,000 participants online and offline and significantly enhanced brand volume.

Management Discussion and Analysis (Continued)

In June 2025, the Li Ning brand actively supported the Chinese Olympic Committee in organising International Olympic Day activities by promoting the Olympic spirit and boosting national fitness initiatives. During the event, the Li Ning brand recruited runners and engaged in community activities across four cities, reaching over 13,000 participants. It also provided interactive experiences for runners, inviting them to experience the performance of the “Yueying 5 PRO” (越影5 PRO) featuring cutting-edge cushioning technology, so as to leverage this opportunity to simultaneously enhance the brand’s influence and the reputation of its core products.

Furthermore, the Group and the Aerospace Technology Innovation and Application Platform jointly established the Aerospace Technology Innovation and Application Laboratory, dedicated to applying advanced aerospace technology to Li Ning’s professional sports equipment, thus continuously empowering the Chinese Olympic Committee. The Group made sustained breakthroughs in technological R&D, with the Aerospace Technology Innovation and Application Laboratory delivering remarkable achievements. Two technological advancements, “Aerospace Quick-drying” (航天速乾) and “Aerospace UV Defense” (航天防曬) applied in professional sports equipment were officially unveiled on China Space Day. These technological achievements further reinforced the brand’s professional DNA and further deepened its positioning as a professional sports brand in consumers’ perception.

As a professional sports brand, the Group believes that continuously increasing strategic investment in professional sports resources represents vital preparation for future growth. Leveraging the partnership with the Chinese Olympic Committee, the Li Ning brand will further strengthen its brand power, while simultaneously building cultural value and accumulating brand momentum, thus generating long-term, sustainable returns for the brand.

Deepen the Strategy of “Single Brand, Multi-categories, Diversified Channels” to Upgrade LI-NING’s Experience Value

Enhance core competitiveness in professional sports with universal marketing matrix to expand brand influence

In the first half of 2025, the Group focused on the six core categories of running, basketball, training, badminton, table tennis and sports casual, while actively grasping market trends and exploring new sports subcategories, such as outdoor sports, tennis and pickleball. The Group continued to strengthen its product capabilities through technological innovation and enhance the deployment of professional sports resources, based on three key pillars: solidifying a professional sports mindset, showcasing sports fashion aesthetics, and inheriting Chinese cultural values. Moreover, it proactively sought to strengthen its differentiated brand advantages, promote brand recognition and popularity and enhance brand influence through diversified and comprehensive marketing campaigns.

Running

In the first half of 2025, LI-NING’s running category continued to maintain technology-driven approach, launch products for different scenarios and consumer needs. The Group strategically strengthened its presence in China’s leading marathon events by leveraging top-tier domestic and international athlete resources, thereby reinforcing professional brand recognition and influence through credible endorsements.

Management Discussion and Analysis (Continued)

In the professional running shoes matrix, the three core IPs: “Super Light” (超輕), “Rouge Rabbit” (赤兔), and “Feidian” (飛電), achieved a total sales volume exceeding 5.26 million pairs during the period, steadily promoting the brand’s professional positioning. The Group launched upgraded products of all three series. The “Feidian” (飛電) series was fully upgraded with the “Super BOOM” (超轟) midsole technology, delivering up to 89% energy return. The “Rouge Rabbit” (赤兔) series integrated LI-NING’s signature technologies including “Boom” (轟) and “Boom Fiber” (轟絲) to support runners in achieving progressive breakthroughs. The “Super Light” (超輕) series continued to attract a strong and loyal fan base by its balance between professional and everyday performance. In addition, the Group also launched the “Jinghong” (驚鴻) running shoes specifically designed for female runners. This product has become one of the most popular choices among female consumers, providing strong support for the Group’s brand building and product sales in the women’s sports market.

In running apparel, the Group focused on different running scenarios for the needs of marathon participants and daily road runners, addressing their problems through materials, styles, and functional technology, and improving the product experience of core consumers. The racing “Dragonflight” (龍雀) vest, following the concept of “Dragonflight” (龍雀) series launched in 2024, became popular in the running apparel market this year with its differentiated product selling points, excellent product performance, and unique visual presentation. In addition, the Group has also launched “Pangolin” (鱗山甲) trail running jacket for the trail running subcategory. With its top-grade outdoor fabrics and LI-NING technological craftsmanship, it enables runners to face complicated weather conditions during trail races with confidence and ease, improving their performance.

In terms of marketing, in the first half of the year, the Group secured sponsorship of two key marathon events, the Wuxi Marathon and the Beijing Half Marathon. LI-NING leverages its advantages in different aspects, including professional, cultural, technological, and communication support, to elevate the event and provide 55,000 contestants with a professional and unique LI-NING experience. Meanwhile, LI-NING actively deployed resources for top athletes domestically and internationally. In the first half of the year, LI-NING supported athletes to achieve 44 championships and appear on the podium 84 times in international and domestic competitions.

Basketball

The Group continued to focus on its three core basketball product lines: Professional Basketball, “Wade” (韋德), and “BADFIVE” (反伍). The Group further strengthened the brand’s market influence by their distinct styles and product positioning.

In Professional Basketball, the Group continued to enhance brand exposure through the CBA League and the popularity of the NBA Draft. During the 2024-2025 CBA All-Star Weekend, the Group launched the All-Star Sneaker Carnival under the theme “LI-NING Basketball’s No.1 Manufacturing Factory,” showcasing the strong technical and professional capabilities of the LI-NING basketball team. In addition, the Group seized the lightweight market by launching the popular product “ULTRALIGHT 2025”, which integrates “Super BOOM” (超轟) technology and leverages online sales channels. Since its launch at the end of last year, the product has achieved cumulative sales of over 100,000 pairs across all channels. In apparel, the Group actively leveraged sports marketing and apparel product exposure during important events such as signing with NBA athlete Jimmy Butler and signing NBA Draft Yang Hansen, and CBA league to reinforce its professional sports image and expand its business share.

Management Discussion and Analysis (Continued)

In “Wade” (韋德) basketball, the Group leveraged the signing of CBA All-Star import Kenneth Lofton Jr. to launch the new “Wade 808 ULTRA”, equipped with an embedded “Super BOOM” (超轟) midsole to provide a new level of comfort and practical experience. The Group focused on high-end stores in sales channels to enhance consumers’ awareness of product IP and high-priced team shoes. In 2025, the LI-NING’s signed athlete D’Angelo Russell embarked on a China tour, during which the first tailor-made signature shoes “DLO1” were launched. The initial release was combined with both his tour and the 618 Shopping Festival, successfully converting product popularity into actual sales, resulting in a rapid sell-through and establishing the new “DLO” IP. As the first Chinese brand to enter Fanatics Fest, the “Wade” basketball achieved 100% sell-through on the international stage with the limited-edition “DLO1 X KICKCREW” colorway, further enhancing its brand influence and market competitiveness.

The “BADFIVE” (反伍) basketball shoes began to focus on Chinese outdoor basketball players this year. Based on their playing styles, the Group introduced the “SNIPER” (遊擊) series for running and shooting, the “HUNTING” (追獵) series for changing directions, and the all-around “BADFIVE” (反伍) basketball shoes, with the latest “Super BOOM” (超轟) technology and highly durable rubber to enhance performance and enrich the product matrix. Meanwhile, the Group continues to invest in practical products through the collaboration with products, events and channels. With the differentiated positioning of “BADFIVE” (反伍) street basketball, it further strengthened brand recognition in the basketball segment.

Training

In the first half of 2025, the Group’s training category, with technological innovation as its strategic core, successfully established a sports equipment product matrix that combines technological empowerment with market advantages, driving high-quality growth in both the men’s and women’s fitness consumer markets.

The Group has a deep insight into the sports preferences and diverse needs of female consumers, covering multiple scenarios such as yoga, hot sweat and comprehensive training. Seizing the trend of athleisure wear, the Group integrated functional technology with fashionable design. During the period, it continued to enrich its exclusive IP matrix for women’s fitness, effectively catering to the diverse needs of modern women from professional training to daily wear. Products such as windbreakers featuring “smart protection technology” (智能防護科技) and ultra-soft sweatshirts and pants are highly acclaimed by customers. The “Air-Cooling T-Shirt” (冷氣涼感T恤), certified by aerospace technology standards, has significantly elevated the brand’s professional and technological profile. In terms of marketing, the Group meticulously orchestrated LI-NING’s first cross-category women’s footwear and apparel marketing campaign, leveraging the star power of celebrity matrix and fitness KOLs to launch the thematic campaign “Grace in Motion” (美妙如輕而至). Through targeted online promotion and offline community experience, the Group captured the attention of core female consumer groups, achieving dual growth in content penetration and search buzz, thereby solidifying its leading position in the market segment.

Men’s training products focus on functional technology and continue to build a cost-effective product matrix. Leveraging the “AT” technology platform, the Group adhered to the design philosophy of “professional function + sports gene” (專業功能+運動基因) to deeply integrates professional visual presentation with functional technology, striving to meet the specialized needs across diverse sports scenarios. Core product “Functional Pants” (功能褲裝) delivered outstanding results, achieving million-unit shipments. “Quick-Drying T-Shirts” (瞬吸速乾T恤) drove performance growth with a high sell-out rate. In terms of marketing, leveraging the dual endorsement advantages of aerospace technology and professional athletes, the Group successfully achieved a leading position in both total online share of voice and engagement metrics through co-created media content and athlete topic marketing.

Management Discussion and Analysis (Continued)

Badminton

In the first half of 2025, the badminton category significantly expanded its influence across sportswear, footwear, and equipment fields through continuous technological innovation, product upgrades and precise market layout, solidifying its foothold in consumers' mindset.

LI-NING's Badminton Competition Series has consistently garnered attention and acclaim from China's National Youth Team, elite international players and teams as well as consumers. In the first half of the year, the Group provided corresponding product solutions for different competition story packages by segmenting the needs of target groups. The international team competition uniforms use cutting-edge fabric technologies such as seamless knitting and COOLMAX yarn, earning unanimous acclaim from Indonesian and Singaporean teams. The China Youth Team's competition uniform story package is designed for young Chinese badminton talents, offering professional on-court and off-court products that better suit the new generation of Chinese youth players. It not only enhances performance in competitions but also meets product needs for other scenarios. While reinforcing LI-NING's technological and professional image, it resonates with the new generation of young consumers.

Regarding badminton shoe products, the Group continued to optimise its product categorization and grading in the first half of the year to fill product gaps and extend popular products with strong sales and reputation. As the flagship model of the comprehensive balanced series, "Halberd 2.0" (戰戟2.0) maintained strong sales momentum throughout the first half of the year.

In terms of equipment, the Group increased investment in materials, processes and automation equipment, continuously enhancing product professionalism. Equipment product sales maintained rapid growth in the first half of the year. The Group consistently enhanced its badminton racket product lines in three major series of attack, control and speed. In the first half of the year, we launched new professional products such as "Thunderstorm 80 Light" (雷霆80 Light), "Thunderstorm 90NEW" (雷霆90NEW) as well as sequel products "Thunderstorm 80" (雷霆80) and "Halberd 8000" (戰戟8000). The brand's competitiveness and market share demonstrated sustained growth.

For marketing campaigns, LI-NING Badminton adopted "Quality Products, Made by LI-NING, Made in China" (好產品，李寧造，中國造) as its category campaign theme. With professionalism as the core, the Group focused on sponsored resources, key international tournaments, and brand campaigns to promote newly launched products and integrated media platforms to continuously enhance brand reputation and drive the division sales targets growth. In the first half of the year, the Group sponsored key domestic and international tournaments, including the China (Ruichang) International Badminton Masters and the 2025 Singapore Open, and renewed its contract with the Indonesian national team, while continuing its sponsorship of domestic and international top-tier badminton players. The professionalism of LI-NING badminton products is demonstrated by the competitive performance of international high-level athletes and the professional image and brand influence of LI-NING badminton are continuously strengthened.

Table Tennis

In the first half of the year, the table tennis category maintained its market-leading position. The Group precisely aligned with industry development trends, regarded product enhancement and global event marketing as core drivers. LI-NING has strengthened its professional brand image in both professional competition and mass consumer markets, and steadily consolidated its leading position in the industry.

Management Discussion and Analysis (Continued)

In product innovation, the Group continued to deepen the technological innovation in table tennis shoes and apparel, while actively building a comprehensive scenario product matrix to provide consumers with an all-round, superior sports experience. In the field of shoes, the uppers featured breakthrough “Boom Fiber technology” (震絲科技), achieving an ideal balance between lightweight performance and strong support. The newly developed midsole adjustment system integrated key technologies such as “Boom” (震), “Bounce+”, “Cloud Plus” (雲plus), “Cushion”, and carbon plates, providing reliable protection for high-intensity sports. The outsole and last designs also combined technological and functional design to improve both comfort and sports functions. In the field of apparel, the 25th competition apparel adopted aerospace materials and yarn antibacterial processing, improving moisture absorption and quick-drying capabilities while highlighting sustainability. In terms of product portfolio strategy, the Group built a multi-tiered product matrix including the “Champion Series” (冠軍系列) for professional athletes, the “Elite Series” (菁英系列) for advanced users, and the “Rookie Series” (新秀系列) for entry-level consumers. This was complemented by the “Table Tennis Carnival” IP, which generated widespread attention among target audiences, achieving multi-dimensional product exposure from professional equipment to IP peripherals, thereby meeting the diverse needs of different consumer groups.

