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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- In the first half of the year, the Group recorded the following operating results:
  - Revenue rose by 2.8% to RMB15,235 million; gross profit margin increased by 0.9 percentage points to 50.9%
  - Net operating cash inflow was RMB954 million
  - Net profit attributable to equity holders was RMB1,816 million with net profit margin of 11.9%, and EBITDA margin was 22.1%
- Working capital remained at a healthy level:
  - The percentage of gross average working capital to revenue was 7.8%
  - The cash conversion cycle was 35 days, an increase of 4 days compared with the same period last year
- The Board resolved to declare an interim dividend of RMB35.12 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the six months ended 30 June 2026.

OPERATIONAL HIGHLIGHTS

- The retail sell-through for the overall platform increased by low-single-digit from last year, including online and offline channels.
- Offline channel new products sell-through accounted for 83% of overall offline channel sell-through, maintaining a healthy and reasonable level.
- Channel inventory-to-sales ratio of 4 months; and inventory level and ageing structure remained at a healthy level.

INTERIM RESULTS

The board of directors (the "Board") of Li Ning Company Limited (the "Company" or "Li Ning Company") announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026, together with comparative figures of 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**15,235,250**	14,816,763
Cost of sales	*7*	**(7,484,523)**	(7,401,960)
Gross profit		**7,750,727**	7,414,803
Other income and other gains – net	*5*	**70,455**	93,895
Selling and distribution expenses	*7*	**(4,639,732)**	(4,292,730)
Administrative expenses	*7*	**(720,206)**	(776,642)
Provision for expected credit loss allowance for financial assets – net		**(9,354)**	(841)
Operating profit		**2,451,890**	2,438,485
Finance income	*6*	**120,302**	193,993
Finance expenses	*6*	**(215,572)**	(159,686)
Finance (expenses)/ income – net	*6*	**(95,270)**	34,307
Share of profits and losses of:			
Joint ventures		**8,028**	13,289
Associates		**83,032**	120,435
Profit before income tax		**2,447,680**	2,606,516
Income tax expense	*8*	**(631,495)**	(869,094)
Profit for the period		**1,816,185**	1,737,422
Attributable to:			
Equity holders of the Company		**1,816,185**	1,737,422
		1,816,185	1,737,422
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*	**70.40**	67.43
Diluted earnings per share	*10*	**70.23**	67.19

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**1,816,185**	1,737,422
Other comprehensive loss:		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(115,021)**	(41,697)
Total comprehensive income for the period	**1,701,164**	1,695,725
Attributable to:		
Equity holders of the Company	**1,701,164**	1,695,725
Total comprehensive income for the period	**1,701,164**	1,695,725

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**4,696,060**	4,753,734
Right-of-use assets		**1,514,913**	1,561,724
Investment properties		**2,403,562**	2,557,640
Land use rights		**145,179**	147,074
Intangible assets		**581,109**	156,823
Deferred income tax assets		**1,011,107**	984,539
Other assets		**691,772**	8,226
Investments accounted for using the equity method		**1,770,384**	1,827,940
Investments measured at fair value through profit or loss		**399,604**	436,738
Other receivables		**193,289**	165,693
Time deposits		**4,169,399**	2,164,314
Total non-current assets		**17,576,378**	14,764,445
Current assets			
Inventories	*11*	**2,701,596**	2,693,793
Other assets – current portion		**1,386,568**	822,253
Trade receivables	*12*	**1,342,098**	1,388,679
Other receivables – current portion		**212,252**	235,571
Restricted bank deposits		**2,400**	200
Time deposits – current portion		**2,215,792**	1,092,575
Cash and cash equivalents		**13,003,309**	16,716,551
Total current assets		**20,864,015**	22,949,622
Total assets		**38,440,393**	37,714,067

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
EQUITY			
Equity attributable to equity holders of the Company			
Ordinary shares		**235,854**	235,854
Share premium		**8,942,239**	9,003,738
Shares held for Restricted Shares Award Scheme		**(132,828)**	(248,744)
Other reserves		**2,139,547**	2,375,190
Retained earnings		**17,473,817**	16,261,461
Total equity		**28,658,629**	27,627,499
LIABILITIES			
Non-current liabilities			
License fees payable		**456,327**	-
Lease liabilities		**1,403,328**	1,465,551
Deferred income tax liabilities		**484,688**	514,968
Deferred income		**43,966**	44,967
Total non-current liabilities		**2,388,309**	2,025,486
Current liabilities			
Trade payables	*13*	**1,900,695**	1,901,694
Contract liabilities		**199,702**	369,001
Lease liabilities – current portion		**575,942**	589,603
Other payables and accruals		**3,975,136**	4,093,380
License fees payable – current portion		**47,306**	34,652
Current income tax liabilities		**694,674**	1,072,752
Total current liabilities		**7,393,455**	8,061,082
Total liabilities		**9,781,764**	10,086,568
Total equity and liabilities		**38,440,393**	37,714,067

Notes:

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.

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise stated. This interim condensed consolidated financial information was approved for issue by the Board on 20 August 2026.

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 2026 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 2025.

3. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the 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 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments.

    The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. Segment information and revenue

The Group's management ("Management") monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/ loss, which is a measure of adjusted profit/loss before tax.

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 revenue. Also, none of the Group's non-current assets is located outside the PRC. Accordingly, no geographical information is presented.

(a) Revenue from contracts with customers

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

Revenue by product category:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Footwear	**8,283,759**	8,230,716
Apparel	**5,804,829**	5,192,797
Equipment and accessories	**1,146,662**	1,393,250
Total	**15,235,250**	14,816,763

Revenue by sales channel:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC market		
Sales to franchised distributors	**7,002,798**	6,883,188
Sales from direct operation	**3,525,525**	3,383,162
Sales from e-commerce channels	**4,518,097**	4,300,337
Other regions	**188,830**	250,076
Total	**15,235,250**	14,816,763

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

For the six months ended 30 June 2026 and 2025, no revenue derived from transactions with a single external customer represented 10% or more of the Group's total revenue.

5. Other income and other gains – net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants *(Note a)*	**123,066**	173,673
Rental income	**50,682**	52,188
Gains on redemption of wealth management products measured at fair value through profit or loss	**24,255**	17,240
License fees income	**23,615**	21,747
Depreciation and related expenses on investment properties	**(62,394)**	(65,015)
Impairment of investment properties *(Note b)*	**(46,306)**	(105,938)
Fair value losses and dividend income on investments measured at fair value through profit or loss – net	**(42,463)**	–
	70,455	93,895

Notes:

(a) 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 2026, the entitlement of an aggregate amount of RMB121,944,000 (30 June 2025: RMB163,670,000) was unconditional and at the discretion of the relevant authorities, while the remaining amount of RMB1,122,000 (30 June 2025: RMB10,003,000) was recognised as income upon the fulfillment of respective conditions attaching to the government grants.

(b) During the six months ended 30 June 2026, the property market in the Chinese mainland 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 2026 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 2026 which were determined using the income approach.

Based on the results of the impairment assessments, impairment losses of RMB46,306,000 were recognised against the carrying amount of investment properties during the six months ended 30 June 2026 (30 June 2025: RMB105,938,000).

6. Finance (expenses)/ income – net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Interest income on bank balances and deposits	**120,302**	193,993
	120,302	193,993
Finance expenses		
Net foreign currency exchange loss	**(110,598)**	(70,921)
Lease interest expenses	**(49,928)**	(50,995)
Borrowing interest	**(29,880)**	(24,245)
Discounted interest expenses – licence fees payable	**(4,617)**	(285)
Others	**(20,549)**	(13,240)
	(215,572)	(159,686)
Finance (expenses)/ income – net	**(95,270)**	34,307

7. Profit before income tax

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expenses and included in cost of sales	**7,246,323**	7,180,828
Advertising and marketing expenses	**1,712,704**	1,335,904
Staff costs, including directors' emoluments *(Note a)*	**1,151,623**	1,140,452
– Wages and salaries	**1,096,949**	1,105,196
– Share options and restricted shares	**(70,584)**	(94,824)
– Pension scheme contributions (including housing benefits)	**125,258**	130,080
Short-term lease rentals and variable lease payments not included in lease liabilities and rental related expenses	**621,260**	624,094
Commission and trade fair related expenses	**532,782**	512,210
Transportation and logistics expenses	**456,508**	446,218
Research and product development expenses *(Note a)*	**367,250**	344,797
Depreciation on property, plant and equipment *(Note a)*	**335,204**	344,022
Depreciation on right-of-use assets	**269,561**	250,817
Management consulting expenses	**106,001**	100,707
Impairment of right-of-use assets	**75,311**	104,311
Impairment of intangible assets (including goodwill)	**–**	76,428
Impairment of property, plant and equipment	**12,679**	48,430
Amortisation of land use rights and intangible assets	**40,790**	33,236

Note:

(a) Research and product development expenses include depreciation on property, plant and equipment and staff costs for research and development activities of the Group, which are also included in depreciation expense and staff costs as disclosed above.

8. Income tax expense

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Corporate income tax *(Note a)*	**688,344**	757,901
– Withholding income tax on dividends and interest from subsidiaries in the Chinese mainland *(Note b)*	**–**	115,000
	688,344	872,901
Deferred income tax	**(56,849)**	(3,807)
Income tax expense	**631,495**	869,094

The Company was incorporated in the Cayman Islands. Under the laws of the Cayman Islands, there is no income tax payable by the Company. The Company's subsidiary, RealSports Pte Ltd., a company incorporated under the International Business Companies Acts of the British Virgin Islands, is exempted from British Virgin Islands income taxes.