In marketing and promotion, the Group leveraged event marketing as its core strategy to fully unleash the brand potential. As an official partner of the WTT tournament series, the Group maintained deep collaboration across 18 top international tournaments, significantly enhancing brand awareness and reputation. The Doha World Table Tennis Championships marketing campaign achieved groundbreaking results, reaching 760 million viewers with live broadcast viewership exceeding 6.2%. The topic viewing volume on Weibo exceeded 16.08 billion, setting a new record for communication within the table tennis sector. By establishing a strong connection between the international performance of the national table tennis team with the professional equipment of LI-NING, the Group shaped the perception of LI-NING as the “First Choice in Professional Table Tennis”. During the period, LI-NING continued to upgrade its offerings through technological innovation and expanded its market reach through marketing, steadily enhancing both brand influence and competitive strength.

Sports Casual

In the first half of 2025, LI-NING’s sports casual segment continued to focus on Chinese culture, integrating traditional aesthetics with contemporary design. The collaboration with the Palace Museum introduced cultural elements such as turret towers and roof charms into everyday apparel, while the co-branded collection with Disney fused classic IP characters and retro trends into thin-sole footwear. Leveraging the campaigns of the Chinese New Year, Shanghai Fashion Week, the Sports Inspiration Story, and a comprehensive social media matrix, the Group achieved extensive penetration, further reinforcing its positioning as a “Cultural Leader”. From a product strategy perspective, the Group focused on scenario functional upgrades and cost-effectiveness optimisation. It developed a differentiated product matrix for diverse scenarios including commuting and outdoor activities, thereby strengthening both consumer emotional connection and market competitiveness.

The sports casual shoes demonstrated steady growth. In the first quarter, the performance of court-style and lifestyle sneakers exceeded expectations, with key products such as “BUOU” (布歐) and “CAT PAW”, achieving significant year-on-year growth in sales. The “SOFT” series achieved an 800% surge in brand search volume on Xiaohongshu (小紅書) through targeted marketing, with topic views reaching 4.7 million, achieving the highest penetration rate in the commuting shoes category and reaching 100 million total impressions across platforms. In addition, the newly launched women’s IP “XING MANG” (星芒) recorded a 48% sell-through rate within 60 days of launch, demonstrating strong growth potential.

Management Discussion and Analysis (Continued)

During the period, “China LI-NING” further deepened strategic cooperation with leading fashion brands, continually expanding its brand influence. Collaborations included the “Rich Everyday” (日進門金) series with M.E.D.M, a co-branded collection with TYAKASHA blending playful fashion with traditional sports DNA, and outdoor experiential events themed “Exploring Mountains and Waters” (遊山玩水) in partnership with G-SHOCK and CHUMS, all of which drew wide consumer attention and steadily enhanced brand voice. In February 2025, “China LI-NING” further deepened its international deployment through a co-branded initiative with STAPLE, hosting simultaneous pop-up events in China and New York that attracted global fashion media, KOLs, and sports enthusiasts, reinforcing the brand’s penetration in the global fashion sector.

“LI-NING 1990” regarded golf as the core, blending technological innovation and fashion, being endorsed by international tournaments and professional athletes, in order to build a brand image that combines professional sports with high-end fashion. In the first half of 2025, the “golf collection” underwent a full upgrade, utilising cooling technology and functional fabrics to enhance professional performance and wearing experience. The newly launched “Qi Cheng Series” (啟承系列) G902 golf shoes featured “Carbon Core” technology and were widely recognised by professional users for their superior functionality and design. Meanwhile, the “Guan Lan” (觀嵐) commuting shoes achieved a sell-through rate of over 50% within 60 days of launch, and the co-branded “Xin Wu G” (心舞G) women’s golf shoes gained popularity among female consumers due to their distinctive design and performance. Furthermore, the Group also continued to cultivate brand IPs. With the “Gold Medal” series promoting Olympic spirit and the “Blue” series interpreting Eastern aesthetics, the Group further reinforced the brand’s differentiated positioning in both professional sports and high-end fashion sectors.

Outdoor

The Group continues to focus on market positioning, product development and marketing promotion, driving the new outdoor category to gradually capture consumer attention and further expand market share. In the first half of the year, the outdoor category saw significant growth in all-channel GMV, with footwear products delivering satisfactory performance.

In terms of product R&D, LI-NING Outdoor continued to enrich its “Wanlongjia” (萬龍甲) windbreaker jacket series in the first half of the year. The collection is made of ultra-light 7D fabric and equipped with industry-exclusive fabrics and production processes including “dual-vent nanotechnology for rainstorm protection” (防暴雨雙透納米科技). The product matrix has expanded to the active breathable and rainstorm-proof “Wanlongjia Breath” (萬龍甲Breath), the rainstorm-proof “Wanlongjia Protection” (萬龍甲Protection) and the ultra-light and rainproof “Wanlongjia Ultralight” (萬龍甲Ultralight).

In terms of market positioning, the Group precisely targeted younger consumer groups, focusing on light hiking enthusiasts, individuals who spend time outdoors, and young professionals seeking outdoor experiences. In the first half of the year, the Group refined its footwear price matrix and enriched its product line tailored for different scenarios and styles, including the “Counter Flow” (行川) hiking shoe, the “Counter Flow” (行景) shoe featuring business commuting-styled, and the “Xun” (尋) series of creek walking shoes and sandals which is a relaxing, outdoor style.

In terms of marketing and promotion, the Group continued to expand its marketing resources by establishing in-depth partnerships with leading domestic light outdoor hiking platforms. Focusing on popular hiking routes favored by domestic young people, the Group showcased the performance of its core IPs, “Counter Flow” (行川) and “Wanlongjia” (萬龍甲) in real outdoor scenarios, earning widespread acclaim from outdoor tour leaders and seasoned outdoor enthusiasts. Furthermore, the LI-NING “Counter” (行) family of outdoor hiking shoes, represented by the “Counter Flow” (行川), has also seen an exponential increase in search index on mainstream social platforms with its cool design style and functional performance of zero-fatigue hiking, becoming the representative of the new generation of trendy outdoor shoes.

Management Discussion and Analysis (Continued)

Tennis and pickleball

The Group also continued to enhance its professional pickleball and tennis product portfolios, comprehensively catering to the needs of users at all levels, from entry-level to professional. Tennis and pickleball apparel, shoes and equipment products were launched, along with a full range of tennis and pickleball products, including tennis competition series, club series, cultural series and youth series. At the same time, the Group has established a dedicated tennis technology platform to cultivate unique technological attributes for tennis. Through athlete endorsements, tournament sponsorships, and integrated online-offline marketing campaigns, it continues to expand the LI-NING brand's influence in both pickleball and tennis.

LI-NING YOUNG

In the first half of 2025, leveraging its keen insight into the children's sportswear market, LI-NING YOUNG remained deeply focused on the youth and children's sports segment. It has achieved steady progress in product optimisation, channel expansion, retail efficiency enhancement and brand marketing, with an emphasis on improving its professional brand image and market share. It is committed to establishing LI-NING Young as the preferred professional sports brand for children and youth in China.

In terms of product optimisation, LI-NING YOUNG continued to drive progress through product research and development, and IP establishment, fostering breakthrough growth in its core categories. In the running shoe category, it launched the "Lingdong Technology" (靈動科技) platform and developed a gait guidance system. The "Cloud" (雲) series emphasised breathability, lightweight and protection functions, while the "Dragonfly Family" (蜻家族) focused on trendy design, comfort and high cost-effectiveness. In the basketball shoes category, the trendy "INFINITE" series was further supported by CBA resources, achieving exposure in excess of ten million impressions and effectively reaching target customers. In addition, several apparel products achieved outstanding performance. With the China culture IP "Wanxiang" (萬象) achieving a higher sell-through rate than the overall average. The total volume of orders for the summer cooling product matrix exceeded 530,000 units, marking a new historical high. During the period, LI-NING YOUNG achieved expected growth in both product speed and scale, resulting in a dual enhancement of brand value and sales performance.

In terms of channel development, LI-NING YOUNG focused on expanding market coverage and enhancing channel quality, with a strong commitment to implementing a multi-channel growth strategy. In addition to deepening its presence in core markets, it strategically expanded emerging markets and strengthened its outlet channel layout. The Group worked to establish benchmark stores exceeding ten million sales to create demonstration effects and enhance overall efficiency. Meanwhile, the Group advanced optimisation of its distributor matrix and achieved a breakthrough in distribution models. Furthermore, it placed emphasis on deepening its presence in the outlet channel, and systematically expanding and upgrading key stores, while also collaborating with partners to develop online sales platforms. The Group accelerated its deployment across e-commerce platforms, particularly enhancing synergy effect in private domain operations such as Douyin, community marketing and employee-exclusive sales events, with the aim of significantly improving private traffic conversion efficiency. Furthermore, LI-NING YOUNG expanded into campus channels through the planning and trial of campus stores to cater to students' sportswear needs, further strengthening its influence among the youth market.

Management Discussion and Analysis (Continued)

In terms of retail efficiency, LI-NING YOUNG implemented systematic measures to improve the performance of both wholesale and direct-operated channels. On the wholesale side, it established a customer communication mechanism and adopted a targeted resource allocation strategy, prioritising stores with over ten million sales and the Top 100 stores, thereby significantly improving return on investment. Furthermore, annual targets were effectively implemented and realised through goal decomposition and project-based management. On the direct-operated front, the Group enhanced its talent development framework by refining career promotion pathways and specialised training programmes, enabling employees to maximise their strengths and improve execution capabilities. Additionally, the Group conducted sampling and trials of promotional gifts and display materials, supported by tracking mechanisms, to drive performance growth in potential stores.

In terms of marketing and promotion, LI-NING YOUNG has fully leveraged the Group's resources, working in close collaboration with categories such as basketball and running to provide a wide range of brand experiences to consumers through diversified marketing campaigns. During the period, the Group actively engaged with popular events such as primary school basketball leagues and the Xinjiang LI-NING YOUNG Cup Basketball Tournament, effectively integrating CBA resources to achieve over 14 million brand exposures, significantly enhancing brand visibility. The Group also collaborated with prominent industry celebrities such as Yang Yi and Jia Lei to launch master classes, and further promoted the brand through sponsorships, brand campaigns and partnerships with training bases, generating strong communication momentum, expanding the exposures and penetration of the brand, and supporting the high-quality growth of brand value.

Deepening Omnichannel Deployment and Enhancing Operational Efficiency

In the first half of 2025, the Group continued to advance the development of diversified channels, upgrade retail digitalisation, and optimise supply chain and logistics operations. These efforts further strengthened its business foundation, consistently consolidated its market competitiveness, and delivered steady improvements in operational effectiveness.

In terms of channels, the Group has actively built a multi-dimensional channel network, and systematically promoted deepening of market coverage and upgraded of operational efficiency. In high-tier markets, through deepening strategic coordination with top-tier commercial entities and leading outlet projects, the Group promoted innovative store format planning and deployment. In emerging markets, the Group implemented deep expansion and optimised channel hierarchy layout to expand market share. At the same time, the Group strategically optimised rental structure and cooperation models, further strengthening operating cost control of existing stores to achieve dual enhancement of operational efficiency and channel health. In addition, the Group deepened strategic cooperation with quality commercial partners, jointly advancing the implementation of marketing activities, effectively improving customer reach efficiency and sales conversion rate, and actively promoting the "resource integration, full-domain marketing" new retail model to reinforce the dual uplift of brand momentum and commercial value.

Management Discussion and Analysis (Continued)

As of 30 June 2025, the number of conventional stores, flagship stores, China LI-NING stores and factory outlets under the LI-NING brand (including LI-NING Core Brand and LI-NING YOUNG) amounted to 7,534, representing a net decrease of 51 as compared to 31 December 2024. The number of POS breakdown as of 30 June 2025 is as follows:

LI-NING Brand	30 June 2025	31 December 2024	Change
Franchised	4,821	4,820	0.0%
Directly-operated retail	1,278	1,297	(1.5%)
LI-NING YOUNG	1,435	1,468	(2.2%)
Total	7,534	7,585	(0.7%)

Number of LI-NING Brand POS by geographical location

Regions	30 June 2025			31 December 2024			Change
	LI-NING Core Brand	LI-NING YOUNG	Total	LI-NING Core Brand	LI-NING YOUNG	Total	
Northern Region (Note 1)	3,039	842	3,881	3,076	856	3,932	(1.3%)
Southern Region (Note 2)	3,060	593	3,653	3,041	612	3,653	0.0%
Total	6,099	1,435	7,534	6,117	1,468	7,585	(0.7%)

Notes:

1. The Northern region includes provinces, municipalities and autonomous regions covering Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Shandong, Henan, Heilongjiang, Jilin, Liaoning, Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.
2. The Southern region includes provinces, municipalities, autonomous regions and special administrative regions covering Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Hubei, Hunan, Chongqing, Sichuan, Yunnan, Guizhou, Tibet, Guangdong, Guangxi, Fujian, Hainan, Macau and Hong Kong.

In terms of retail operations, the Group is committed to building a high-profitability, high-efficiency operating model, laying a solid foundation for dual-driven growth of brand and product. In the first half of the year, the Group focused on the systematic construction of operating models in high-tier markets and distribution business models. Through channel structure optimisation, adjustment of store product mix, and planning of consumer interaction activities, the Group has strengthened brand mindshare penetration and improving product operation efficiency. In addition, the Group concentrated on optimising store visual presentation and marketing promotion quality, upgrading property cooperation effectiveness, and enhancing the professional service capabilities of sports consultants. The Group has also strengthened efficient collaboration between headquarters and terminals, continuously improved retail process standards, and made full preparations for new store expansion and retail capability enhancement during the Olympic cycle.