Notes:

(a) The Group's subsidiaries established in the Chinese mainland are subject to corporate income tax at a rate of 25% (2025: 25%), except for two subsidiaries established in the Guangxi Zhuang Autonomous Region, which are subject to preferential tax rate of 9% (2025: 9%) and 15% (2025: 25%), respectively, and a subsidiary established in Guangdong Province which is entitled to preferential tax at a rate of 15% (30 June 2025: 25%). Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2026.

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

(c) The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules. Pillar Two legislation was enacted in certain jurisdictions in which some of the Group's overseas subsidiaries are incorporated/established, and has come into effect from 1 January 2024 and 1 January 2025 respectively. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as stipulated in the amendments to IAS 12 issued in May 2023.

Under the legislation, entities may be liable to pay a top-up tax (if any) for the difference between the Global Anti-Base Erosion Proposal effective tax rate for the jurisdictions in which they operate and the 15% minimum rate. Based on Management's assessment, there is no material impact from exposure to Pillar Two legislation on the effective tax rate of the Group for the six months ended 30 June 2026.

9. Dividends

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final dividend declared and paid for the year 2025, of RMB23.36 cents per ordinary share of the Company (2024: RMB20.73 cents per ordinary share of the Company)	**603,829**	536,148

On 20 August 2026, the board of directors resolved to declare an interim dividend of RMB35.12 cents (six months ended 30 June 2025: RMB33.59 cents) per ordinary share of the Company, amounting to a total of approximately RMB908,093,000 (six months ended 30 June 2025: RMB868,711,000).

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 amounts is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares outstanding during the period.

The calculation of the diluted earnings per share amounts 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 exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**1,816,185**	1,737,422

	Number of shares Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation (000')	**2,579,738#**	2,576,734#
Effect of dilution – weighted average number of ordinary shares (000'):		
Restricted shares	**6,127**	9,131
Share options	**90**	44
Total	**2,585,955**	2,585,909

The calculation of the weighted average number of shares has excluded the number of shares held for Restricted Share Award Scheme.

11. Inventories

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Raw materials	**32,177**	30,112
Work in progress	**21,187**	17,795
Finished goods	**2,816,834**	2,804,565
	2,870,198	2,852,472
Less: Provision for write-down of inventories to net realisable value	**(168,602)**	(158,679)
	2,701,596	2,693,793

The cost of inventories recognised as expenses and included in cost of sales amounted to RMB7,246,323,000 for the six months ended 30 June 2026 (30 June 2025: RMB7,180,828,000), which included inventory provision of RMB9,923,000 (30 June 2025: RMB21,117,000).

12. Trade receivables

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Accounts receivable	**1,389,169**	1,426,585
Less: Expected credit loss allowance for trade receivables	**(47,071)**	(37,906)
	1,342,098	1,388,679

Trade receivables are mainly denominated in RMB.

Customers are normally granted credit terms within 90 days. As at 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables based on invoice date is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**764,419**	623,072
31 to 60 days	**471,955**	562,397
61 to 90 days	**87,809**	188,609
91 to 180 days	**34,215**	22,891
Over 180 days	**30,771**	29,616
	1,389,169	1,426,585

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
As at 1 January	**37,906**	41,658
Provision for expected credit loss allowance for trade receivables	**11,051**	2
Trade receivables written off during the period as uncollectible	**(1,885)**	(30)
Exchange realignment	**(1)**	1
As at 30 June	**47,071**	41,631

Due to the short-term maturity of the current trade receivables, their carrying amounts are considered reasonably approximate to their fair values.

13. Trade payables

Trade payables are mainly denominated in RMB. The normal credit periods for trade payables generally range from 30 to 60 days. The carrying amounts of trade payables are considered reasonably approximate to their fair values, due to their short term maturity.

Ageing analysis of trade payables based on invoice date at the end of the reporting period is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**1,388,587**	1,283,123
31 to 60 days	**420,692**	554,018
61 to 90 days	**85,183**	58,478
91 to 180 days	**3,821**	2,157
181 to 365 days	**2,219**	3,918
Over 365 days	**193**	–
	1,900,695	1,901,694

14. Contingent liabilities

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 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 has become an indirect wholly-owned subsidiary of the Company. The Target Company was subsequently renamed as Li Ning Communications (Hong Kong) Limited. Details are set out in the announcement of the Company dated 31 December 2020.

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, which was confirmed by the Target Company and Mr. Pan Sutong (the sole shareholder of the Target Company prior to the Vendor taking over the Target Company on 26 March 2019). 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 loan stated in the Statutory Demand, the Liquidators withdrew the Statutory Demand. Details are set out in the Company's annual results announcement for the year ended 31 December 2024 dated 28 March 2025.

On 24 June 2025, Active Legend and Vast Gold served the Target Company a writ of summons issued by the High Court (the "Court") of the Hong Kong Special Administrative Region (the "Writ of Summons") for the claim on the principal amount and the contractual interest on the Subject Loan up to the earlier of the date of the judgement and the date of earlier payment, other relief and costs.

On 7 July 2025, the Target Company filed the Acknowledgement of Service to the Court. On 15 December 2025, the Target Company filed its amended defence. On 12 January 2026, Active Legend and Vast Gold filed their reply to the defence. In March 2026, the Company, Active Legend and Vast Gold agreed that the existing proceedings be transferred to the Commercial List of the Court, with a designated judge possessing commercial law expertise appointed to manage the whole proceedings. A case management conference has been scheduled for 3 September 2026, at which the relevant parties will discuss the next steps of the proceedings.

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.

Having taken legal advice and 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.

15. Events after the reporting period

On 14 July 2026, the Company adopted a new share incentive scheme. The maximum number of shares administered under the this scheme shall not exceed in total 5% (i.e. 129,240,687 shares as at the date of this announcement) of the Company's issued shares capital from time to time. As at the date of this announcement, no shares have been granted under the scheme.

DIVIDENDS

The Board resolved to declare an interim dividend of RMB35.12 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the six months ended 30 June 2026 (30 June 2025: RMB33.59 cents). Such interim dividend is payable in Hong Kong Dollars based on the official exchange rate of Renminbi against Hong Kong Dollars as quoted by the People's Bank of China on 20 August 2026 and will not be subject to any withholding tax. Such interim dividend will be paid:

(i) on 16 September 2026 to ordinary shareholders whose names shall appear on the register of members of the Company on 8 September 2026;

(ii) on 16 September 2026 to holders of convertible securities issued under the open offer of offer securities of the Company as set out in the listing document of the Company dated 9 January 2015 and remain outstanding on 8 September 2026; and

(iii) on 21 September 2026 (i.e. the third business day after 16 September 2026) to holders of convertible securities issued under the open offer of convertible securities of the Company as set out in the listing document of the Company dated 27 March 2013 and remain outstanding on 8 September 2026.

For the avoidance of doubt, any convertible securities subject to a conversion notice completed, executed and deposited on or before the interim dividend record date (being 8 September 2026) 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 convertible security 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 RMB23.36 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the year ended 31 December 2025 was declared payable and approved by the shareholders at the annual general meeting of the Company on 11 June 2026 and subsequently paid in June 2026.

CLOSURE OF REGISTER OF MEMBERS AND HOLDERS OF CONVERTIBLE SECURITIES

For determining shareholders and holders of convertible securities of the Company who are ascertaining entitlement to the interim dividend, the register of members and register of holders of convertible securities of the Company will be closed as set out below:

Latest time to lodge transfer documents	4:30 p.m. on 4 September 2026 (Friday)
Period of closure of register of members and register of holders of convertible securities	7 September 2026 (Monday) to 8 September 2026 (Tuesday) (both days inclusive)
Interim dividend record date	8 September 2026 (Tuesday)

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. During the above closure periods, no transfer of shares or convertible securities of the Company will be registered.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The key operating and financial performance indicators of the Group for the six months ended 30 June 2026 are set out below:

	Six months ended 30 June		Change
	2026	2025	*(%)*
	(Unaudited)	(Unaudited)	
Income statement items			
(All amounts in RMB thousands unless otherwise stated)			
Revenue	**15,235,250**	14,816,763	**2.8**
Gross profit	**7,750,727**	7,414,803	**4.5**
Operating profit	**2,451,890**	2,438,485	**0.5**
Earnings before interest, tax, depreciation and amortisation (EBITDA) *(Note 1)*	**3,370,068**	3,512,607	**(4.1)**
Profit attributable to equity holders	**1,816,185**	1,737,422	**4.5**
Basic earnings per share *(RMB cents) (Note 2)*	**70.40**	67.43	**4.4**
Key financial ratios			
Profitability ratios			
Gross profit margin *(%)*	**50.9**	50.0	
Operating profit margin *(%)*	**16.1**	16.5	
Effective tax rate *(%)*	**25.8**	33.3	
Margin of profit attributable to equity holders *(%)*	**11.9**	11.7	
Return on equity attributable to equity holders *(%)* *(Note 3)*	**6.5**	6.5	
Expenses to revenue ratios			
Staff costs *(%)*	**7.6**	7.7	
Advertising and marketing expenses *(%)*	**11.2**	9.0	
Research and product development expenses *(%)*	**2.4**	2.3	
Asset efficiency			
Average inventory turnover *(days) (Note 4)*	**65**	61	
Average trade receivables turnover *(days) (Note 5)*	**16**	14	
Average trade payables turnover *(days) (Note 6)*	**46**	44	

	30 June 2026	31 December 2025
Asset ratios		
Debt-to-equity ratio *(%) (Note 7)*	**34.1**	36.5
Net asset value per share *(RMB cents) (Note 8)*	**1,110.56**	1,072.16

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 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 equity 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 equity attributable to equity holders of the Company at the end of the period.

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 at the end of the period.