Management Discussion and Analysis (Continued)

In terms of new retail business, the Group has comprehensively deepened the construction of its new retail business system. With digital upgrade as the core, the Group has been committed to driving all-round enhancement of business efficiency. In the first half of the year, the Group upgraded its user digital platform and guided selling system, not only achieving continuous optimisation of consumer service experience, but also promoting the sustained rise in off-store sales conversion efficiency. At the same time, the Group has actively expanded a new multi-platform business cooperation model, successfully connecting to mainstream ecosystem platforms such as Douyin Local Life (抖音本地生活), achieving deep integration of online and offline marketing resources, enhancing precise traffic attraction capabilities of offline stores, and effectively promoting customer flow conversion and synergistic growth of store sales. In addition, the Group relied on AI technology to empower the private domain digital management tool “Ning Shopping Guide” (寧導購), significantly strengthening data analysis and service levels of terminal guided selling, helping to improve overall operational efficiency, and providing strong technical support for efficient conversion of omnichannel traffic.

For the e-commerce business, in the face of a challenging market environment across the industry, the Group adhered to a prudent and steady operational strategy. By fostering strong cooperation between online and offline channels, developing exclusive marketing IPs, and strategically deploying key promotional campaigns, the Group continued to drive comprehensive improvements in operational efficiency, making e-commerce a key motivation for the business growth. During the first half of the year, several star products achieved outstanding performance. Russell’s first signature basketball shoes, the “DLO1”, ranked the top in sales during its initial launch period within LI-NING’s basketball category. The “LI REN 5 V2” (利刃5V2) remained the top three basketball shoes in the industry, while the newly launched running shoe IP, “Zhui Feng” (追風), successfully captured the attention of Gen Z consumers, further enhancing brand influence and transaction activity. In addition, the Group developed the exclusive “Ma Lu Song” (馬路松) IP concept, effectively leveraging the celebrity effect of Olympic champion Wang Chuqin to maintain heightened brand visibility. During the period, Tmall Celebration Day (天貓歡聚日) and Douyin Super Product Day (抖音超品日) achieved strong results in both total exposure and user engagement. During the Queen’s Day (女王節), the number of female members increased by over 20% year-on-year, reflecting the steady enhancement of the brand’s influence. Moreover, the Group’s channel operations were closely integrated with all business lines, supporting overall inventory optimisation while maximising the viral momentum of e-commerce exclusive products. By leveraging online popularity to drive offline sales, the Group successfully created more commercial opportunities for offline channels. These efforts demonstrated the flexibility and resilience of the Group’s e-commerce capabilities amidst a subdued industry climate.

In terms of supply chain, the Group continued to advance deep optimisation and strategic upgrading of its supply chain, focusing on four core objectives: quality control, delivery assurance, cost optimisation, and sustainable development, and has achieved notable results. The Group has deepened dynamic supplier management, strategically focused on high-quality resources for premium sports, outdoor, and the Glory product line (榮耀產品線), and completed supplier structure optimisation based on comprehensive evaluation, establishing a core strategic supplier echelon, significantly increasing their business share. At the same time, the Group also accelerated the deployment of its supply chain into inland regions to enhance overall resilience. In terms of operational efficiency improvement, the Group implemented deep integration and streamlining of key raw materials, significantly optimising procurement and production efficiency. Benefiting from the end-to-end cost control portfolio strategy, the Group successfully achieved cost optimisation, with overall supply chain efficiency continuously improving and delivery fulfilment rate remaining at a high level. Breakthrough progress was made in flexible supply capabilities, successfully expanding into e-commerce exclusive product lines, and establishing a rolling replenishment system and cross-channel coordination mechanism to maximise market demand fulfilment. In addition, the Group deeply integrated the sustainability concept into supply chain practices, effectively advancing the implementation of green products, with order volume of eco-friendly products exceeding target levels.

Management Discussion and Analysis (Continued)

In the first half of 2025, the Group vigorously promoted the strategic construction of the logistics system, focusing on three core directions: omnichannel logistics integration, digital upgrade, and automation optimisation, to achieve comprehensive enhancement of logistics efficiency and precise optimisation of cost control. The Group launched the omnichannel logistics project, efficiently integrating online and offline resources, improving goods circulation efficiency and warehouse operation efficiency, and effectively reducing logistics costs. In terms of logistics digitalisation, the Group has established an advanced goods warehousing coordination system to ensure the timeliness and accuracy of goods warehousing, and has further enhanced warehouse receiving and dispatching capacity through a customised warehouse operation system, achieving refined management of operating costs. In addition, the Group has continuously optimised logistics automation, officially launching the automation optimisation plan for the Eastern China online logistics centre, significantly improving online logistics fulfilment capability and promoting cost reduction and efficiency enhancement. During the period, the launch of the Nanning central warehouse marked the Group's completion of nationwide logistics and warehousing network deployment, further enhancing market responsiveness and core competitiveness.

HUMAN RESOURCES

In line with the Group's strategic objectives and evolving business needs, the Human Resources Department continued to optimize its organizational structure, collaboration model, and favorable workforce deployment. Adhering to the elite principle, the Group is committed to building a lean and powerful organization.

In terms of organizational development, the Group remained focused on enhancing organizational efficiency. It promoted a business strategy focused on category operations by establishing specific category business departments to strengthen the competitiveness of our core products. The Group also developed the organizational structures for Olympic to support the Olympic with professional products and high-quality services. The Group accelerated the development of digital human resource systems to streamline human resource processes and improve management effectiveness. In addition, the Group continues to optimize its human resource allocation, implement staffing quota control strategies to enhance per capita efficiency and overall organizational competitiveness.

In terms of talent cultivation and development, the Group actively attracted outstanding talent from the industry, while accelerating the development of a robust talent pipeline. The Group introduced a systematic training program to strengthen the young talent pool and built a multi-level talent development system to enhance both operational and management capabilities of the management team. In addition, the Group also continued to refine its talent management, talent standards, evaluation, identification, and development processes to ensure the sustainable development of the talent effectively supports the business growth.

In terms of performance incentive management, the Group maintained a strong focus on results-driven performance and value distribution, reinforced cross-functional goal alignment within the category business departments, and further optimized the outcome-oriented organizational performance management system. It strengthened performance process management and feedback to identify individual and organizational strengths, and areas for improvement, thereby driving continuous performance enhancement. While controlling human resource costs, the Group upgraded its compensation and benefits system, introducing different short, medium, and long-term incentive schemes for key positions and core talent to boost market competitiveness, fully motivate employees and unlock their potential.

Management Discussion and Analysis (Continued)

Regarding culture and employee relations, the Group actively cultivated a positive and proactive organizational culture. It launched sports-themed activities such as the Sports Bazaar, Olympic Promotion Month, and interactive interest classes to foster employee enthusiasm for sports. Moreover, the Group collaborated with labor unions to provide diverse activities to enrich employees' lives. Additionally, the Group enhanced digital human resources by introducing an AI-powered assistant to quickly address employee inquiries, while also actively listening to employees' feedback to improve their sense of belonging, satisfaction, and engagement. Looking ahead, in response to the Group's strategic goals and business development needs, the Human Resources Department will continue to focus on organization, talent, performance, and cultural care, improve efficiency and inject strong momentum towards the achievement of the Group's yearly strategic goals.

As at 30 June 2025, the Group had 5,099 employees (31 December 2024: 5,022 employees), among which 4,908 employees were at the Group's headquarters, Guangxi Supply Base and retail subsidiaries (31 December 2024: 4,817 employees), and 191 employees were at other subsidiaries (31 December 2024: 205 employees).

OUTLOOK

In 2025, the Government Work Report places expanding domestic demand in a more prominent strategic position. Driven by policy promotion, technological iteration, and changes in consumer demand, the industry overall possesses potential for high-quality growth, with opportunities and challenges intertwined. Looking ahead to the second half of the year, the Group will maintain a prudent attitude, continue to consolidate its business foundation, firmly implement the core strategy of "Single Brand, Multi-categories, Diversified Channels", uphold the core value of "Serve with Sportsmanship", and continuously refine "LI-NING's Experience Value". At the same time, the Group will closely monitor market dynamics, actively capture and seize potential structural opportunities, and promote long-term sustainable growth through a series of strategic initiatives, striving to become the preferred brand for sports consumers.

1. **Building Product Competitive Advantage:** The Group will continue to rely on the LI-NING Technology Innovation Platform (李宁科技创新平台) to optimise product structure, strengthen diversified deployment under the single-brand strategy, and build differentiated competitive advantages. We will focus on the deep integration of technology and fashion, creating a sports product matrix that combines functionality and trend aesthetics, meeting consumers' full-scenario needs, and actively driving market share acquisition across various sub-segment markets. At the same time, the Group will accelerate the deployment in high-growth potential markets, focusing on breakthroughs in three emerging tracks: women's sports, outdoor gear, and youth sports products, to seize market opportunities and cultivate new business growth drivers. In addition, the Group will increase R&D investment, leveraging core technologies to enhance product strength, and reinforce long-term competitive advantage through technological barriers.
2. **Deepening the Cooperation Effectiveness with COC:** The Group once again partners with COC and the Chinese Sports Delegation, which not only reflects the full recognition by the General Administration of Sport of China and COC of LI-NING brand's professional strength and innovation capability, but also provides an important strategic opportunity for the brand's long-term development. LI-NING will fully support the Chinese Sports Delegation in competing on the international stage through high-quality products and highly efficient services. At the same time, the Group will further orderly launch online and offline marketing activities around this top-tier cooperation. It plans to release the 2026 Milan Winter Olympics apparel in the second half of the year, and initiate themed marketing campaigns for the Winter Olympics, continuously deepening LI-NING's professional sports image.

Management Discussion and Analysis (Continued)

3. **Focusing on Business Quality and Efficiency Enhancement:** The Group will coordinate efforts across three key areas, namely channels, products, and supply chain, to achieve dual improvement in business quality and efficiency. Channel efficiency upgrades will be pursued through dual breakthroughs in offline and online operations. Offline, the Group will enhance terminal competitiveness through initiatives such as efficiency improvement in high-tier markets, strengthening distribution capabilities, and deep cultivation of emerging markets. Online, the Group will unleash sales potential through overall ecosystem governance and brand marketing integration, aiming to achieve maximised online and offline sales. On the product side, by enhancing the full-chain system and improving the accuracy of omnichannel product planning, the Group will achieve significant optimisation of supply-demand matching, flexible production, and inventory turnover. In terms of supply chain, the Group will focus on three core indicators: cost control, quality improvement, and delivery timeliness, and deepen strategic integration with product and merchandise operations to enhance overall efficiency.
4. **Consolidating Foundations to Drive Growth:** To consolidate the foundation for corporate development, the Group will focus on enhancing talent-driven development, financial governance and digital-intelligence empowerment as three core pillars. In terms of talent-driven development, the Group will build talent teams based on strategic business needs, continuously optimise organisational effectiveness, and establish a flexible and efficient operational structure. In terms of financial governance, the Group will strengthen target management, establish more rigorous budget management and risk control mechanisms, enhance financial transparency and capital utilisation efficiency, and provide robust financial assurance for strategic implementation. In terms of digital-intelligence empowerment, the Group will deeply apply cutting-edge AI technologies, build a digitalised operational support system, and enhance market insight and consumer analysis capabilities, laying a solid foundation for high-quality development.