* *The aforesaid indicators provided by the Group may not necessarily be the same in terms of similar 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.*

Revenue

For the six months ended 30 June 2026, the Group achieved steady revenue growth of 2.8% year-on-year to RMB15,235,250,000 (2025: RMB14,816,763,000). Changes in revenue from all channels were as follows: (1) during the period, the franchised distributors channel performed steadily with revenue increasing by 1.7% year-on-year; (2) during the period, the Group increased investment in online channel promotion and explored various new retail channels, with e-commerce channel revenue effectively increasing by 5.1% year-on-year; and (3) despite pressure in the retail promotional environment, during the period the Group continued to further improve its membership system and enhance consumer experience, with revenue from directly-operated offline stores facing consumers increasing by 4.2% year-on-year.

Revenue by product category

	Six months ended 30 June				
	2026		2025		
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*	**Revenue Change** *(%)*
Footwear	**8,283,759**	**54.4**	8,230,716	55.6	**0.6**
Apparel	**5,804,829**	**38.1**	5,192,797	35.0	**11.8**
Equipment and accessories	**1,146,662**	**7.5**	1,393,250	9.4	**(17.7)**
Total	**15,235,250**	**100.0**	14,816,763	100.0	**2.8**

Revenue (in %) by sales channel

	Six months ended 30 June		
	2026 ***% of revenue***	2025 *% of revenue*	**Change** *(%)*
The PRC market			
Sales to franchised distributors	**46.0**	46.5	**(0.5)**
Sales from direct operation	**23.1**	22.8	**0.3**
Sales from e-commerce channels	**29.7**	29.0	**0.7**
Other regions	**1.2**	1.7	**(0.5)**
Total	**100.0**	100.0	**–**

Revenue by geographical location

		Six months ended 30 June				
		2026		2025		**Revenue**
			% of		*% of*	**Change**
	Notes	***RMB'000***	***revenue***	*RMB'000*	*revenue*	*(%)*
The PRC market						
Northern region	*1*	**7,242,396**	**47.6**	7,034,893	47.5	**2.9**
Southern region	*2*	**7,804,024**	**51.2**	7,531,794	50.8	**3.6**
Other regions		**188,830**	**1.2**	250,076	1.7	**(24.5)**
Total		**15,235,250**	**100.0**	14,816,763	100.0	**2.8**

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 2026, the overall cost of sales of the Group amounted to RMB7,484,523,000 (2025: RMB7,401,960,000), and the overall gross profit margin was 50.9% (2025: 50.0%). During the period, revenue from wholesale, retail and e-commerce channels all increased compared with the same period last year. Revenue growth and channel structure adjustment brought optimisation of gross profit margin, with gross profit margin increasing by 0.9 percentage points compared with the same period last year.

Selling and Distribution Expenses

For the six months ended 30 June 2026, the overall selling and distribution expenses of the Group amounted to RMB4,639,732,000 (2025: RMB4,292,730,000), representing 30.5% (2025: 29.0%) of the Group's total revenue.

Selling and distribution expenses increased by 8.1% compared with the same period last year. During the period, the Group continued to focus on Olympic and national team partnerships. While deepening professional sports areas such as basketball and running and strengthening sponsorship of major events, the Group responded quickly to consumer demand and changes across various sports scenarios, with both online and offline marketing investment increasing. The Group always values the building and accumulation of brand assets, actively balancing immediate conversion from marketing spend and long-term momentum growth.

Administrative Expenses

For the six months ended 30 June 2026, the overall administrative expenses of the Group amounted to RMB720,206,000 (2025: RMB776,642,000), accounting for 4.7% (2025: 5.2%) of the Group's total revenue, a decrease of 0.5 percentage points year-on-year. Administrative expenses mainly comprise staff costs, management consulting expenses, office rental, depreciation and amortisation, research and product development expenses, taxes and other daily expenses.

The decrease in administrative expenses was mainly due to full impairment recognition of goodwill of RMB72,387,000 arising from the acquisition of Kason Sports (Hong Kong) Limited in 2009 in the same period last year, with no such provision in the current year.

Share of Profits and Losses of Joint Ventures and Associates

For the six months ended 30 June 2026, the Group's share of profits and losses of joint ventures and associates amounted to RMB91,060,000 (2025: RMB133,724,000). Affected by overall pressure in the table tennis and badminton equipment market, the revenue and profit of the Group's associates decreased year-on-year, resulting in a decrease in share of profits and losses of joint ventures and associates.

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

For the six months ended 30 June 2026, the Group's EBITDA amounted to RMB3,370,068,000 (2025: RMB3,512,607,000), representing a decrease of 4.1% year-on-year.

Reconciliation from profit for the period to earnings before interest, tax, depreciation and amortisation is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reconciliation from profit for the period to EBITDA:		
Profit for the period	**1,816,185**	1,737,422
Income tax expense	**631,495**	869,094
Finance income	**(120,302)**	(193,993)
Finance expenses (including amortisation of discount on lease liabilities)	**215,572**	159,686
Depreciation on property, plant and equipment	**335,204**	344,022
Impairment of property, plant and equipment *(Note 1)*	**12,679**	48,430
Amortisation of land use rights and intangible assets	**40,790**	33,236
Impairment of intangible assets – trademark rights *(Note 1)*	**–**	4,041
Depreciation on right-of-use assets	**269,561**	250,817
Impairment of right-of-use assets *(Note 1)*	**75,311**	104,311
Depreciation on investment properties	**47,267**	49,603
Impairment of investment properties *(Note 1, 2)*	**46,306**	105,938
EBITDA	**3,370,068**	3,512,607

Notes:

1. Impairment charges included as adjusting items in EBITDA mainly arise from impairment assessments of non-current assets when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If these non-current assets had not been impaired, depreciation of such assets would have been included as adjusting items in EBITDA. Impairment charges are therefore a non-cash item similar to depreciation and amortisation of non-current assets.

2. During the six months ended 30 June 2026, the property market in the Chinese mainland 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 2026 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 2026 which were determined using the income approach. Based on the results of the impairment assessments, impairment losses of RMB46,306,000 were recognised against the carrying amount of investment properties during the six months ended 30 June 2026 (30 June 2025: RMB105,938,000).

Finance (Expenses)/ Income – net

For the six months ended 30 June 2026, net finance expenses of the Group amounted to RMB95,270,000 (2025: net finance income of RMB34,307,000). The decrease in net finance income was mainly due to the decrease in interest income and increase in foreign exchange losses resulting from the dual decline in interest rates and exchange rates during the period.

Income Tax Expense

For the six months ended 30 June 2026, income tax expense of the Group amounted to RMB631,495,000 (2025: RMB869,094,000), with an effective tax rate of 25.8% (2025: 33.3%). The Group's income tax expense has now trended towards a standard level.

Overall Profitability Indicators

For the six months ended 30 June 2026, the Group's revenue and gross profit maintained steady growth. Expenses increased with marketing investment. Other gains decreased due to lower wealth management interest rates and foreign exchange fluctuations. Share of profits of investments accounted for using the equity method decreased due to market conditions, but income tax trended towards stability. On a consolidated basis, profit attributable to equity holders and profit margin both increased slightly compared with the same period last year. For the six months ended 30 June 2026, profit attributable to equity holders of the Group amounted to RMB1,816,185,000 (2025: RMB1,737,422,000); margin of profit attributable to equity holders was 11.9% (2025: 11.7%); return on equity attributable to equity holders was 6.5% (2025: 6.5%).

Provision for Inventories

The Group's policy in respect of provision for inventories for 2026 was the same as that in 2025. 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 2026, the accumulated provision for inventories was RMB168,602,000 (31 December 2025: RMB158,679,000). During the period, the Group continued to focus on optimising inventory structure, with inventory provision rate decreasing compared with the same period last year.

Expected Credit Loss Allowance

The Group's policy in respect of expected credit loss allowance for 2026 was the same as that in 2025. 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 2026, the accumulated expected credit loss allowance was RMB51,278,000 (31 December 2025: RMB43,932,000), among which the accumulated expected credit loss allowance for trade receivables was RMB47,071,000 (31 December 2025: RMB37,906,000) and the accumulated expected credit loss allowance for other receivables was RMB4,207,000 (31 December 2025: RMB6,026,000). For the six months ended 30 June 2026, the amount of uncollectible trade receivables and other receivables written off and the effect of exchange rate movements amounted to RMB2,008,000 (2025: RMB721,000). The Group will continue to monitor the ageing structure and settlements to maintain a sound receivable turnover ratio.

Liquidity and Financial Resources

The Group's net cash generated from operating activities for the six months ended 30 June 2026 amounted to RMB953,760,000 (2025: RMB2,411,101,000). As at 30 June 2026, cash and cash equivalents (including cash at banks and in hand, and fixed term deposits with original maturity of not more than three months) amounted to RMB13,003,309,000, representing a net decrease of RMB3,713,242,000 as compared with the position as at 31 December 2025. Adding back amounts recorded in time deposits held at banks, cash balance amounted to RMB19,388,500,000, representing a net decrease of RMB584,940,000 as compared to 31 December 2025. The change comprised the following:

	Six months ended 30 June 2026 *RMB'000*
Item	
Operating activities:	
Net cash generated from operating activities	953,760
Investing activities:	
Net cash used in investing activities (including placement and redemption of time deposits)	(3,513,308)
Financing activities:	
Net cash used in financing activities	(1,048,697)
Add: Exchange loss on cash and cash equivalents	(104,997)
Net decrease in cash and cash equivalents	**(3,713,242)**
Add: Net increase in time deposits	3,128,302
Net decrease in cash balance	**(584,940)**

During the period, revenue increased year-on-year and cash expenses such as marketing expenses and taxes increased, resulting in a year-on-year decrease in net cash generated from operating activities; increase in time deposits resulted in a significant increase in net cash used in 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 2026, net proceeds from the top-up placing amounting to RMB189,828,000 had been utilised. As at 30 June 2026, net proceeds from the top-up placing of RMB151,192,000 had not yet been utilised. The planned use is as follows:

Intended use of net proceeds	**Percentage of total net proceeds** *(approximately)*	**Unutilised net proceeds as at 31 December 2025** *(approximately RMB'000)*	**Amount used during the six months ended 30 June 2026** *(approximately RMB'000)*	**Unutilised net proceeds as at 30 June 2026** *(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	40%	–	–	–	
Investment in reengineered infrastructure and further improvement of the supply chain system	30%	341,020	189,828	151,192	On or before 31 December 2026
Development of the brand and IT system	20%	–	–	–	
General working capital	10%	–	–	–	
Total	**100%**	**341,020**	**189,828**	**151,192**	**On or before 31 December 2026**

Note:

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.