STANDING OUT

Interim Condensed Consolidated Financial Information

Independent Review Report



To the board of directors of Li Ning Company Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 35 to 67, which comprises the condensed consolidated statement of financial position of Li Ning Company Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
21 August 2025

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	14,816,763	14,345,288
Cost of sales	7	(7,401,960)	(7,109,686)
Gross profit		7,414,803	7,235,602
Selling and distribution expenses	7	(4,292,730)	(4,326,883)
Administrative expenses	7	(776,642)	(680,297)
Provision for expected credit loss allowance for financial assets – net		(841)	(10,268)
Other income and other gains – net	5	93,895	183,741
Operating profit		2,438,485	2,401,895
Finance income	6	193,993	221,238
Finance expenses	6	(159,686)	(120,863)
Finance income – net	6	34,307	100,375
Share of profits of:			
Joint ventures	14	13,289	28,254
Associates	14	120,435	82,606
Profit before income tax		2,606,516	2,613,130
Income tax expense	8	(869,094)	(661,098)
PROFIT FOR THE PERIOD		1,737,422	1,952,032
Attributable to:			
Equity holders of the Company		1,737,422	1,952,032
Non-controlling interests		–	–
		1,737,422	1,952,032
Earnings per share for profit attributable to equity holders of the Company for the period (expressed in RMB cents per share)			
Basic earnings per share	10	67.43	75.80
Diluted earnings per share	10	67.19	75.49

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD		1,737,422	1,952,032
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be classified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations	19	(41,697)	12,493
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,695,725	1,964,525
Attributable to:			
Equity holders of the Company		1,695,725	1,964,525
Non-controlling interests		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,695,725	1,964,525

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,615,327	4,610,454
Right-of-use assets	12	1,392,122	1,576,667
Investment properties	13	2,737,750	2,913,826
Land use rights		148,969	150,864
Intangible assets		156,064	234,736
Deferred income tax assets		963,833	949,424
Other assets	16	7,165	5,450
Investments accounted for using the equity method	14	1,876,402	1,743,938
Investments measured at fair value through profit or loss		448,521	450,316
Other receivables		153,234	166,519
Time deposits		2,138,025	2,377,970
Total non-current assets		14,637,412	15,180,164
CURRENT ASSETS			
Inventories	15	2,428,290	2,598,226
Other assets – current portion	16	1,064,042	893,775
Trade receivables	17	1,352,242	1,004,591
Other receivables – current portion		245,571	245,432
Restricted bank deposits		400	23,261
Time deposits– current portion		5,254,388	8,264,361
Cash and cash equivalents		11,798,043	7,498,596
Total current assets		22,142,976	20,528,242
Total assets		36,780,388	35,708,406

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	18	235,854	235,853
Share premium		9,017,219	9,011,394
Treasury shares		(277,308)	(290,896)
Other reserves	19	2,095,982	2,251,666
Retained earnings	19	16,096,946	14,895,672
Total equity		27,168,693	26,103,689
NON-CURRENT LIABILITIES			
License fees payable		8,250	16,500
Lease liabilities	12	1,287,126	1,384,527
Deferred income tax liabilities		579,355	568,753
Deferred income		45,832	48,991
Total non-current liabilities		1,920,563	2,018,771
CURRENT LIABILITIES			
Trade payables	20	1,872,089	1,625,132
Contract liabilities		189,167	368,518
Lease liabilities – current portion	12	490,187	551,610
Other payables and accruals	21	4,319,510	4,049,422
License fees payable – current portion		59,974	40,917
Current income tax liabilities		760,205	950,347
Total current liabilities		7,691,132	7,585,946
Total liabilities		9,611,695	9,604,717
Total equity and liabilities		36,780,388	35,708,406

Li Ning

Executive Chairman & Joint Chief Executive Officer

Kosaka Takeshi

Joint Chief Executive Officer

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Ordinary shares RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	235,853	9,011,394	(290,896)	2,251,666	14,895,672	26,103,689
Total comprehensives income for the period	–	–	–	(41,697)	1,737,422	1,695,725
Dividends declared	–	–	–	–	(536,148)	(536,148)
Share issued upon conversion of convertible securities	1	28	–	(29)	–	–
Equity-settled share option and restricted share award arrangement	–	–	–	73,061	–	73,061
Reversal upon forfeiture under restricted share award arrangement	–	–	–	(167,885)	–	(167,885)
Shares vested under restricted share award arrangement	–	5,797	13,588	(19,385)	–	–
Tax impact on share base payment	–	–	–	251	–	251
At 30 June 2025 (unaudited)	235,854	9,017,219	(277,308)	2,095,982	16,096,946	27,168,693

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to equity holders of the Company					
	Ordinary shares RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	239,546	10,172,638	(1,037,927)	2,021,513	13,010,871	24,406,641
Total comprehensive income for the period	–	–	–	12,493	1,952,032	1,964,525
Dividends declared	–	(473,560)	–	–	–	(473,560)
Cancellation of treasury shares	(3,723)	(701,982)	705,705	–	–	–
Share issued upon conversion of convertible securities	–	7	–	(7)	–	–
Equity-settled share option and restricted share award arrangement	–	–	–	7,011	–	7,011
Shares vested under restricted share award arrangement	–	15,656	19,483	(35,139)	–	–
Tax impact on share base payment	–	–	–	1,178	–	1,178
At 30 June 2024 (unaudited)	235,823	9,012,759	(312,739)	2,007,049	14,962,903	25,905,795

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Cash Flows

For the Six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities:			
Profit before tax		2,606,516	2,613,130
Adjustments for:			
Depreciation on property, plant and equipment	7	344,022	470,250
Depreciation on right-of-use assets	7	250,817	319,210
Depreciation on investment properties		49,603	41,039
Amortisation of land use rights and intangible assets	7	33,236	31,145
(Gain)/loss on disposal of property, plant and equipment and intangible assets		(5,046)	15,653
Gain on disposal of right-of-use assets		(7,609)	(34,221)
Provision for write-down of inventories to net realisable value		21,117	9,187
Provision for expected credit loss allowance of trade receivables and other receivables		841	10,268
Impairment of right-of-use assets	7	104,311	50,820
Impairment of property, plant and equipment	7	48,430	18,389
Impairment of investment properties	5	105,938	–
Impairment of intangible assets	7	76,428	–
Share of profit of joint ventures and associates	14	(133,724)	(110,860)
Investment gains on wealth management products measured at fair value through profit or loss ("FVTPL")	5	(17,240)	(14,971)
Fair value adjustment to investments measured at FVTPL	5	–	(2,685)
Finance income – net		(47,547)	(111,980)
Expenses for equity-settled share option and restricted share award arrangement	19	73,061	7,011
Expense reversal upon forfeiture under restricted share award arrangement	19	(167,885)	–
Amortisation of deferred income	5	(10,003)	(12,427)
		3,325,266	3,298,958
Decrease in inventories		148,819	171,193
Increase in trade receivables		(347,653)	(15,366)
Decrease/(increase) in other receivables		12,380	(119,910)
Increase/(decrease) in trade payables		246,957	(83,760)
Increase in other payables and accruals, license fee payable and deferred income		414,880	738,088
(Increase)/decrease in other assets		(170,267)	37,336
Increase in contract liabilities		(179,351)	(335,069)
Decrease/(increase) in restricted cash		22,861	(23,103)
Cash generated from operations		3,473,892	3,668,367
Income tax paid		(1,062,791)	(938,062)
Net cash generated from operating activities		2,411,101	2,730,305

Interim Condensed Consolidated Financial Information (Continued)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the Six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from investing activities:			
Purchases of property, plant and equipment		(532,611)	(608,727)
Purchases of investment properties		(5,467)	–
Acquisition of a subsidiary		–	(1,812,988)
Purchases of intangible assets		(29,105)	(26,838)
Proceeds from disposal of property, plant and equipment		10,430	6,718
Purchases of wealth management products		(2,896,385)	(1,767,000)
Redemption of the principal amounts of wealth management products		2,896,385	1,767,000
Placement of time deposits		(810,000)	(820,000)
Redemption of time deposits		3,800,000	1,920,000
Investment income from wealth management products	5	17,240	14,971
Interest received from bank deposits		453,911	241,255
Cash used in other investing activities		(10,097)	–
Dividends from an associate		1,260	1,425
Net cash generated from/(used in) investing activities		2,895,561	(1,084,184)
Cash flows from financing activities:			
Dividends paid		(536,148)	(473,560)
Payment of principal and related interest of lease liabilities		(372,794)	(442,530)
Proceeds from bank borrowings		2,350,000	1,378,216
Repayment of bank borrowings		(2,350,000)	(1,378,216)
Interest paid		(24,245)	(12,525)
Net cash used in financing activities		(933,187)	(928,615)
Net increase in cash and cash equivalents		4,373,475	717,506
Cash and cash equivalents at beginning of period		7,498,596	5,443,883
Effect of foreign exchange rate changes, net		(74,028)	(14,663)
Cash and cash equivalents at end of period		11,798,043	6,146,726
Analysis of balances of cash and cash equivalents			
Cash and bank balances		11,798,043	6,146,726
Cash and cash equivalents as stated in the statement of cash flows		11,798,043	6,146,726

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information

1. General information

Li Ning Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the People’s Republic of China (the “PRC”).

The Company was incorporated on 26 February 2004 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This interim condensed consolidated financial information is presented in Renminbi (“RMB”), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the Board of Directors (the “Board”) on 21 August 2025.

This interim condensed consolidated financial information has not been audited.

2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of this interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

4. Segment information and revenue

Management is the Group's chief operating decision-maker. Management reviews the Group's internal reports periodically in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is principally engaged in a single line of business of sporting goods. Management reviews the performance of the Group as a whole, thus there is only one reportable segment and no segment information is presented.

The Group's principal market is the PRC (including the Hong Kong Special Administrative Region and the Macau Special Administrative Region) and its sales to overseas customers contributed to less than 10% of the Group's revenue. Also, none of the Group's non-current assets is located outside the PRC. Accordingly, no geographical information is presented.

The Group derives revenue in the following major product categories and sales channels:

Revenue breakdown by product category:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Footwear	8,230,716	7,844,159
Apparel	5,192,797	5,375,222
Equipment and accessories	1,393,250	1,125,907
Total	14,816,763	14,345,288

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

4. Segment information and revenue (Continued)

Revenue breakdown by sales channel:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
The PRC market		
Sales to franchised distributors	6,883,188	6,590,009
Sales from direct operation	3,383,162	3,502,705
Sales from e-commerce channels	4,300,337	4,004,262
	14,566,687	14,096,976
Other regions	250,076	248,312
Total	14,816,763	14,345,288

Revenue by geographical location above is determined on the basis of the destination of shipment/delivery.

The Group has a large number of customers. For the six months ended 30 June 2025 and 2024, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

5. Other income and other gains – net

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Government grants (<i>Note</i>)	173,673	141,552
Rental income	52,188	47,198
Depreciation and related expenses on investment properties	(65,015)	(53,286)
Impairment of investment properties	(105,938)	–
License fee income	21,747	30,621
Investment gains on wealth management products measured at fair value through profit or loss	17,240	14,971
Fair value gains on investments measured at fair value through profit or loss	–	2,685
Total	93,895	183,741

Note:

Government grants were received from several local government authorities as a recognition of the Group's contribution towards the local economic development. Among the government grants recognised during the six months ended 30 June 2025, the entitlement of an aggregate amount of RMB163,670,000 (30 June 2024: RMB129,125,000) was unconditional and at the discretion of the relevant authorities, while the remaining amount of RMB10,003,000 (30 June 2024: RMB12,427,000) was credited to profit or loss from deferred income in accordance with the fulfilment of the respective conditions attaching to the government grants.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

6. Finance income and expenses

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income		
– Interest income on bank balances and deposits	193,993	221,238
Finance expenses		
– Amortisation of discount – lease liabilities (Note 12)	(50,995)	(68,606)
– Net foreign currency exchange loss	(70,921)	(27,446)
– Borrowing interest	(24,245)	(12,525)
– Amortisation of discount – license fees payable	(285)	(681)
– Others	(13,240)	(11,605)
Finance income – net	(159,686) 34,307	(120,863) 100,375

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

7. Expenses by nature

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of inventories recognised as expenses and included in cost of sales (Note 15)	7,180,828	6,911,525
Advertising and marketing expenses	1,335,904	1,248,791
Staff costs, including directors' emoluments (Note)	1,140,452	1,217,301
Short-term lease rentals and variable lease payments not included in lease liabilities, and rental related expenses	624,094	646,688
Commission and trade fair related expenses	512,210	446,240
Transportation and logistics expenses	446,218	422,698
Research and product development expenses (Note)	344,797	317,257
Depreciation on property, plant and equipment (Note) (Note 11)	344,022	470,250
Depreciation on right-of-use assets (Note 12)	250,817	319,210
Amortisation of land use rights and intangible assets	33,236	31,145
Management consulting expenses	100,707	83,029
Impairment of intangible assets	76,428	–
Impairment of property, plant and equipment (Note 11)	48,430	18,389
Impairment of right-of-use assets (Note 12)	104,311	50,820

Note:

Research and product development expenses include depreciation on property, plant and equipment and staff costs in research and development department, which are also included in depreciation expense and staff costs as disclosed above.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

8. Income tax expense

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax		
– Corporate income tax (a)	757,901	789,200
– Withholding income tax on dividend and interest from subsidiaries in Mainland China (b)	115,000	6,006
Deferred income tax	(3,807)	(134,108)
Income tax expense	869,094	661,098

The Company was incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Company. The Company's subsidiary, RealSports Pte Ltd., was established under the International Business Companies Acts of the British Virgin Islands, and is exempted from British Virgin Islands income taxes.

(a) For the six months ended 30 June 2025, provision for the corporate income tax of Mainland China is calculated based on the statutory tax rate of 25% (30 June 2024: 25%) on the taxable profits of each of the group companies, except for one of the Group's subsidiaries incorporated in Guangxi Zhuang Autonomous Region which is subject to preferential tax rate of 9% (2024: 9%). Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong (30 June 2024: 16.5%).

(b) The Group's dividends and interests from subsidiaries established in Mainland China are subject to withholding tax of 5% and 7% respectively, according to prevailing tax rules of Mainland China.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

9. Dividends

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Final dividend declared and paid for the year 2024, of RMB20.73 cents per ordinary share of the Company (2023: RMB18.54 cents per ordinary share of the Company)	536,148	473,560

On 21 August 2025, the board of directors resolved to declare an interim dividend of RMB33.59 cents (six months ended 30 June 2024: RMB37.75 cents) per ordinary share of the Company, amounting to a total of approximately RMB868,711,000 (six months ended 30 June 2024: RMB976,016,000).

The interim dividend has not been recognised as a liability at the end of the reporting period.

10. Earnings per share

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,576,734,000 (2024: 2,575,186,000) outstanding during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	1,737,422	1,952,032

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

10. Earnings per share (Continued)

	Number of shares For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation (in thousands)	2,576,734 [#]	2,575,186 [#]
Effect of dilution – weighted average number of ordinary shares: (in thousands)		
Restricted shares	9,131	10,362
Share options	44	182
Total	2,585,909	2,585,730

[#] The weighted average number of shares was after taking into account the effect of treasury shares held.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

11. Property, plant and equipment

	Buildings RMB'000	Leasehold improvement RMB'000	Mould RMB'000	Machinery RMB'000	Office equipment and motor vehicles RMB'000	Construction- in-progress RMB'000	Total RMB'000
Six months ended 30 June 2025							
As at 1 January 2025 (audited)	2,919,071	255,205	130,842	244,679	93,906	966,751	4,610,454
Additions	17,453	130,608	27,695	77,921	7,586	146,735	407,998
Transfers	500,258	49	–	3,764	56	(504,127)	–
Disposals	–	(4,429)	–	(79)	(864)	–	(5,372)
Depreciation charge (a)	(53,119)	(190,055)	(58,270)	(20,969)	(21,609)	–	(344,022)
Impairment (b)	–	(48,430)	–	–	–	–	(48,430)
Currency translation differences	(5,301)	–	–	–	–	–	(5,301)
As at 30 June 2025 (unaudited)	3,378,362	142,948	100,267	305,316	79,075	609,359	4,615,327
Six months ended 30 June 2024							
As at 1 January 2024 (audited)	1,626,303	717,482	120,015	182,877	98,139	1,379,132	4,123,948
Additions	–	162,619	20,643	36,989	7,616	381,783	609,650
Acquisition of a subsidiary	322,244	–	–	–	–	–	322,244
Transfers	811,630	6,423	–	191	12,524	(830,768)	–
Transfers to investment properties upon completion	–	–	–	–	–	(143,512)	(143,512)
Transfers from investment properties upon change of use	–	–	–	–	–	70,518	70,518
Disposals	–	(12,711)	–	(7,711)	(1,949)	–	(22,371)
Depreciation charge (a)	(41,240)	(341,781)	(51,733)	(14,933)	(20,563)	–	(470,250)
Impairment	–	(18,389)	–	–	–	–	(18,389)
Currency translation differences	1,181	–	–	–	–	–	1,181
As at 30 June 2024 (unaudited)	2,720,118	513,643	88,925	197,413	95,767	857,153	4,473,019

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

11. Property, plant and equipment (Continued)

Note:

- (a) Depreciation expenses of RMB60,633,000 (30 June 2024: RMB51,516,000) has been charged to cost of sales, RMB210,371,000 (30 June 2024: RMB362,516,000) to selling and distribution expenses and RMB73,018,000 (30 June 2024: RMB56,218,000) to administrative expenses.
- (b) As at 30 June 2025, in view of the unsatisfactory performance for the current period and unfavourable future prospects of certain stores, management concluded there were impairment indications for these stores and conducted an impairment assessment on the respective property, plant and equipment and right-of-use assets. The Group estimated the recoverable amounts of these stores (each of which is an individual cash generating unit ("CGU")) based on a value in use calculation. The calculation used cash flow projections based on financial budgets approved by management covering the remaining lease terms with a pre-tax discount rate of 12% which reflects the specific risks relating to these stores. The other key assumption for the value in use calculation was a revenue annual growth rate of 3% which was determined based on historical performance and management's plan. Long-term growth rate beyond 5 years was not applicable to the value in use calculation as none of the stores subject to impairment assessment had a remaining lease term that is longer than 5 years as at 30 June 2025.

Based on the results of the assessments, management determined that the recoverable amounts of certain stores were lower than the carrying amounts as at 30 June 2025. Accordingly, impairment losses of RMB48,430,000 and RMB104,311,000 (Note 12) were recognised against the carrying amounts of property, plant and equipment and right-of-use assets, respectively, as at 30 June 2025.

12. Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the interim condensed consolidated statement of financial position

The interim condensed consolidated statement of financial position shows the following amounts relating to leases:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Right-of-use assets		
Properties	1,392,122	1,576,667

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

12. Leases (Continued)

- (i) *Amounts recognised in the interim condensed consolidated statement of financial position (Continued)*

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Lease liabilities		
Current	490,187	551,610
Non-current	1,287,126	1,384,527
Total	1,777,313	1,936,137

Additions to the right-of-use assets during the six months ended 30 June 2025 were RMB195,885,000 (30 June 2024: RMB188,378,000).

- (ii) *The amounts recognised in profit or loss in relation to leases are as follows:*

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation on right-of-use assets	7	250,817	319,210
Impairment of right-of-use assets (<i>Note 11(b)</i>)	7	104,311	50,820
Amortisation of discount – lease liabilities (included in finance expenses)	6	50,995	68,606
Expense relating to short-term leases (included in selling and distribution expenses and administrative expenses)	7	280,167	282,920
Expense relating to variable lease payments not included in lease liabilities (included in selling and distribution expenses)	7	343,927	363,768

The total cash outflow for leases for the six months ended 30 June 2025 was RMB996,888,000 (30 June 2024: RMB1,085,403,000).

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

13. Investment properties

	Land and buildings RMB'000
Six months ended 30 June 2025	
As at 1 January 2025 (audited)	2,913,826
Additions	5,467
Depreciation charge (a)	(49,603)
Impairment (b)	(105,938)
Currency translation differences	(26,002)
As at 30 June 2025 (unaudited)	2,737,750
Six months ended 30 June 2024	
As at 1 January 2024 (audited)	1,560,455
Acquisition of a subsidiary	1,699,207
Transfers to property, plant and equipment upon change of use (Note 11)	(70,518)
Transfers from construction-in-progress upon completion (Note 11)	143,512
Depreciation charge (a)	(41,039)
Currency translation differences	5,223
As at 30 June 2024 (unaudited)	3,296,840

Notes:

- (a) Depreciation expenses of RMB49,603,000 (30 June 2024: RMB41,039,000) have been recognised in other income and other gains.
- (b) During the six months ended 30 June 2025, the property market in Mainland China and Hong Kong was confronted with a highly challenging and uncertain environment. This environment led to sluggish demand and soft sentiments, ultimately resulting in an overall decline in both the price and rental indices. As a result, management concluded that there were impairment indications for the Group's investment properties and conducted impairment assessments on the investment properties as at 30 June 2025 in accordance with IAS 36 Impairment of Assets. The Group estimated the recoverable amounts of the investment properties with reference to their respective fair values as at 30 June 2025 which were determined using the income approach. Based on the results of the impairment assessments, impairment losses of RMB105,938,000 were recognised against the carrying amount of investment properties during the six months ended 30 June 2025 (30 June 2024: Nil).

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

14. Investments accounted for using the equity method

The amounts recognised in the interim condensed consolidated statement of financial position are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Associates	1,508,495	1,389,320
Joint ventures	367,907	354,618
Total	1,876,402	1,743,938

Share of profit recognised in the interim condensed consolidated statement of profit or loss is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Associates	120,435	82,606
Joint ventures	13,289	28,254
Total	133,724	110,860

Management is of the view that none of the Group's associates or joint ventures is individually material to the Group as at 30 June 2025.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

15. Inventories

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials	25,857	19,355
Work in progress	22,341	19,486
Finished goods	2,568,026	2,726,202
	2,616,224	2,765,043
Less: Provision for write-down of inventories to net realisable value	(187,934)	(166,817)
Total	2,428,290	2,598,226

The cost of inventories recognised as expenses and included in cost of sales amounted to RMB7,180,828,000 for the six months ended 30 June 2025 (30 June 2024: RMB6,911,525,000) (Note 7), which included inventory provision of RMB21,117,000 (30 June 2024: RMB9,187,000).

16. Other assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other assets in relation to right of return (Note 21(a))	563,900	538,607
Advances to suppliers	162,180	51,167
Input value-added tax to be certified	145,290	212,213
Prepayment for advertising expenses	130,492	32,365
Prepaid rentals	45,686	42,604
Prepayment for purchases of property, plant and equipment and investment properties	7,165	5,450
Others	16,494	16,819
	1,071,207	899,225
Less: Non-current portion	(7,165)	(5,450)
Current portion	1,064,042	893,775

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

17. Trade receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accounts receivable	1,393,873	1,046,249
Less: Expected credit loss allowance for trade receivables	(41,631)	(41,658)
Total	1,352,242	1,004,591

Customers are normally granted credit terms within 90 days. As at 30 June 2025 and 31 December 2024, the ageing analysis of trade receivables based on invoice date is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	898,439	578,293
31 to 60 days	273,902	395,312
61 to 90 days	125,925	28,912
91 to 180 days	62,531	13,085
Over 180 days	33,076	30,647
Total	1,393,873	1,046,249

The movements in the expected credit loss allowances for trade receivables during the period are as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
As at 1 January	41,658	38,215
Provision for expected credit loss allowance for trade receivables	2	10,282
Trade receivables written off during the period as uncollectible	(30)	(121)
Currency translation differences	1	18
As at 30 June	41,631	48,394

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

18. Ordinary shares

Shares

	Number of shares (Thousands)	Approximate amount HK\$'000
Authorised at HK\$0.10 each		
As at 30 June 2025 and 31 December 2024	10,000,000	1,000,000
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
Ordinary shares	235,854	235,853

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue (Unaudited)	Share capital RMB'000 (Unaudited)
At 31 December 2024 and 1 January 2025	2,584,797,906	235,853
Share issued upon conversion of convertible securities	13,099	1
As at 30 June 2025	2,584,811,005	235,854

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

19. Other reserves and retained earnings

	Capital reserves RMB'000	Statutory reserve funds RMB'000	Share-based compensation reserve RMB'000	Convertible securities (Note) RMB'000	Exchange fluctuation reserve RMB'000	Subtotal RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2025 (audited)	639,839	1,227,475	363,424	2,367	18,561	2,251,666	14,895,672	17,147,338
Profit for the period	-	-	-	-	-	-	1,737,422	1,737,422
Exchange differences on translation of foreign operations	-	-	-	-	(41,697)	(41,697)	-	(41,697)
Dividends declared	-	-	-	-	-	-	(536,148)	(536,148)
Share issued upon conversion of convertible securities (Note)	-	-	-	(29)	-	(29)	-	(29)
Equity-settled share option and restricted share award arrangement	-	-	73,061	-	-	73,061	-	73,061
Reversal upon forfeiture under restricted share award arrangement	-	-	(167,885)	-	-	(167,885)	-	(167,885)
Shares vested under restricted share award arrangement	-	-	(19,385)	-	-	(19,385)	-	(19,385)
Tax impact on share base payment	251	-	-	-	-	251	-	251
As at 30 June 2025 (unaudited)	640,090	1,227,475	249,215	2,338	(23,136)	2,095,982	16,096,946	18,192,928
As at 1 January 2024 (audited)	645,586	1,069,743	337,454	2,374	(33,644)	2,021,513	13,010,871	15,032,384
Profit for the period	-	-	-	-	-	-	1,952,032	1,952,032
Exchange differences on translation of foreign operations	-	-	-	-	12,493	12,493	-	12,493
Share issued upon conversion of convertible securities (Note)	-	-	-	(7)	-	(7)	-	(7)
Equity-settled share option and restricted share award arrangement	-	-	7,011	-	-	7,011	-	7,011
Shares vested under restricted share award arrangement	-	-	(35,139)	-	-	(35,139)	-	(35,139)
Tax impact on share base payment	1,178	-	-	-	-	1,178	-	1,178
As at 30 June 2024 (unaudited)	646,764	1,069,743	309,326	2,367	(21,151)	2,007,049	14,962,903	16,969,952

Note:

The amounts represent the effects of convertible securities issued by the Company. In April 2013 and January 2015, the Company issued 527,953,814 convertible securities (the "2013 CS") and issued 146,881,496 convertible securities (the "2015 CS") respectively. Both the 2013 CS and 2015 CS (collectively referred to as "CS") are non-interest-bearing and convertible at any time after issuance with an initial conversion price of HK\$3.5 and HK\$2.6 per ordinary share of the Company (subject to standard anti-dilution adjustments), respectively. The CS cannot be redeemed unless the Company exercises the pre-emption right (but shall not be obliged) to redeem. The CS do not meet the definition of financial liabilities under International Accounting Standard 32 "Financial Instruments: Presentation", and are classified as equity upon initial recognition.

During the six months ended 30 June 2025, CS with a carrying value of HK\$37,000 (equivalent to approximately RMB29,000) were converted into 13,099 ordinary shares of the Company (Note 18). As at 30 June 2025, CS with a carrying value of HK\$2,988,000 (equivalent to approximately RMB2,338,000) were outstanding, which could be converted into 1,053,934 ordinary shares of the Company upon conversion.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

20. Trade payables

Trade payables are mainly denominated in RMB. The normal credit period for trade payables generally ranges from 30 to 60 days. An ageing analysis of trade payables based on invoice date at the respective balance sheet date is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	1,311,861	1,256,889
31 to 60 days	504,913	324,869
61 to 90 days	52,541	23,734
91 to 180 days	1,646	19,364
181 to 365 days	974	28
Over 365 days	154	248
Total	1,872,089	1,625,132

21. Other payables and accruals

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Refund liabilities (a)	1,113,937	1,062,103
Accrued sales and marketing expenses	1,107,374	1,022,829
Sales rebates	760,720	486,700
Payable for property, plant and equipment	523,570	602,515
Wages and welfare payables	525,951	562,322
Other tax payables	38,315	90,363
Others	249,643	222,590
Total	4,319,510	4,049,422

- (a) The Group recognises a refund liability for the amount of consideration received for which it does not expect to be entitled (30 June 2025: RMB1,113,937,000; 31 December 2024: RMB1,062,103,000). The Group also recognises a right to the goods expected to be returned, measured by reference to the former carrying amount of the goods (30 June 2025: RMB563,900,000; 31 December 2024: RMB538,607,000; see note 16).