As at 30 June 2026, the Group's credit facilities amounted to RMB14,129,000,000, 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 RMB. The reporting currency of the Group is RMB. The Group's subsidiaries in South Korea, Hong Kong and Macau use South Korean Won, Hong Kong Dollars and Macau Pataca, 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 and Macau Pataca. The Company pays dividends in Hong Kong Dollars, certain licence 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 RMB may have a financial impact on the Group.

Significant Investments

As at 30 June 2026, the Group did not hold any significant investments.

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 at 30 June 2026, 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 2026, the carrying amount of the non-current assets after depreciation and impairment under the investment was RMB2,121,758,000, representing approximately 5.5% 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 2026 and 31 December 2025, the Group had no pledged assets.

Contingent liabilities

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 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 has become an indirect wholly-owned subsidiary of the Company. The Target Company was subsequently renamed as Li Ning Communications (Hong Kong) Limited. Details are set out in the announcement of the Company dated 31 December 2020.

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, which was confirmed by the Target Company and Mr. Pan Sutong (the sole shareholder of the Target Company prior to the Vendor taking over the Target Company on 26 March 2019). 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 loan stated in the Statutory Demand, the Liquidators withdrew the Statutory Demand. Details are set out in the Company's annual results announcement for the year ended 31 December 2024 dated 28 March 2025.

On 24 June 2025, Active Legend and Vast Gold served the Target Company a writ of summons issued by the High Court (the "Court") of the Hong Kong Special Administrative Region (the "Writ of Summons") for the claim on the principal amount and the contractual interest on the Subject Loan up to the earlier of the date of the judgement and the date of earlier payment, other relief and costs.

On 7 July 2025, the Target Company filed the Acknowledgement of Service to the Court. On 15 December 2025, the Target Company filed its amended defence. On 12 January 2026, Active Legend and Vast Gold filed their reply to the defence. In March 2026, the Company, Active Legend and Vast Gold agreed that the existing proceedings be transferred to the Commercial List of the Court, with a designated judge possessing commercial law expertise appointed to manage the whole proceedings. A case management conference has been scheduled for 3 September 2026, at which the relevant parties will discuss the next steps of the proceedings.

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.

Having taken legal advice and 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 OVERVIEW

In the first half of 2026, faced with the severe challenges of a complex and volatile external trade landscape and pronounced domestic contradictions of strong supply and weak demand, the domestic macro-economy remained generally stable, with a development trend marked by new growth drivers and an optimised structure. A series of policies to expand domestic demand and promote consumption at the outset of the "15th Five-Year" Plan continued to be rolled out; however, structural divergence in the consumer market persisted. Consumers' purchasing logic tended to become more diversified, while functional niche segments such as professional sports and urban outdoor continued to maintain consumption momentum. During the period, the Group also firmly implemented its core development strategy of "Single Brand, Multi-categories, Diversified Channels". On the one hand, it continuously strengthened the core of professional sports technology and product performance, consolidating the brand's professional mindset in niche segments; on the other hand, it continuously deepened its highly efficient operating model and, through cost control and enhancement of operational efficiency, maintained solid operating fundamentals and a healthy inventory level, and will continue to take operating quality and long-term brand building as the core to actively respond to the fluctuating retail environment.

In terms of product upgrades, driven by technological innovation, the Group advanced iterative upgrades of product performance in its core categories, coordinated the synergistic development of the core categories of running, basketball, training, badminton, table tennis and sports casual, and orderly promoted iterative upgrades of product performance. The Group launched the "Super BOOM Capsule"(超䨻膠囊)technology, which was applied to racing running shoe series such as Feidian (飛電)and Red Hare(赤兔), covering full-scenario needs across competitive training, elite and mass runners; the LI-NING Aerospace Dynamic Thermal Technology Platform was applied to the award equipment of the Chinese Sports Delegation for the 2026 Milan Winter Olympics, achieving multi-functional breakthroughs such as "moisture permeability, thermal lock and protection"; meanwhile, the Group expanded its outdoor product matrix and accelerated its layout in the outdoor market. In addition, the Group continued to step up investment in scientific research and innovation, actively exploring cross-boundary applications of embodied intelligence and aerospace technology in sports equipment, laying the foundation for the subsequent transformation of scientific and technological achievements.

While consolidating the strength of product technology, the Group simultaneously made efforts on the brand communication front, focusing on building an all-round, multi-tier sports resource system represented by cooperation with the Chinese Olympic Committee and top international athlete IPs. During the period, the Group continued to consolidate its strategic cooperation with the Chinese Olympic Committee (the "COC"), and carefully created the "China's Glory, Together with LI-NING" light-and-shadow show, vividly interpreting the glorious journey of the brand walking alongside Chinese sports for forty years. In addition, the Group entered into a long-term strategic cooperation with NBA superstar Stephen Curry and his brand "Curry Brand", cooperating around the research and development of professional sports equipment such as basketball, the promotion of event culture and the expansion of the new-generation consumer group, enhancing the professional sports brand perception and international exposure of LI-NING. Domestic and overseas top-tier marketing resources advanced in parallel, providing growth momentum for the long-term value of the brand.

The Group continued to advance the exploration and layout of innovative store formats to cultivate incremental channel growth. During the period, the Group accelerated the expansion of its new offline store matrix. In the first quarter, in coordination with Winter Olympics marketing, it drove the rapid layout of "Loong Store"(龍店)pop-up stores in core business districts of key cities, and the first Loong Store flagship store will also be launched in the second half of the year. In addition, the Group is also concurrently exploring diversified store types such as standalone outdoor stores and LI-NING spaces featuring Forbidden City cultural and creative specialty zones, injecting vitality into incremental channel growth.

Technology Leading the Way – LI-NING Walking in Glory with the Chinese Olympic Committee

In the first half of 2026, LI-NING continued to refine cutting-edge sports technology and advanced side by side with China's sports undertakings, comprehensively safeguarding the supply of professional equipment for the Chinese Sports Delegation, deeply participating in major international events including the 2026 Milan Winter Olympics and the 2026 Asian Beach Games in Sanya, and continuously deepening the public's recognition of LI-NING as a representative brand of professional sports in China.

The Group adheres to technology-driven development as its main theme, providing solid safeguards for the Chinese Sports Delegation with the most cutting-edge professional sports equipment. The award equipment for the Milan Winter Olympics integrated and applied LI-NING "Super BOOM" (超䨻) technology and "Aerospace Thermal Lock Cotton" (航天鎖溫棉), an achievement of the aerospace dynamic thermal technology, realising the transformation of frontier technologies into professional products. The award equipment for the Asian Beach Games in Sanya focused on the two core functions of cooling technology and protection technology. Within the cooling technology system, in addition to adopting "LN COOL" (沁涼科技), the Group took the lead in introducing the industry-leading intelligent temperature-control technology — "Aerospace Temperature-Control Phase-Change Microcapsules" (航天溫控相變微膠囊), further consolidating the brand's professional technology core.

For the first time in product design, the LI-NING Gold Label (李寧金標) jointly adopted the Chinese Olympic Committee emblem and the LI-NING brand logo. With "professional sports technology + minimalist aesthetic design" as its core positioning, it targets urban consumers pursuing a quality lifestyle and comprehensively covers diversified dressing scenarios such as commuting, business and light sports. On the R&D front, the Group independently launched "Zero-Pressure Arc" (零壓弧) technology and coordinated the application of technology achievements including "ATC Intelligent Temperature-Control Aerospace-Grade Cooling Technology" and "LN WATER PROOF Water-Repellent Technology", building differentiated labels of "same origin as competition equipment, aerospace technology and top-tier quality". The footwear category concurrently built a functional business-commuting product matrix around the "Chao" (超) series and the "Zheng" (征) series. During the opening of the "Loong Store" (龍店) pop-up store in Sanlitun, 60% of the hero styles of the Chao series sold out within one week of launch, delivering a standout performance. On the marketing front, leveraging the international stage of Milan Fashion Week, the Glory Gold Label series completed its global debut of high-end sports aesthetics and, through a see-now-buy-now approach with the same styles on and off the runway, efficiently connected brand heat with actual sales. At the same time, the Group actively leveraged the driving force of Olympic champions and brand spokespersons to boost search heat, user attention and product reputation on social platforms. Flagship products such as the Ma Long signature ATC printed seamless Polo and the Glory Gold Label light-protection stretch jacket both achieved excellent sales performance, with positive market response.

On the brand communication front, LI-NING fully activated its rights from cooperation with the Chinese Olympic Committee and leveraged international events to enhance brand exposure and influence. During the Milan Winter Olympics, the brand joined hands with China Media Group in in-depth converged-media cooperation, efficiently communicating the brand story around the opening and closing ceremonies; and arranged the broadcast of the short video "Glory Award Moments", focusing on the spectacular moments of Chinese athletes taking the podium in LI-NING equipment, deeply binding Olympic glory with the brand image. Meanwhile, the brand entered "China House"(中國之家)and successfully held the "LI-NING Night" special event, interpreting the forty-year journey of the LI-NING brand accompanying Chinese sports. With well-established event operations and an all-media communication layout, LI-NING ranked first among sports brands in nationwide online volume during the Winter Olympics, with notable communication results. In addition, at the beginning of the year the Group launched the annual theme marketing campaign "Count on Me"(那就看我的), and through diversified means such as encouraging user content co-creation and holding offline events focused on core city business districts, continuously strengthened the brand expression of "breaking set patterns, breaking through oneself, and everything is possible".

LI-NING will continue to deepen its partnership with the Chinese Olympic Committee, consolidate the brand's professional image with top-tier sports resources, and promote Chinese sports strength and LI-NING's professional technology capabilities to walk in glory and advance hand in hand.

Deepening the "Single Brand, Multi-categories, Diversified Channels" strategic layout, driving the brand's high-quality development through technological innovation and professional sports resources

Strengthening the core competitiveness of professional sports, building an all-domain marketing matrix and expanding brand influence

In the first half of 2026, the Group focused on six core categories—running, basketball, training, badminton, table tennis and sports casual—while actively expanding into emerging niche tracks including outdoor, tennis and pickleball. Leveraging continuous investment in proprietary technology iteration and global professional events and athlete resources, the Group reinforced its differentiated brand advantages and advanced the building of brand recognition and affinity through diverse, all-domain marketing activities, from three footholds: consolidating perceptions of professional sports, shaping sports-fashion aesthetics, and carrying forward the intrinsic value of Eastern culture. The Group continued to enhance its brand influence.

Running

In the first half of 2026, LI-NING's running category continued to focus on technological innovation. The full commercial application of "Super BOOM Capsule"(超䨻膠囊)technology became the core driver during the period. While driving breakthroughs in the core IP matrix, it further consolidated perceptions of the brand as a professional sports brand, and its market share in professional running shoes remained industry-leading.

With respect to the professional running shoe matrix, the "Super BOOM Capsule"(超䨻膠囊) technology developed by the Group over many years was formally commercialised. Through supercritical foaming processes and capsule-structure innovation, it achieved three core breakthroughs: "high energy return, rapid rebound and high durability". Taking this as its core driver, the Group systematically built a "pyramid"-shaped product matrix. For the "Feidian"(飛電)family, the two flagship models, "Feidian 6 ULTRA" and "Feidian 6 ELITE", are both fully equipped with "Super BOOM Capsule"(超䨻膠囊)technology, delivering energy return of up to 95% and rebound response in only 3 milliseconds. They helped elite runners repeatedly achieve personal bests at leading events such as the Wuxi Marathon and Wuhan Marathon, while the brand's share of sub-three-hour marathon running shoes continued to rise. For the "Red Hare"(赤兔)family, the new "Red Hare 9 ULTRA" extended "Super BOOM Capsule"(超䨻膠囊)technology to the competitive-training product line for the first time. Positioned as "top-tier plate-free competitive training", it attracted substantial market attention upon launch and, together with the well-reviewed Red Hare 9 PRO, created a high- and low-tier offering that consolidated Red Hare IP's leading position in competitive-training rankings. The Super Light(超輕)family and the Chaoying Pro (超影Pro)series were upgraded with minimalist aesthetics, precisely targeting light running, commuting and light outdoor scenarios. This continuously increased the share of women's business and successfully broadened the mass consumer base of the running category. Through the tiered extension of elite racing technology, the Group both met elite runners' ultimate performance needs and provided mass runners with professional-grade experiences, further expanding the consumption boundaries of the running category.

For running apparel, the Group conducted in-depth research into professional athletes' athletic postures and apparel needs, and established a systematic high-performance running apparel matrix. The Dragonflight(龍雀)professional racing apparel series uses fabrics woven from high-performance carbon-fibre yarn and scale-like high-performance technical fabric, effectively enhancing athletes' ability to sustain high-energy states as well as breathability and heat dissipation, and helping a number of domestic and international athletes break national records. On the strength of its outstanding product performance, the professional racing running-apparel category grew significantly year on year in the first half of 2026. Its racing vest, leveraging differentiated selling points and robust real-world performance, became a phenomenon-level blockbuster item in running apparel during the year, effectively driving sales of professional-category products at offline points of sale.

In marketing, the Group continued to deepen its integrated "events + marketing + channels" strategy, focusing on athlete resources at domestic and international marathons and track and field events, and consolidating the professional running-shoe mindset through competitive performance. During the period, sponsored athlete Mao Jinhu broke the 39-year-old Chinese men's marathon debut record at the Wuxi Marathon, while Wang Wenjie successively set new national men's half-marathon and 10,000-metre records. In the first half of 2026, the Group's sponsored marathon runners wearing "Feidian" (飛電) family running shoes won a cumulative 304 championships and made 569 podium appearances. With 28 places on China's top 100 male marathon runners list, the Group retained the highest share. The Group also increased its presence in track and field, with sponsored track and field athletes winning a cumulative 10 championships and 13 podium finishes in the first half of the year. Leveraging the theme marketing campaign of "Count on Me" (那就看我的), the Group linked the core "Feidian" (飛電) and "Red Hare" (赤兔) IPs and joined with Tmall Celebration Day to create two event IPs, the "Feidian Blast Challenge" and "Red Hare Circle King Endurance Race", successfully breaking the Guinness World Record for an 8-hour relay run and achieving breakthrough reach. It also crossed over with the "9.9" IP to launch a collaborative trendy running-shoe series, breaking barriers around professional running shoes and attracting young trend-conscious consumers through limited releases and offline pop-up events. In addition, the Group used the intuitive concept of "Jin Dao" (勁道) to communicate the core cushioning experience, launched the offline experiential pop-up "LI-NING Jin Dao Noodle Shop" (李寧勁道麵館), and worked with city running clubs to create offline experiences and topics, continuously increasing awareness and scenario penetration of its cushioned running-shoe series among advanced and mass runners.

Basketball

The Group continued to focus on the three major product series of professional basketball, Wade (韋德) basketball and BADFIVE (反伍) basketball. Leveraging technological iteration, top domestic and international basketball-star IPs and multi-tier event resources, these respectively cover diverse consumption scenarios including professional competition, high-end trends and street play. In the first half of 2026, the rollout of new products, marketing activities and product conversion across the series advanced in synergy, providing multiple supports for the category's steady development.

For professional basketball, the Group entered into a long-term strategic partnership with Stephen Curry and his personal brand "Curry Brand", further improving its portfolio of top global basketball-star resources, reinforcing its authoritative position in global professional basketball and injecting strong momentum into the development of its basketball business. The partnership announcement promptly attracted attention across leading online platforms. The Group simultaneously drew on resources from terminal stores, commercial districts and e-commerce channels for promotion, efficiently converting top sports resources into brand visibility and laying a sound foundation for the subsequent market launch of product lines. Meanwhile, the Group continued to enhance brand exposure through top basketball resources such as basketball events and athlete signings. During the CBA 2026 All-Star Game, the Group launched the new Yinsu (音速) series. Sponsored player Xu Jie won the All-Star Game MVP wearing Yinsu (音速), providing a strong competitive endorsement for the professional product line; the Yushuai (馭帥) ROOKIE, which debuted at the same time, also received a market response exceeding expectations. On the international stage, sponsored rising star Yang Hansen made his first appearance in the NBA rookie game wearing the All-Star exclusive colourway of Yushuai 20 (馭帥20), enhancing the recognition of the Group's products in overseas markets through global broadcast exposure. For apparel, the Group continued to cultivate the product line of NBA-sponsored athlete Jimmy Butler and conducted coordinated marketing around key milestones such as the CBA Finals and playoffs. It also partnered with the Guangdong City Basketball League, further extending professional event resources into grassroots basketball and deepening the brand's market penetration.

For Wade (韋德) basketball, the annual flagship product, Way of Wade 12, continued to demonstrate the market appeal of high-end basketball shoes. Its overall sell-through rate increased substantially over the previous-generation product, with several colourways and special editions selling out rapidly. The product's limited release at the REVOLVE store in Los Angeles further raised its visibility and influence in overseas markets. Seizing the CBA championship opportunity, the Group launched the "Golden Collection" story pack during the period, covering Way of Wade 12, the newly iterated DLO 2 and apparel products, continuing the championship narrative of Wade (韋德) basketball. All City 14, meanwhile, integrated court and product marketing with the resources of Lofton, a Wade team athlete, and the CBA Shanghai Jiushi team, reinforcing the series' product perception as "the most versatile team shoe".

For BADFIVE (反伍) basketball, the Group iterated its outdoor-court performance product matrix, including Youji (遊擊) and Zhuilie (追獵), through the matrix application of new DBR ultra-durable rare-earth rubber technology for outdoor courts and Super BOOM technology, continuously upgrading the category's professional on-court performance. Its Youji 2 SUPER (遊擊2 SUPER) leveraged the topical effect of grassroots player Kamiran's return to the CBA professional court for product marketing, driving recognition and discussion of the product among core streetball communities. In addition, through the "BADFIVE Street Basketball Party", city-exclusive initiatives and collaborations with trend artists, the Group deepened penetration into street-basketball cultural circles and reinforced BADFIVE (反伍)'s brand character in street performance basketball.

Training

In the first half of 2026, the Group's training category took iterative upgrades of functional technology as its development core, establishing a sports-apparel product matrix that covers all sports scenarios and combines technological and market competitiveness. It concurrently advanced refined operations of men's and women's segment-specific product lines, continuously broadened coverage of segmented customer groups and steadily enhanced the category's overall market competitiveness.

During the period, the women's training product line focused on diverse scenarios including comprehensive strength training, outdoor jogging and daily commuting. It deeply integrated functional fabrics with simple cuts to provide consumers with quality products combining professionalism and fashionability. The jacket matrix continued to be iterated and upgraded, with multi-climate protective windbreakers launched and tiered sun-protection product lines of "Heat Shield", "Ice Oxygen" and "Light Freshness" developed simultaneously, establishing systematic consumer awareness of sports sun protection. For trousers, the full-category structure was optimised, mature blockbuster IPs including "Leap Flow" and "Yida Trousers" were refined, and an innovative "one pair of trousers, three ways to wear" cut with multi-form switching was launched to enrich styling choices. In marketing, the Group implemented the major "Count on Me"（那就看我的） women's all-domain integrated marketing project, using the Group's contracted artist Bai Lu as the women's-line spokesperson. During International Women's Day, the women's series products successfully achieved breakthrough reach with personalised styles, effectively penetrating core young female consumer groups.