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

22. Commitments

(a) Capital commitments in relation to investment in a limited partnership

During the six months ended 30 June 2025, the Group entered into a subscription agreement with the general partner which supersedes the previous agreement. Pursuant to the new agreement, the Group agreed to subscribe to certain interest in a limited partnership with a total amount of US\$61 million. As at 30 June 2025, US\$1.42 million had been paid, and the capital commitment for the investment was US\$59.58 million. (31 December 2024: US\$15.90 million).

(b) Capital commitments in relation to acquisition of property, plant and equipment

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	502,850	617,871

23. Related-party transactions

Besides as disclosed elsewhere in this interim condensed consolidated financial information, the Group had the following related-party transactions during the period:

(a) Sales of goods to:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
A joint venture and an associate	110,769	49
A substantial shareholder of the Company	3,490	4,357
Total	114,259	4,406

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

23. Related-party transactions (Continued)

(b) Provision of services to:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
A substantial shareholder of the Company	4,107	4,536
Joint ventures	3,169	392
Total	7,276	4,928

(c) Purchases of goods from:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Joint ventures and associates	396,270	406,086
A substantial shareholder of the Company	197,007	124,363
Total	593,277	530,449

(d) Purchases of services from:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
A substantial shareholder of the Company	134,771	120,484
Associates	5,269	4,875
Total	140,040	125,359

In the opinion of the directors, these transactions were entered into at terms as agreed with the related parties.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

23. Related-party transactions (Continued)

(e) Key management compensation

Key management includes directors (executive and non-executive) and senior management. Details of compensation paid or payable to key management of the Group are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries and other benefits	32,996	31,801
Share-based compensation	48,473*	12,145
Contribution to retirement benefit scheme	1,968	1,806
Total	83,437	45,752

Note:

* Expense amounting to RMB102,720,000 during the six months ended 30 June 2025 relating to share base payments granted under restricted share award scheme was reversed due to forfeiture when specific vesting conditions were not satisfied, which was not included in the share-based compensation of RMB48,473,000 reported above.

(f) Period-end/year-end balances

	30 June	31 December
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Receivables from related parties:		
Joint ventures and an associate	90,479	478
A substantial shareholder of the Company	2,340	915
	92,819	1,393
Payables to related parties:		
Joint ventures and associates	99,294	90,953
A substantial shareholder of the Company	20,889	10,934
Total	120,183	101,887

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

23. Related-party transactions (Continued)

(f) Period-end/year-end balances (Continued)

The receivables from related parties arise mainly from the sale of goods and provision of services and are generally with credit period within 90 days. Payable is unsecured, interest free and repayment with credit period of 30 to 60 days.

24. Fair value and fair value hierarchy of financial instruments

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	
Financial assets at fair value through profit or loss	–	–	448,521	448,521
Total	–	–	448,521	448,521

As at 31 December 2024	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
	(Audited)	(Audited)	(Audited)	
Financial assets at fair value through profit or loss	–	–	450,316	450,316
Total	–	–	450,316	450,316

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

24. Fair value and fair value hierarchy of financial instruments (Continued)

Fair value hierarchy (Continued)

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024.

Financial assets	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) and fair value
Private equity fund	Level 3	Calculated based on the net asset value of underlying investments	Net asset value of underlying investments	The higher the net asset value of underlying investments, the higher the fair value

25. Contingent liabilities

As announced by the Company on 31 December 2020, two wholly-owned subsidiaries of the Company (the "Purchasers") entered into a transfer agreement on 31 December 2020 with Blooming Target Investments Ltd. (the "Vendor") and 中銀投資資產管理有限公司 (Bank of China Investment Asset Management Company Limited) ("BOCIAM") pursuant to which the Purchasers agreed to acquire the entire share capital in Matsunichi Communications (Hong Kong) Limited (the "Target Company"), the Vendor's rights in the loan extended to the Target Company, and BOCIAM's rights in the loan extended to the PRC subsidiary of the Target Company, Matsunichi High-tech Electronic (Shenzhen) Company Limited. The share transfer of the Target Company was completed on 28 January 2021, and since then, the Target Company became an indirect wholly-owned subsidiary of the Company. The Target Company was subsequently renamed as Li Ning Communications (Hong Kong) Limited.

Interim Condensed Consolidated Financial Information (Continued)

Notes to Interim Condensed Consolidated Financial Information (Continued)

25. Contingent liabilities (Continued)

As announced by the Company on its annual results announcement for the year ended 31 December 2024 on 28 March 2025, the Target Company received a statutory demand (the "Statutory Demand") from the joint and several liquidators (the "Liquidators") of Vast Gold Holdings Limited (in liquidation) ("Vast Gold") and Active Legend Limited (in liquidation) ("Active Legend") on 24 March 2025, alleging that Active Legend had extended a short-term loan in the principal amount of HK\$500,000,000 (the "Subject Loan") pursuant to a loan facility letter from Active Legend dated 20 August 2018 and confirmed by the Target Company and Mr. Pan Sutong on the same day. In the Statutory Demand, the Liquidators further alleged that the Subject Loan remained outstanding at a total amount of HK\$1,955,338,833 (including the loan principal, interest and default interest amounts). On 29 April 2025, upon the Target Company's application to restrain the Liquidators from commencing any winding up proceedings against the Target Company based on the alleged debt stated in the Statutory Demand, the Liquidators withdrew the Statutory Demand.

On 24 June 2025, Active Legend and Vast Gold served on the Target Company a writ of summons issued in the High Court of the Hong Kong Special Administration Region under action number HCA 770/2025 (the "Writ of Summons").

Before the Target Company received the Statutory Demand, the Company was not aware of the existence of the Subject Loan and any matter related thereto, and the Target Company had never received any repayment demand or other correspondence from Active Legend or Vast Gold or the Liquidators.

The Group has been seeking legal advice since the Statutory Demand has been received by the Target Company. Based on the facts and circumstances available to the Group, the Group believes that there is no obligation for the Target Company to repay the Subject Loan. The Target Company will vigorously defend against the claim referred to in the Writ of Summons. The Company will make further announcement(s) on this matter when there is substantial development.

26. Events after the reporting period

On 15 July 2025 and 17 July 2025, the Company granted a total of 14,174,100 restricted shares and 11,017,500 share options to certain directors of the Company and other qualified participants. The options are exercisable at HK\$16.14 each upon satisfaction of the corresponding exercise conditions to subscribe for an equivalent number of ordinary shares of the Company with a par value of HK\$0.10 each.

Other Information

DIVIDENDS

The Board resolved to declare an interim dividend of RMB33.59 cents per Share issued or to be issued upon conversion of CS for the six months ended 30 June 2025 (30 June 2024: RMB37.75 cents). Such interim dividend is payable in Hong Kong Dollars based on the official exchange rate of RMB against Hong Kong Dollars as quoted by the People's Bank of China on 21 August 2025 and will not be subject to any withholding tax. Such interim dividend will be paid:

- (i) on 16 September 2025 to Shareholders whose names shall appear on the register of members of the Company on 8 September 2025;
- (ii) on 16 September 2025 to CS Holders issued under the 2015 Open Offer and remain outstanding on 8 September 2025; and
- (iii) on 19 September 2025 (i.e. the third business day after 16 September 2025) to CS Holders issued under the 2013 Open Offer and remain outstanding on 8 September 2025.

For the avoidance of doubt, any CS subject to a conversion notice completed, executed and deposited on or before the interim dividend record date (being 8 September 2025) shall be entitled to the distribution of such interim dividend of the Company. For details of calculation of distribution of the interim dividend that each CS is entitled to, please refer to the listing documents of the Company dated 27 March 2013 and 9 January 2015 respectively.

The final dividend of RMB20.73 cents per Share issued or to be issued upon conversion of CS for the year ended 31 December 2024 was declared payable and approved by the Shareholders at the annual general meeting of the Company on 12 June 2025 and subsequently paid in June 2025.

CLOSURE OF REGISTER OF MEMBERS AND CS HOLDERS

For determining Shareholders and CS Holders who are ascertaining entitlement to the interim dividend, the register of members and register of CS Holders of the Company will be closed as set out below:

Latest time to lodge transfer documents	4:30 p.m. on 4 September 2025 (Thursday)
Period of closure of register of members and register of CS Holders	5 September 2025 (Friday) to 8 September 2025 (Monday) (both days inclusive)
Interim dividend record date	8 September 2025 (Monday)

In order to qualify for the interim dividend, all transfer documents must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the above latest time to lodge transfer documents. During the above closure periods, no transfer of Shares or CS will be registered.

Other Information (Continued)

LONG-TERM INCENTIVE SCHEMES

2014 Share Option Scheme

The 2014 Share Option Scheme expired on 30 May 2024 upon the expiration of the 10 year scheme period.

The share options granted under the 2014 Share Option Scheme which remained outstanding immediately prior to its termination on 30 May 2024 shall continue to be valid and exercisable in accordance with their terms of grant and the rules of the 2014 Share Option Scheme. The outstanding share options granted under the 2014 Share Option Scheme as at 30 June 2025 entitled the holders to subscribe for 3,090,300 Shares.

Details of movements of the share options granted under the 2014 Share Option Scheme for the six months ended 30 June 2025 are set out below.

Grantees	Date of grant	Exercise price per Share <i>HK\$</i>	Number of Shares						Closing price of Shares immediately before the date of grant of the share options <i>HK\$</i>	Vesting period	Exercise period
			Outstanding share options as at 01/01/2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding share options as at 30/06/2025			
Directors											
Kosaka Takeshi	19/09/2019	22.52	2,840,300	–	–	–	–	2,840,300	23.30	01/09/2020 to 01/09/2024	01/09/2020 to 31/12/2027
Koo Fook Sun, Louis	17/05/2019	13.16	250,000	–	–	–	–	250,000	13.44	17/05/2020 to 17/05/2022	17/05/2020 to 16/05/2029
			3,090,300	–	–	–	–	3,090,300			

2024 Share Option Scheme and 2024 Share Award Scheme

In view of the expiration of the 2014 Share Option Scheme, the Board proposed to recommend to the Shareholders at the extraordinary general meeting of the Company to adopt the 2024 Share Option Scheme so as to continue to provide incentives to the Group's eligible participants. And as an alternative channel for the Company to provide competitive and attractive remuneration package to incentivize eligible participants of the Group for their contribution to the Group, the Board also proposed to recommend to the Shareholders at the extraordinary general meeting of the Company to adopt the 2024 Share Award Scheme. At the extraordinary general meeting of the Company held on 13 June 2024, the Shareholders approved the adoption of 2024 Share Option Scheme and the 2024 Share Award Scheme. Both the 2024 Share Option Scheme and the 2024 Share Award Scheme will be valid and effective for a period of 10 years commencing on their adoption date and will expire on 12 June 2034. Under the 2024 Share Option Scheme and the 2024 Share Award Scheme, the Company may grant share options/awarded shares to eligible participants include employees (including director(s) and employee(s) of the Company and wholly and non-wholly owned subsidiaries of the Company, but excluding any independent non-executive director(s) of the Company) and related entities (including any director(s) or employee(s) of any holding company, fellow subsidiary or associated company of the Company) who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group.

On the basis of 2,584,480,506 Shares in issue on the date of adoption of the 2024 Share Option Scheme and the 2024 Share Award Scheme, the total number of Shares which may be issued in respect of all share options and awards under the 2024 Share Option Scheme and the 2024 Share Award Scheme would be no more than 129,224,025 Shares, representing no more than approximately 5% of the total number of Shares in issue as at the date of the adoption of the 2024 Share Option Scheme and the 2024 Share Award Scheme ("Mandate Limit"). Further, the total number of Shares which are subject to grants made in any financial year of all share options and awards under the 2024 Share Option Scheme and the 2024 Share Award Scheme would not be more than 12,922,402 Shares, representing no more than approximately 0.5% of the total number of Shares in issue as at the date of the adoption of the 2024 Share Option Scheme and the 2024 Share Award Scheme ("Yearly Limit"). Details of the 2024 Share Option Scheme and the 2024 Share Award Scheme are set out in the circular of the Company dated 14 May 2024.

Under the 2024 Share Option Scheme and the 2024 Share Award Scheme, the total number of share options and share awards available for grant by the Company as at 1 January 2025 was 129,224,025 Shares (representing approximately 5% of the Shares in issue) and remained the same as at 30 June 2025. During the six months ended 30 June 2025, no share options were granted under the 2024 Share Option Scheme and no Shares were awarded under the 2024 Share Award Scheme. On 17 July 2025, the Company granted 11,017,500 share options under the 2024 Share Option Scheme. For the financial year ending 31 December 2025, a total of 1,904,902 Shares remained available for grant by the Company under the Yearly Limit, representing no more than approximately 0.07% of the Shares in issue as at the date of this report. For details, please refer to the Company's announcement dated 17 July 2025. Following the grant of share options on 17 July 2025, the total number of share options and share awards available for grant under the Mandate Limit was 118,206,525 Shares, representing approximately 4.57% of total number of Shares in issue as at the date of this report.