The men's training product line, centred on professionalism, sport and quality, focused on high-value-for-money products driven by functional technology, steadily increasing brand loyalty and market share. Protective jackets use men-specific 5D body-conforming athletic cuts to accommodate men's large-range movement needs. The sun-protection series improved its multi-style tiered layout to cover consumers of all ages. The trousers category fully promoted its new trousers IP, "Versa Flow", covering all scenarios of light exercise, comprehensive training and daily travel. Together with sponsored athlete Xu Xin, the Group created the communications theme "Let's Begin the Xin Span Together", highlighting the selling point of a three-dimensional "dynamic crotch" cut and strengthening differentiated product recognition. In addition, leveraging the endorsement of the LI-NING technology platform and focusing on three key functional technologies — cool-feeling, quick-dry and aerospace temperature control — the Group partnered with elite table tennis athlete Ma Long and, featuring aerospace cool-feeling temperature-control print technology, fully rolled out the "Summer Cool-Feeling Technology"（夏日涼感科技）product line, building unique brand recognition for temperature-control technology and offering diversified solutions for different summer wear scenarios. In terms of marketing, the Group integrated top-tier professional tournaments, LI-NING aerospace technology support and authoritative endorsement resources of elite athletes to drive full-spectrum campaigns, enabling both online exposure scale and user engagement metrics to steadily rank among the industry's forefront, and consolidating the core brand label of the training category as professional and technology-driven.

Badminton

In the first half of 2026, as a leading brand in the badminton track, the Group remained focused on consumers' core needs. Driven by technological innovation, it continued to deepen its footwear, apparel, racquet and shuttlecock product matrix and broaden market boundaries through refined marketing, continuously enhancing product competitiveness and brand influence.

For badminton shoes, the Group focused on the core product Leiting 2 PRO（雷霆2PRO）, launching standard-last, wide-last and mid-cut versions to meet diverse consumer needs. The upper uses stabilising-wing leather material and an external TPU frame, providing dual reinforcement of support and torsional resistance. At the same time, Super BOOM technology was applied to badminton shoes for the first time and, combined with full-length LI-NING Cloud PLUS, significantly strengthened cushioning and shock absorption performance, winning consumer acclaim and delivering steadily improving retail sales.

For badminton apparel, the Group integrated design aesthetics and functional technology and actively developed diverse IPs to explore market needs. Competition apparel for the national youth team and exclusive IPs deeply mined traditional Chinese elements and were well received by young consumer groups, with sales increasing significantly year on year during the period. Competition apparel for international teams adopts a "Sunlit Golden Mountain" design concept and integrates quick-drying, cooling and antibacterial technologies with seamless one-piece knitting, balancing practical performance and visual expression. Competition apparel for international star athletes takes the ice push at Sayram Lake as creative inspiration, integrating diamond elastic jacquard fabric and silver TPU heat-sealed strips to combine fashionable texture and wearing comfort. Targeting the female consumer segment, the Group simultaneously increased its investment in women's sports resources, with market attention continuing to rise and sales conversion delivering notable results.

For badminton equipment, the Group adhered to technology leadership and focused on converting technological achievements into quality products. The Group continued to deepen its R&D reserves in new materials, rigorously conducting scientific screening and performance validation of functional raw materials, and systematically optimised the three badminton-racquet product lines of attack, control and speed. Newly launched flagship products such as Leiting 80 II（雷霆80II）, Fengying 880（鋒影880）and Zhanji 9000 POWER（戰戟9000POWER）received unanimous consumer praise. In addition, the artificial shuttlecock OKAY 1, jointly developed by the Group and the National Badminton Academy, combines durability, flight stability and affordability. Its polymer synthetic material makes it resilient to climate changes, and it has been widely favoured by badminton enthusiasts since launch.

In marketing, LI-NING Badminton continued to use "Quality Products, Made by LI-NING, Made in China" as the category's communications theme. Centred on professionalism, it conducted publicity and promotion around sponsorship resources and international events. The Group expanded its contracted-athlete portfolio to Europe, the Americas, Australia and East Asia, completed equipment sponsorship for the Singapore Open and renewed its contract with the Indonesian national team. Sponsored athletes repeatedly achieved outstanding results at international events including the Uber Cup and Asian Championships. Domestically, the Group continued to sponsor the Ruichang and Baoji International Badminton Masters and deepened cooperation with leading athletes such as Chen Long. In addition, its proprietary IP event, "LI-NING 3V3", continued to upgrade, further expanding the category's penetration and brand reputation in the mass market.

Table Tennis

In the first half of 2026, global table tennis continued to flourish and market potential continued to be released. The Group precisely seized industry opportunities, focused on deepening its layout in the table tennis track and, guided by the dual-core drivers of "technology empowering products and marketing strengthening brands" (科技賦能產品、營銷激活品牌), steadily enhanced the category's influence and further consolidated its leading position in the industry.

Product power is the core foundation for the long-term development of the Group's table tennis business. During the period, the Group continued to practise the product philosophy of "Technology as the Foundation, Experience as the Priority" (科技為本，體驗為先), driving its table tennis shoe series from "single-point technology empowerment" toward "full-matrix functional segmentation". Based on the diverse playing styles and on-court needs of professional athletes, it built a functional product matrix covering speed, stability and cushioning types. To support implementation of the matrix, the Group successfully developed 4 brand-new outsole molds and launched 6 innovative uppers in tandem. Among them, the stability-type shoes equipped with "Carbon Core" (碳核芯) technology not only continued the advantage of highly efficient energy feedback, but also achieved dual breakthroughs in rapid start and stable support; at the same time, the Group refined the lightest table tennis shoes at the same industry level, effectively reducing the footwork burden on athletes.

In the field of apparel, the Group actively fostered a new table tennis product ecosystem of "professional equipment + cultural IP + peripheral ecosystem". The 2026 Competition Series took the London World Table Tennis Championships and the Nagoya Asian Games as design origins, incorporating a fresh interpretation of the World Championships' centennial rose and the Asian Games five-star elements. On the fabric side, it is equipped with "adaptive temperature-control ATC technology", combining quick-drying cool comfort with highly efficient antibacterial performance. The "Elite Series" (菁英系列) and "Rookie Series" (新秀系列) achieved full-audience and full-scenario coverage from professional courts to mass leisure. In addition, the Group continuously enriched the "Table Tennis Carnival" (乒乓嘉年華) IP product line, adding seasonal products such as cultural T-shirts, sun-protection apparel, hoodies and cotton and down apparel, deepening the brand's table tennis cultural core and enhancing consumers' recognition of, trust in and stickiness to the LI-NING brand.

While deeply cultivating professional equipment, the Group also seized top-tier event resources to empower brand building. During the period, the Group not only fully safeguarded athletes' competitive performance and equipment needs at multiple Olympic-system events including the Milan Winter Olympics, the Youth Olympic Games and the Asian Beach Games, but also, as a global partner of WTT and WTMG, deeply participated in 17 international-level events. By continuously consolidating the value connection between the brand and top competitive sports resources, the Group further solidified the dual influence of the table tennis category in professional arenas and the mass market.

Sports casual

The Group's sports casual category is positioned around the core proposition of "integrating sports with the aesthetics of life". Along two main threads of technology empowerment and cultural collaborations, it continued to enrich a product matrix covering all footwear and apparel scenarios, providing differentiated choices for consumers pursuing a quality lifestyle and emotional resonance. In the first half of 2026, against a backdrop of slowing growth in the mass sports-casual track and intensifying industry competition, sales in the Group's sports casual category still delivered a sound performance, reflecting the category's market competitiveness.

For apparel, young consumers' styling preferences are shifting towards simple, enduring and low-pressure daily outfits. The Group systematically reviewed its core product lines around this trend. The POP Star series responded first, shifting to more popular loose cuts, reducing exaggerated graphics and adopting understated, minimalist light retro collegiate styling. It also upgraded liquid-ammonia-finished fabrics to improve hand feel, crease resistance and product texture. During the period, the sell-through rate of core T-shirt styles was far above the category average, making them benchmark core products in women's sports casual. At the same time, consumers' acceptance of cultural trends has shifted from merely piling up elements to pursuing modern deconstructions of Eastern aesthetics. The Group continued to deepen classic Chinese-culture series including "rich everyday", sustaining differentiated product value through cultural narratives and craftsmanship details. As the scenario boundaries of "all-weather adaptability" in sports apparel become increasingly blurred, the Group further normalised the application of functional fabrics including liquid ammonia and SORONA cool touch, reducing visible functional cues and strengthening casual appearances to capture integrated wearing needs for daily shopping, commuting and short trips. It also expanded product offerings for relaxed urban styling in response to the emerging "Urban Utility" trend in menswear.

For footwear, the SOFT series, supported by stable sales of SOFT GO and the efficient market launches of the two new products SOFT PLUS and SOFT COOL, recorded sell-through data above the category average and became a core driver of category revenue and sales. Benefiting from supply-chain integration, COMFOAM MAX, LI-NING's proprietary midsole technology for commuting, has been fully applied to SOFT series products priced above RMB400, further strengthening the series' product essence of comfort. For the board-shoe category, the Group used the Feeling (菲林) family as its core IP for thin-soled board shoes, completing online and offline "product + marketing" integration. Offline, it focused on tracing inspiration from professional sports resources including table tennis, badminton and fencing; online, it focused on rapid style iteration, capturing market share of thin-soled products across all channels.