2016 Restricted Share Award Scheme

The total number of Restricted Shares available for grant under the 2016 Restricted Share Award Scheme at 1 January 2025 and 30 June 2025 were 87,695,357 Shares and 75,821,244 Shares respectively. As at 30 June 2025, the number of issued Shares was 2,584,811,005 Shares and the maximum number of Shares which may be administered under the 2016 Restricted Share Award Scheme was 129,240,550 Shares. During the six months ended 30 June 2025, 15,132,200 Restricted Shares were granted by the Company represented approximately 0.59% of the weighted average number Shares in issue during the period. No new Shares will be issued under the 2016 Restricted Share Award Scheme.

The total number of Shares that may be issued in respect of share options and awards (including Restricted Shares) granted under all schemes of the Company during the six months ended 30 June 2025 (i.e. 3,090,300 Shares) divided by the weighted average number of Shares in issue for the period less Shares held for the 2016 Restricted Share Award Scheme and Shares repurchased for cancellation (i.e. 2,576,733,939 Shares) was approximately 0.12%.

Other Information (Continued)

Details of movements of the Restricted Shares granted under the 2016 Restricted Share Award Scheme for the six months ended 30 June 2025 are set out below.

Number of Restricted Shares										Closing price of Shares immediately before the date of grant of the Restricted Shares	Weighted average closing price of Shares immediately before the date of vesting during the period
Grantees	Date of grant	Fair value per Restricted Share <i>(Note 1)</i> HK\$	As at 01/01/2025	Granted during the period	Vested during the period	Lapsed/ cancelled during the period	As at 30/06/2025	Purchase price <i>(Note 2)</i> HK\$	Vesting period		
Directors											
Li Ning <i>(Note 3)</i>	11/01/2022	76.10	1,013,460	–	–	434,340	579,120	Nil	01/04/2023 to 01/04/2026	76.80	N/A
	29/04/2025	14.62	–	4,419,900	–	–	4,419,900	Nil	01/04/2026 to 01/04/2029	15.00	N/A
Kosaka Takeshi <i>(Note 3)</i>	11/01/2022	76.10	713,160	–	–	305,640	407,520	Nil	01/04/2023 to 01/04/2026	76.80	N/A
	25/09/2024	15.44	2,124,700	–	–	–	2,124,700	Nil	01/09/2025 to 01/09/2028	15.56	N/A
	29/04/2025	14.62	–	4,419,900	–	–	4,419,900	Nil	01/04/2026 to 01/04/2029	15.00	N/A
Li Qilin	11/01/2022	76.10	135,170	–	–	57,930	77,240	Nil	01/04/2023 to 01/04/2026	76.80	N/A
	29/04/2025	14.62	–	2,357,300	–	–	2,357,300	Nil	01/04/2026 to 01/04/2029	15.00	N/A
Koo Fook Sun, Louis	24/06/2022	67.70	8,668	–	8,668	–	–	Nil	01/04/2023 to 01/04/2025	64.55	15.92
Wang Ya Fei	24/06/2022	67.70	8,668	–	8,668	–	–	Nil	01/04/2023 to 01/04/2025	64.55	15.92
Chan Chung Bun, Bunny	24/06/2022	67.70	8,668	–	8,668	–	–	Nil	01/04/2023 to 01/04/2025	64.55	15.92
Five highest paid individuals <i>(Note 3)</i>											
In aggregate	11/01/2022	76.10	1,126,160	–	–	482,640	643,520	Nil	01/04/2023 to 01/04/2026	76.80	N/A
In aggregate	03/01/2023	69.35	546,992	–	–	96,528	450,464	Nil	01/04/2024 to 01/04/2027	67.75	N/A
In aggregate	11/12/2023	18.30	143,934	–	–	–	143,934	Nil	01/09/2024 to 01/09/2026	21.35	N/A
In aggregate	26/11/2024	15.40	253,000	–	–	–	253,000	Nil	01/09/2025 to 01/09/2027	15.50	N/A
Other employees of the Group											
In aggregate	20/10/2020	40.70	600	–	–	–	600	Nil	20/10/2022 to 20/10/2030	38.20	N/A
In aggregate	11/01/2022	76.10	25,768	–	–	25,768	–	Nil	01/04/2023 to 01/04/2025	76.80	N/A
In aggregate	11/01/2022	76.10	1,937,250	–	–	907,490	1,029,760	Nil	01/04/2023 to 01/04/2026	76.80	N/A

Other Information (Continued)

Grantees	Date of grant	Fair value per Restricted Share (Note 1) HK\$	Number of Restricted Shares						Purchase price (Note 2) HK\$	Vesting period	Closing price of Shares	Weighted average closing price of Shares
			As at 01/01/2025	Granted during the period	Vested during the period	Lapsed/ cancelled during the period	As at 30/06/2025	immediately before the date of grant of the Restricted Shares			immediately before the date of vesting during the period	
								HK\$			HK\$	
												HK\$
In aggregate	21/03/2022	62.15	202,024	–	189,544	12,480	–	Nil	01/04/2023 to 01/04/2025	60.60	15.92	
In aggregate	21/03/2022	62.15	405,510	–	–	173,790	231,720	Nil	01/04/2023 to 01/04/2026	60.60	N/A	
In aggregate	25/05/2022	50.65	9,336	–	9,336	–	–	Nil	01/04/2023 to 01/04/2025	52.25	15.92	
In aggregate	30/06/2022	72.70	1,600	–	1,600	–	–	Nil	01/04/2023 to 01/04/2025	70.60	15.92	
In aggregate	19/08/2022	69.10	2,168	–	–	–	2,168	Nil	01/09/2023 to 01/09/2025	69.85	N/A	
In aggregate	23/09/2022	62.65	1,800	–	–	–	1,800	Nil	01/09/2023 to 01/09/2025	64.00	N/A	
In aggregate	28/10/2022	42.35	144,760	–	–	–	144,760	Nil	01/09/2023 to 01/09/2026	45.70	N/A	
In aggregate	03/01/2023	69.35	6,467	–	3,233	–	3,234	Nil	01/04/2024 to 01/04/2026	67.75	15.92	
In aggregate	03/01/2023	69.35	65,654	–	–	11,586	54,068	Nil	01/04/2024 to 01/04/2027	67.75	N/A	
In aggregate	25/04/2023	55.45	98,735	–	49,365	–	49,370	Nil	01/04/2024 to 01/04/2026	56.90	15.92	
In aggregate	31/05/2023	42.00	7,934	–	3,966	–	3,968	Nil	01/04/2024 to 01/04/2026	43.35	15.92	
In aggregate	29/06/2023	41.40	157,200	–	78,600	–	78,600	Nil	01/04/2024 to 01/04/2026	44.15	15.92	
In aggregate	27/09/2023	32.00	37,534	–	–	–	37,534	Nil	01/09/2024 to 01/09/2026	32.05	N/A	
In aggregate	26/10/2023	23.95	52,801	–	–	–	52,801	Nil	01/09/2024 to 01/09/2026	30.20	N/A	
In aggregate	29/11/2023	21.35	3,601	–	–	–	3,601	Nil	01/09/2024 to 01/09/2025	22.10	N/A	
In aggregate	29/11/2023	21.35	28,734	–	–	18,467	10,267	Nil	01/09/2024 to 01/09/2026	22.10	N/A	
In aggregate	11/12/2023	18.30	63,011	–	–	24,006	39,005	Nil	01/09/2024 to 01/09/2025	21.35	N/A	
In aggregate	11/12/2023	18.30	36,000	–	–	12,000	24,000	Nil	01/09/2024 to 01/09/2026	21.35	N/A	
In aggregate	18/01/2024	16.10	41,000	–	13,666	–	27,334	Nil	01/04/2025 to 01/04/2027	16.32	15.92	
In aggregate	27/03/2024	19.92	49,800	–	16,600	–	33,200	Nil	01/04/2025 to 01/04/2027	20.10	15.92	
In aggregate	08/05/2024	20.90	132,800	–	44,267	63,267	25,266	Nil	01/04/2025 to 01/04/2027	21.30	15.92	

Other Information (Continued)

Number of Restricted Shares											Weighted average closing price of Shares immediately before the date of grant of the Restricted Shares	Weighted average closing price of Shares immediately before the date of vesting during the period
Grantees	Date of grant	Fair value per Restricted Share (Note 1) HK\$	As at 01/01/2025	Granted during the period	Vested during the period	Lapsed/ cancelled during the period	As at 30/06/2025	Purchase price (Note 2) HK\$	Vesting period		HK\$	HK\$
In aggregate	28/08/2024	14.18	27,800	–	–	–	27,800	Nil	01/09/2025 to 01/09/2027		14.64	N/A
In aggregate	23/10/2024	15.28	32,100	–	–	–	32,100	Nil	01/09/2025 to 01/09/2027		16.06	N/A
In aggregate	26/11/2024	15.40	135,000	–	–	42,200	92,800	Nil	01/09/2025 to 01/09/2027		15.50	N/A
In aggregate	07/04/2025	13.96	–	146,900	–	–	146,900	Nil	01/04/2026 to 01/04/2028		15.54	N/A
In aggregate	29/04/2025	14.62	–	2,651,500	–	589,300	2,062,200	Nil	01/04/2026 to 01/04/2029		15.00	N/A
In aggregate	30/05/2025	14.98	–	487,600	–	–	487,600	Nil	01/04/2026 to 01/04/2028		15.50	N/A
In aggregate	02/06/2025	14.88	–	586,700	–	–	586,700	Nil	01/04/2026 to 01/04/2029		14.98	N/A
In aggregate	23/06/2025	15.80	–	62,400	–	–	62,400	Nil	01/04/2026 to 01/04/2028		15.72	N/A
			9,789,567	15,132,200	436,181	3,257,432	21,228,154					

Notes:

1. The fair values of the Restricted Shares were calculated in accordance with the accounting standards and policies adopted for preparing the financial statements and were based on the closing price per Share quoted on the Stock Exchange as at the date of grant.
2. Selected participants are not required to make any payment for application or to accept Restricted Shares. Save for the aforesaid expenses incurred which shall be borne by the selected participant, the Restricted Shares were granted at nil consideration.
3. The five individuals whose emoluments were the highest in the Group for the six months ended 30 June 2025 included two Directors. The aggregate information reported under this category represent the movements of the Restricted Shares for the remaining three individuals.

Save as disclosed above, at no time during the period was the Company or its subsidiaries a party to any arrangement to enable the Directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Information (Continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept under Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares	Total (Long Position)	Approximate % of total issued Shares*
Li Ning	Personal interest & Interest of controlled corporation	296,247,696	4,999,020	301,246,716 (Note 1)	11.65%
Kosaka Takeshi	Personal interest	1,264,920	9,792,420 (Note 2)	11,057,340	0.43%
Li Qilin	Personal interest & Beneficiary of a discretionary trust	292,955,473	2,434,540	295,390,013 (Note 3)	11.43%
Koo Fook Sun, Louis	Personal interest	26,000	250,000 (Note 4)	276,000	0.01%
Wang Ya Fei	Personal interest	396,145	–	396,145	0.02%
Chan Chung Bun, Bunny	Personal interest	639,130	–	639,130	0.02%

* The percentage has been calculated based on 2,584,811,005 Shares in issue as at 30 June 2025.

Notes:

- Mr. Li Ning is interested in 301,246,716 Shares, among which 4,426,153 Shares are held as personal interest, and he is deemed to be interested in 291,821,543 Shares held by Viva China Development Limited ("Viva China BVI"). Moreover, Mr. Li Ning is interested in 4,999,020 underlying Shares. Details are as follows:
 - Viva China BVI, a wholly-owned subsidiary of Viva Goods Company Limited ("Viva Goods"), is interested in 291,821,543 Shares. As at 30 June 2025, Viva Goods is owned as to approximately 16.86% by Victory Mind Assets Limited ("Victory Mind"), approximately 21.40% by Lead Ahead Limited ("Lead Ahead"), approximately 20.07% by Dragon City Management (PTC) Limited ("Dragon City") and approximately 0.60% by Mr. Li Chun, the brother of Mr. Li Ning and a substantial shareholder of the Company, respectively. Mr. Li Ning has personal interest of approximately 0.22% shareholding in Viva Goods. Lead Ahead is owned as to 60% by Mr. Li Ning and 40% by Mr. Li Chun respectively. Victory Mind is owned as to 57% by Ace Leader Holdings Limited (which is wholly-owned by a discretionary trust of which Mr. Li Ning is a settlor) and 38% by Jumbo Top Group Limited (which is wholly-owned by a discretionary trust of which Mr. Li Chun is a settlor). Dragon City is the trustee of a unit trust, the units of which are owned as to 60% by a discretionary trust of which Mr. Li Ning is a settlor and 40% by a discretionary trust of which Mr. Li Chun is a settlor. As a result, by virtue of the SFO, Mr. Li Ning is deemed to be interested in the 291,821,543 Shares held by Viva Goods. Mr. Li Ning is also an executive director, the chairman and co-chief executive officer of Viva Goods.
 - Mr. Li Ning is interested in 4,999,020 unvested Restricted Shares under the 2016 Restricted Share Award Scheme.