In marketing, leveraging the cultural resources of the Palace Museum, the Group joined with Jackie Chan to present the "100 Years of the Forbidden City" MV. Combined with Chinese New Year scenario resources including a live broadcast by the brand's global spokesperson, Xiao Zhan, along with basketball and e-sports events, it created the second fastest-growing business series during the Chinese New Year. For the thin-soled-shoe track, the Group worked with brand spokesperson Bai Lu to create the themed campaign "Feeling Girl, Feeling Good", generating interactions from tens of millions of consumers online. Together with a Douyin Super Brand Day livestream, it broke multiple industry records for sales and viewership. For women's apparel, Bai Lu also presented the POP Star series, achieving dual-category pull from spokesperson resources for apparel and footwear and driving substantial simultaneous growth in brand visibility, female users, and sales from the related series.

As a key series within the sports casual business that carries the narrative of Eastern culture, China LI-NING continued to advance product-strength and brand-strength development during the period. Around the theme "THE ATHLETE IN ALL OF US", the Group began a new chapter of international storytelling at Milan Fashion Week and launched several new footwear models from the Youxia 2 (遊俠2), Arc ACE 3 (弧ACE 3) and Wudao (悟道) families. Among them, Wudao FUTURE (悟道FUTURE) applied "Super BOOM 3D printing technology" for the first time, combining Eastern aesthetics with cutting-edge sports technology. The Kung Fu series continued to build benchmark products and a differentiated competitive moat. Its women's Kung Fu line became a core growth engine, effectively broadening its audience. The Trendy Outdoor series drew core inspiration from exploration of regional culture, creating products suited to both trendy daily and light-outdoor scenarios. In addition, the Group actively developed the women's sports segment. Collaborative products with TYAKASHA further broadened consumer reach by leveraging the popularity of world-class football events, opening new growth channels for the brand in segmented fields.

LI-NING 1990, centred on golf, deeply integrates professional sports DNA with high-end fashion aesthetics. Leveraging the international-event performances of its contracted professional players and top event resources as professional endorsements, it has built a brand image combining competitive strength and lifestyle attributes. For products, the PRO series further focused on competition scenarios and used LN-SWING core technology to optimise swing flexibility and comfort for professional golfers, while upgrading fabrics with multiple functions including sun protection, quick drying and cool touch. The golf-shoe matrix was expanded in an orderly manner. Following the Qicheng (啟承) series and lightweight Yingzi (鷹姿), the Group launched the new Dinghai (定海) shoe in June, balancing the stability, comfort and lightweight performance needed for high-intensity competition through material and structural innovation. Another professional golf shoe is also planned for launch in autumn 2026, which will further expand the Group's professional footwear matrix to meet diverse consumer needs. In marketing, the Group substantiated perceptions of professional capability through the LPGA and European Tour performances of four contracted women professional golfers—Liu Yan, Zhang Weiwei, Yin Xiaowen and Zeng Liqi—and implemented cooperation with the PGA Academy as well as sponsorship of the European Tour DP World first-tier event, the "Hainan Golf Elite Tournament", further consolidating the brand's credibility on the professional track. The Group also carried out coordinated promotion with spokesperson Xiao Zhan and crossover entertainment-star resources, attracting extensive social-platform attention through the spokesperson's New Year gift box during the Chinese New Year. In addition, after the Group entered into its long-term strategic partnership with Stephen Curry, the two parties also undertook cross-category collaborations. Curry repeatedly wore LI-NING 1990 products at golf gatherings and the American Century Celebrity Championship, comprehensively enhancing the brand's visibility and fashion leadership in the high-end sports track and demonstrating the synergy between the brand's sports resources and golf business.

Outdoor

The Group continued to develop the outdoor category around market positioning, product R&D and marketing promotion, progressively occupying consumer mindshare and continuously expanding market share. Against a backdrop of intensifying price stratification in the outdoor industry and sharply divergent performance among niche tracks, the Group precisely focused on growth tracks including trail running, lightweight short-distance hiking, urban functional wear and diverse women's segments. Leveraging systematic advantages in proprietary fabric technology, cuts suited to both urban and outdoor settings, and all-domain channel coordination, the Group drove the outdoor category to maintain strong growth. During the period, all-channel sales for the outdoor category exceeded target, while the offline category store "COUNTERFLOW 溯" was also gradually expanding.

For the product matrix, in the first half of 2026 the Group precisely targeted young people, taking light hiking and travel enthusiasts as its core target customer group and continuing to develop the women's outdoor market, comprehensively enriching core footwear and apparel subcategories and price-band matrices. Wanlongjia (萬龍甲) focuses on outdoor sports scenarios and comprises three product lines: Breath for active ventilation and rainstorm protection, Protection for rainstorm and wind protection, and Ultralight for ultra-light portability. It uses "dual-permeable nanomembrane" technology co-developed with the Institute of Process Engineering, Chinese Academy of Sciences, achieving an industry-leading balance among waterproofness, moisture permeability and breathability; women customers made a notably increased contribution during the period. Longke (瓏殼) also uses "dual-permeable nanomembrane" technology, employing youthful fashionable silhouettes to meet daily commuting and multi-scenario styling needs across categories including jackets, down apparel and 3-in-1 garments. The footwear matrix centres on the Xingchuan 2 (行川2) endurance-hiking shoe, which continued to sell strongly through precise iterations of its combined slip resistance, rebound and fit performance. It also launched the Xunjian 2 (潯澗2) stream-trekking shoe and its first women's outdoor shoe, Linxi (林曦), further enriching the supply of segmented footwear. Leveraging robust proprietary R&D capabilities, the bio-based "dual-permeable nanomembrane" fabric was recognised among ISPO TEXTRENDS' top ten innovative fabrics of the year, while Wanlongjia (萬龍甲) was selected among the Ministry of Industry and Information Technology's top ten textile innovation products of the year, continuously reinforcing the Group's label of professional outdoor technology.

For channel deployment, the Group steadily advanced the establishment of the "COUNTERFLOW 溯" outdoor category stores, focusing on creating benchmark stores with high store efficiency, and gradually expanded the category-store model to more cities and wholesale channels.

In marketing, the Group focused its promotion during the period on the Xingchuan 2 (行川2) hiking shoe and Wanlongjia (萬龍甲) shell jacket, supplemented by sun-protection apparel and stream-trekking shoes, building a spring/summer product matrix covering multiple scenarios. For mass outdoor consumers and outdoor trend consumers, the Group leveraged Milan Fashion Week to launch the upgraded Xingchuan 2 (行川2), establishing dual product perceptions of "function + functional style". It also worked with marathon events, leading hiking platforms and diverse community resources to effectively increase Xingchuan 2 (行川2)'s visibility and reputation for functionality through in-person hiking experiences and content from influencers across multiple circles. In addition, by coordinating fitting incentives, community activities and online promotion, it further enhanced exposure for outdoor category stores and deepened consumer connections. LI-NING Outdoor is progressively establishing a differentiated category positioning of "reliable protection + Eastern artistic conception", using products as a medium to convey an outdoor lifestyle rooted in Chinese local culture and continuously expanding consumer groups that value both functional needs and cultural aesthetics.

Tennis and pickleball

Focusing on the two emerging tracks of tennis and pickleball, the Group adhered to coordinated efforts in technological innovation, athlete empowerment and event exposure, continuously deepening the professional essence of the brand and building momentum for the professional mindshare and consumer conversion of segmented markets.

For the tennis business, the Group adhered to the dual drivers of technological innovation and athlete endorsement, accelerating the efficient conversion of research outcomes into quality products. Since its launch, the second-generation tennis racquet has been widely recognised by professional players. For apparel, the Group joined with Grand Slam star Zhang Shuai and, through pre-launch warming-up, the formal announcement at the French Open and comprehensive display at The Championships, Wimbledon, initially established awareness of LI-NING Tennis among professional circles. It generated discussion combining professionalism and fashion, continuously attracting consumer attention and KOL recommendations and building momentum for subsequent product conversion. For tennis shoes, the Group implemented refined deployment for different playing styles, including baseline, all-court and net play, launching the stability-focused Secure Pro, all-round Surpass Pro and speed-focused Accel Pro series. It also supplemented these with mid-priced products and youth series to comprehensively meet diverse needs across user levels.

In pickleball, the Group established brand advantages through materials upgrades, authoritative certification and event marketing. Products continued to advance process and material iteration. The competition-grade PCT700 acrylic sports flooring has reached industry-leading standards in slip resistance, ball control and product consistency. The Hyperpower 90 series received dual USAP and UPA certification, fully demonstrating product quality. Apparel uses sweat-wicking, dry-feel fabric with sun-protection and breathable performance, together with gradient particle-pattern designs and TPU printing at the shoulder seams, balancing aesthetics and wear resistance. For footwear, the Sortie Pro SE model was launched, equipped with a full-length LI-NING Cloud frame and BOOM (䨻) technology to provide better stability, flexibility and grip. In marketing, through extensive athlete signings and exposure at China Pickleball Tour CPC events, the Group comprehensively demonstrated the professionalism and fashionability of LI-NING pickleball products, continuously expanding public awareness of this emerging category.

LI-NING YOUNG

The Group precisely seized development opportunities in the youth sports track and continued to deeply cultivate the full-scenario sports needs of children and adolescents. In the first half of 2026, LI-NING YOUNG steadily advanced business implementation through multi-dimensional initiatives including self-developed product technology, omni-channel upgrades, refined retail operations and systematic event marketing, built differentiated brand competitiveness, continuously consolidated its positioning as a benchmark brand for professional youth sports, and strived to become a preferred brand for professional children's and youth sports in China. At present, the public's emphasis on children's sports and health continues to rise, and demand related to campus physical fitness assessments continues to be steadily released. Together with the continued implementation of youth sports support policies, the long-term growth foundation of the track remains solid.