Other Information (Continued)

2. Mr. Kosaka Takeshi is interested in 2,840,300 share options granted under the 2014 Share Option Scheme at an exercise price of HK\$22.52 each and 6,952,120 unvested Restricted Shares under the 2016 Restricted Shares Award Scheme.
3. Mr. Li Qilin is interested in 295,390,013 Shares, among which 1,133,930 Shares are held as personal interest, and he is deemed to be interested in 291,821,543 Shares held by Viva Goods by virtue of the SFO. Moreover, Mr. Li Qilin is interested in 2,434,540 unvested Restricted Shares under the 2016 Restricted Share Award Scheme. Mr. Li Qilin is the nephew of Mr. Li Ning and the son of Mr. Li Chun, a substantial shareholder of the Company. He is also an executive director of Viva Goods.
4. Mr. Koo Fook Sun, Louis is interested in 250,000 share options granted under the 2014 Share Option Scheme at an exercise price of HK\$13.16 each.

Save as disclosed above, so far as was known to any Director, as at 30 June 2025, none of the Directors or chief executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interest which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the register of substantial shareholders kept under Section 336 of the SFO shows that the Company had been notified of the following substantial Shareholders' interests and short positions which represent 5% or more of the Company's issued share capital:

Name of Shareholders	Capacity	Number of Shares held	Number of underlying Shares	Total (Long Position)	Approximate % of total issued Shares*
Li Ning	Personal interest & Interest of controlled corporation	296,247,696	4,999,020	301,246,716 (Note 1)	11.65%
Li Qilin	Personal interest & Beneficiary of a discretionary trust	292,955,473	2,434,540	295,390,013 (Note 2)	11.43%
Li Chun	Interest of controlled corporation	291,821,543	–	291,821,543 (Note 3)	11.29%
Viva Goods Company Limited	Interest of controlled corporation	291,821,543	–	291,821,543 (Note 1(a))	11.29%
FIL Limited	Investment manager	130,451,922	–	130,451,922	5.05%
Pandanus Associates Inc.	Investment manager	130,451,922	–	130,451,922	5.05%
Pandanus Partners L.P.	Investment manager	130,451,922	–	130,451,922	5.05%

* The percentage has been calculated based on 2,584,811,005 Shares in issue as at 30 June 2025.

Other Information (Continued)

Notes:

1. Mr. Li Ning is interested in 301,246,716 Shares, among which 4,426,153 Shares are held as personal interest, and he is deemed to be interested in 291,821,543 Shares held by Viva China BVI. Moreover, Mr. Li Ning is interested in 4,999,020 underlying Shares. Details are as follows:
 - (a) Viva China BVI, a wholly-owned subsidiary of Viva Goods, is interested in 291,821,543 Shares. As at 30 June 2025, Viva Goods is owned as to approximately 16.86% by Victory Mind, approximately 21.40% by Lead Ahead, approximately 20.07% by Dragon City and approximately 0.60% by Mr. Li Chun, the brother of Mr. Li Ning and a substantial shareholder of the Company, respectively. Mr. Li Ning has personal interest of approximately 0.22% shareholding in Viva Goods. Lead Ahead is owned as to 60% by Mr. Li Ning and 40% by Mr. Li Chun respectively. Victory Mind is owned as to 57% by Ace Leader Holdings Limited (which is wholly-owned by a discretionary trust of which Mr. Li Ning is a settlor) and 38% by Jumbo Top Group Limited (which is wholly-owned by a discretionary trust of which Mr. Li Chun is a settlor). Dragon City is the trustee of a unit trust, the units of which are owned as to 60% by a discretionary trust of which Mr. Li Ning is a settlor and 40% by a discretionary trust of which Mr. Li Chun is a settlor. As a result, by virtue of the SFO, Mr. Li Ning is deemed to be interested in the 291,821,543 Shares held by Viva Goods. Mr. Li Ning is also an executive director, the chairman and co-chief executive officer of Viva Goods.
 - (b) Mr. Li Ning is interested in 4,999,020 unvested Restricted Shares under the 2016 Restricted Share Award Scheme.
2. Mr. Li Qilin is interested in 295,390,013 Shares, among which 1,133,930 Shares are held as personal interest, and he is deemed to be interested in 291,821,543 Shares held by Viva Goods by virtue of the SFO. Moreover, Mr. Li Qilin is interested in 2,434,540 unvested Restricted Shares under the 2016 Restricted Share Award Scheme. Mr. Li Qilin is the nephew of Mr. Li Ning and the son of Mr. Li Chun, a substantial shareholder of the Company. He is also an executive director of Viva Goods.
3. As disclosed in Note 1(a) above, Mr. Li Chun is deemed to be interested in 291,821,543 Shares held by Viva Goods. He is the brother of Mr. Li Ning and the father of Mr. Li Qilin.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any person (other than a Director or chief executive of the Company or their respective associate(s)) of any interest and short position in the Shares and underlying Shares which were required to be recorded in the register kept under Section 336 of the SFO.

CONVERTIBLE SECURITIES

The Company issued convertible securities (the “2013 Convertible Securities”) with an aggregate principal amount of HK\$1,847,838,349 which is convertible into a total of 527,953,814 Shares on 22 April 2013. Please refer to the announcement of the Company dated 18 April 2013 for details.

On 16 December 2014, in order to raise further funds to support its next stage of growth and to optimize its capital structure, the Company announced the 2015 Open Offer of offer securities (i.e. new Shares and/or convertible securities (the “2015 Convertible Securities”)) (the “Offer Securities”) on the basis of 5 Offer Securities for every 12 existing Shares held on 8 January 2015. Details of the 2015 Open Offer and the terms thereof are set out in the Company’s announcement dated 16 December 2014 and the prospectus dated 9 January 2015 respectively.

Other Information (Continued)

After the 2015 Open Offer became unconditional, the Company issued a total of 597,511,530 Offer Securities, which included 450,630,034 new Shares and the 2015 Convertible Securities with an aggregate principal amount of HK\$381,891,889.60 which is convertible into a total of 146,881,496 Shares on 2 February 2015. Please refer to the announcement of the Company dated 30 January 2015 for details.

As a result of the 2015 Open Offer and pursuant to the terms and conditions of the 2013 Convertible Securities, the conversion price of the 2013 Convertible Securities was adjusted from HK\$3.50 per Share to HK\$3.183 per Share on 2 February 2015. Based on the outstanding 2013 Convertible Securities in the aggregate principal amount of approximately HK\$529,251,713 on 2 February 2015, the conversion rights attaching to the outstanding 2013 Convertible Securities were adjusted from 151,214,775 Shares to 166,274,493 Shares. Please refer to the announcement of the Company dated 30 January 2015 for details.

During the six months ended 30 June 2025, the 2013 Convertible Securities in an aggregate principal amount of approximately HK\$41,694.12 had been converted into 13,099 Shares and no 2015 Convertible Securities were converted into Shares. As at 30 June 2025, the outstanding 2013 Convertible Securities amounted to approximately HK\$3,354,428.47 and the outstanding 2015 Convertible Securities amounted to HK\$200.20 which are convertible into a total of 1,053,857 Shares and 77 Shares respectively.

Assuming all outstanding CS were converted into Shares as at 30 June 2025, set out below is the shareholding structure of the Company before and after such conversion:

Name of substantial Shareholders (Note 1)	No. of Shares before conversion of outstanding CS	% of holdings	No. of Shares convertible under the CS	No. of Shares after including shares convertible under the outstanding CS	% of holdings
Li Ning	296,247,696 (Note 2)	11.46%	–	296,247,696	11.46%
Public	2,288,563,309	88.54%	1,053,934	2,289,617,243	88.54%
Total	2,584,811,005	100.00%	1,053,934	2,585,864,939	100.00%

Other Information (Continued)

Notes:

1. Substantial shareholder has the same meaning ascribed to it under the Listing Rules.
2. Mr. Li Ning is interested in 296,247,696 Shares, among which:
 - 4,426,153 Shares are held as personal interest; and
 - 291,821,543 Shares are held by Viva Goods Company Limited.

Mr. Li Qilin, the nephew of Mr. Li Ning and the son of Mr. Li Chun, is deemed to be interested in 291,821,543 Shares held by Viva Goods Company Limited. Please refer to Notes 1(a) and 2 in the section headed “Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares” of this Report of the Directors for details of his deemed interest.

Mr. Li Chun, the brother of Mr. Li Ning and the father of Mr. Li Qilin, is deemed to be interested in 291,821,543 Shares held by Viva Goods Company Limited. Please refer to Notes 1(a) and 3 in the section headed “Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares” of this Report of the Directors for details of his deemed interest.

As the Company has no contractual obligation to settle the CS in cash, it is at the Company’s own discretion to determine whether or not to redeem all or part of the principal amount of the CS. The CS Holders have substantially the same economic interest as the equity holders (other than voting rights) and the CS are already included in the basic earning per share calculation.

In view of the above, an analysis on the Company’s share price at which it would be equally financially advantageous for the CS Holders to convert or redeem the CS based on implied internal rate of return at a range of dates in the future is not applicable.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

The Company did not redeem any of its Shares during the six months ended 30 June 2025. Except for the purchase of Shares by the trustee of the 2016 Restricted Share Award Scheme pursuant to the trust deed and the rules of the 2016 Restricted Share Award Scheme, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the six months ended 30 June 2025. As at 30 June 2025 and the date of this report, the Company does not have any treasury shares (as defined under the Listing Rules).

EVENTS AFTER THE REPORTING PERIOD

On 15 July 2025 and 17 July 2025, the Company granted a total of 14,174,100 Restricted Shares and 11,017,500 share options to certain Directors and other qualified participants under the 2016 Restricted Share Award Scheme and the 2024 Share Option Scheme. The share options are exercisable at HK\$16.14 each upon satisfaction of the corresponding exercise conditions to subscribe for an equivalent number of Shares.

Other Information (Continued)

CORPORATE GOVERNANCE

For the period from 1 January 2025 to 30 June 2025, the Company has complied with the code provisions of the “Corporate Governance Code” (the “CG Code”) as set out in Appendix C1 to the Listing Rules, except for certain deviations specified with considered reason as explained below.

According to code provision C.2.1 of the CG Code, the roles of the chairman and chief executive of a listed issuer should be separated and should not be performed by the same individual. During the six months ended 30 June 2025, Mr. Li Ning, the Executive Chairman and Joint Chief Executive Officer (the “Joint CEO”), and Mr. Kosaka Takeshi, the Executive Director and the Joint CEO, jointly assumed the role of chief executive officer of the Company. Therefore, there was no separation of the roles of the chairman and the chief executive as both roles were undertaken by Mr. Li Ning during the period. Notwithstanding the above, the Board is of the view that given that Mr. Li Ning is familiar with the business operations and management of the Group, the assumption of the roles of the Executive Chairman and the Joint CEO by Mr. Li Ning will provide the Group with consistent and steady leadership, and is particularly beneficial to the planning and implementation of the Group’s business strategies. The Board also believes that Mr. Li Ning and Mr. Kosaka Takeshi can complement with each other in performing the roles of the Joint CEOs, and create synergy effect which is in the interest of the Company and the Shareholders as a whole.

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Directors are reminded regularly of their obligations under the Model Code. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

The audit committee of the Company, consisting of three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Group, and has also reviewed the auditing, risk management, internal control and financial reporting matters, including the review of the interim results for the six months ended 30 June 2025.

The Company’s external auditor, Ernst & Young, has performed a review of the Group’s interim financial information for the six months ended 30 June 2025 in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

By order of the Board
Li Ning
Executive Chairman and Joint CEO

Hong Kong, 21 August 2025

Information for Investors

SHARE INFORMATION

Listing: Main Board of the Hong Kong Stock Exchange on 28 June 2004
Stock code: 2331 (HKD counter) and 82331 (RMB counter)
Board lot: 500 Shares
No. of issued Shares as at 30 June 2025: 2,584,811,005 Shares
Market capitalization as at 30 June 2025: approximately HK\$43,735,002,205

INTERIM DIVIDEND FOR 2025

RMB33.59 cents per Share

FINANCIAL CALENDAR

Announcement of 2025 interim results: 21 August 2025
Announcement of 2025 annual results: March 2026

CORPORATE WEBSITES

Li Ning Official Website: <http://www.lining.com>
Li Ning IR Website: <http://ir.lining.com>

CONTACT FOR INVESTOR RELATIONS

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Glossary

In this interim report, unless the context states otherwise, the following expressions have the following meanings:

"2013 Open Offer"	the open offer of convertible securities issued by the Company as set out in the listing document of the Company dated 27 March 2013
"2014 Share Option Scheme"	the share option scheme adopted by the Company on 30 May 2014 and expired on 30 May 2024 upon expiration of the 10 years scheme period
"2015 Open Offer"	the open offer of offer securities issued by the Company as set out in the listing document of the Company dated 9 January 2015
"2016 Restricted Share Award Scheme"	the restricted share award scheme adopted by the Company on 14 July 2016
"2024 Share Award Scheme"	the share award scheme adopted by the Company on 13 June 2024
"2024 Share Option Scheme"	the share option scheme adopted by the Company on 13 June 2024
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company" or "Li Ning Company"	Li Ning Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"CS"	convertible securities issued under 2013 Open Offer or 2015 Open Offer
"CS Holder(s)"	holder(s) of CS
"Director(s)"	the director(s) of the Company
"Group" or "Li Ning Group"	the Company and its subsidiaries
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"PRC" or "China"	the People's Republic of China

Glossary (Continued)

"Restricted Shares"	shares granted under the 2016 Restricted Share Award Scheme which are subject to restrictions and limitations
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of HK\$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.