In terms of products, LI-NING YOUNG continued to build a specialised product matrix across four key categories – running, basketball, football and outdoor. The production scale of the running category expanded in an orderly manner, and the children-specific midsole technology "Dong³" (動³)(Dynamic Cube) was launched in parallel, integrating multiple performance attributes including lightweighting, high rebound and long-lasting cushioning to build exclusive technological advantages. In the running category, the "Red Hare 9 PRO"(赤兔9 PRO)series anchored youth physical-training usage scenarios, supported by the two major product IPs "Jiaoyang"(驕陽)and "Feiyun"(飛雲), covering physical fitness assessment consumption needs at different tiers. Among them, the "Jiaoyang" running shoes won a Silver Award at the New York Design Awards. The basketball product line centred on the "Nufang"(怒放)all-court outdoor series, with stable terminal performance. In the lifestyle category, the Group launched the "SKATE80S" skateboard shoes and "Noah"(諾亞)casual shoes, which gained market recognition by virtue of lightweight lasts and a comfortable wearing experience. On the apparel side, the "Fulu"(福祿)and "Xingyao"(星耀)series performed well.

In terms of channels, the Group continued to optimise its distributor cooperation system, focused on expanding the operating scale of quality customers, rationalised inefficient cooperation channels, and improved store operating efficiency. The directly-operated outlet channel expanded steadily and, relying on exclusive merchandise supply and store renovation and upgrades, continued to optimise store profitability. Online business made comprehensive efforts, with orderly growth on online platforms such as Tmall, JD.com and Douyin, and sound sales performance during the 618 promotional campaign.

In terms of retail, on the one hand, the Group tapped same-store operating potential by deeply cultivating membership systems in existing stores, themed store activities and online traffic acquisition placements; on the other hand, it selectively expanded into quality shopping malls, outlets and core street stores. The Group built an online-offline central inventory coordination system, connected two-way merchandise allocation channels, and continuously optimised inventory turnover and overall sell-through levels. In the wholesale segment, operating scale in new retail and local lifestyle channels climbed steadily. Facing fluctuations in offline foot traffic, directly-operated stores relied on normalised community operations to enhance transaction conversion, driving improvement in comparable-store operating efficiency.

Brand marketing was laid out around three directions: proprietary events, cooperation with provincial leagues, and exposure at international events. LI-NING YOUNG created a number of proprietary sports events for the first time, including the IFNT Basketball Challenge, street-dance performance competitions and physical fitness challenge competitions. Also for the first time, it entered into cooperation with multiple provincial football Super Leagues including Chu Super (楚超), Qilu Super (齊魯超), Xinjiang Super (疆超) and Ningxia Super (寧超), continuously expanding regional market influence. LI-NING football products made their debut on the world's top football stage, further strengthening the brand's professional image.

Deepening Omni-channel Layout and Optimising Operational Quality and Efficiency

In the first half of 2026, focusing on key areas including channel development, retail operations, supply chain and logistics, the Group continued to deepen its omni-channel layout and optimise operational efficiency, further consolidating its business foundation and reinforcing its market competitiveness.

In terms of channel development, in the first half of 2026 the Group steadily advanced around two core directions: expansion of innovative store formats and optimisation of channel costs. In high-tier markets, the Group continued to deepen strategic synergy with leading commercial complexes and orderly carried out the planning and implementation of innovative store formats. During the period, the standalone outdoor store "COUNTERFLOW 溯" officially opened in Chongqing, laying the foundation for the Group's deeper cultivation of the Southwest regional market; meanwhile, the Group's cooperation system with quality commercial resources entered a new stage, creating favourable conditions for the concentrated opening of multiple "Loong Stores" (龍店) in the second half of the year. In terms of cost control, the Group implemented its channel strategic deployment, continued to optimise rental structures and commercial cooperation models, and made refined reductions in store fixture and decoration investment, thereby enhancing the overall operating health of the channel.

As of 30 June 2026, the number of conventional stores, flagship stores, China LI-NING stores, factory outlets and multi-brand stores under the LI-NING brand (including LI-NING Core Brand and LI-NING YOUNG) amounted to 7,579, representing a net decrease of 30 POS as compared to 31 December 2025. The number of POS breakdown as of 30 June 2026 is as follows:

LI-NING Brand	30 June 2026	31 December 2025	Change
Franchised	**4,891**	4,853	**0.8%**
Directly-operated retail	**1,172**	1,238	**(5.3%)**
LI-NING YOUNG	**1,516**	1,518	**(0.1%)**
Total	**7,579**	7,609	**(0.4%)**

Number of LI-NING Brand POS by geographical location

	30 June 2026			31 December 2025			
Regions	**LI-NING Core Brand**	**LI-NING YOUNG**	**Total**	LI-NING Core Brand	LI-NING YOUNG	Total	**Change**
Northern Region *(Note 1)*	**3,016**	**885**	**3,901**	3,026	877	3,903	**0.0%**
Southern Region *(Note 2)*	**3,047**	**631**	**3,678**	3,065	641	3,706	**(0.8%)**
Total	**6,063**	**1,516**	**7,579**	6,091	1,518	7,609	**(0.4%)**

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, on the basis of continuously building a highly efficient operating model, the Group promoted dual-driven growth of products and brand by establishing a high-tier market operating model and a distribution business operating model. In high-tier markets, around the three dimensions of channel structure optimisation, refinement of store product mix and upgrade of shopping experience, the Group strengthened its brand image, driving incremental capture of brand elevation and category depth. Building on the exploration outcomes of new channels and new store formats in 2025, the Group comprehensively advanced the leap from "model verification" to "scale replication and efficiency release", accelerated the standardised output and scaled implementation of quality store models in high-tier markets, and further consolidated brand momentum in high-tier markets. In terms of distribution business, the Group concurrently established a distribution management model to enhance distribution efficiency and the sustainable operating capability of the channel. In addition, in terms of terminal operating capability, the Group continued to drive the implementation of retail standards on a project basis, strengthened coordination efficiency between headquarters and terminals, enhanced sports advisors' customer reception capability and professional service standards, and comprehensively improved consumers' shopping experience in LI-NING stores, laying the foundation for the enhancement of single-store operating efficiency.

For e-commerce operations, in the face of challenges including overall industry pressure, intensified competition and weak traffic growth, the Group demonstrated strong operational resilience. On the one hand, leveraging key major promotional opportunities including Tmall Celebration Day, Goddess Festival (女王節) and 618, it precisely tackled new-customer acquisition and deeply reached female consumer groups, effectively driving simultaneous growth in sales scale and brand influence. On the other hand, the Group converted cutting-edge technology into quality product experiences, coordinated and integrated Olympic champions and celebrity spokesperson resources, and worked with fashion magazines, trend events and social-media platforms to continuously consolidate perceptions of professional sports. Flagship products including its basketball shoes Gamma 2 (伽馬2), LI REN (利刃) 6V2 and DLO 2, as well as the running-shoe matrix of Wushi (吾適), Youzhi (悠適) and Zhui Feng (追風), all achieved notable results in expanding awareness and increasing sales. The Feeling (菲林) family remained ranked first in searches in the thin-soled-shoe segment. In addition, trousers and footwear products for outdoor and broader business scenarios also performed strongly, further broadening the growth landscape of the e-commerce business. During the period, e-commerce revenue increased steadily, brand momentum continued to strengthen and market competitive barriers were further reinforced. After multiple core product IP matrices were cultivated on e-commerce platforms, they also continued to feed back into offline business contributions, demonstrating e-commerce's strategic value as the Group's frontier for incubating new products and validating consumer mindshare.

In terms of new retail business, the Group established a new retail department in the first half of 2026, focusing on mapping out the omni-channel growth business model. Through the O2O model, it connected online and offline merchandise pools, and linked the Group's business units to achieve unified allocation of omni-channel merchandise resources, continuously providing consumers with a more consistent and efficient shopping experience. The Group also systematically sorted out the O2O sales mechanism for terminal sales associates, built an O2O platform and optimised sales-associate tools, enhancing O2O sales effectiveness by combining headquarters strategy with terminal execution. In addition, the Group established a multi-dimensional data tracking system, strengthened follow-up on regional execution, and continuously improved the sales-associate incentive mechanism, driving steady optimisation of the team's productivity structure. In terms of instant retail, the Group seized consumers' demand trend of being able to "shop anytime, anywhere", accelerated its layout on mainstream instant-retail platforms, and made concerted efforts from three aspects: channel store expansion, merchandise matching and refined single-store operations. On the one hand, it fully leveraged the Group's multi-category advantages and, on the basis of core categories such as running shoes, basketball shoes and lifestyle apparel, expanded product coverage in combination with sports and lifestyle scenario needs; on the other hand, around consumption nodes such as holiday travel, it strengthened the supply of seasonal categories such as outdoor and sun protection, driving stable growth in sales scale of the instant-retail channel. In terms of channel interconnection, the Group advanced multi-channel layout and single-channel deep cultivation, and continued to deepen and expand online cooperation with a number of quality commercial partners, among which related outlet cooperation projects performed well and business scale maintained a steady growth momentum.

In terms of product management, to respond to market competition, the Group increased technology investment in high-end professional running shoes and, leveraging the "Feidian"（飛電）family driven by "Super BOOM Capsule"（超䨻膠囊）technology and the brand-new "Red Hare ULTRA"（赤兔ULTRA）series, consolidated the brand's product mindset and market position among professional runners. While the basketball shoe market faced challenges, the Group relied on core signature models combined with an e-commerce-channel-led promotion strategy to keep basketball shoe sales stable across directly-operated and e-commerce channels. In addition, the Group actively applied flexible supply models such as segmented production and rolling replenishment orders, dynamically adjusted order scale according to actual sales, and in particular carried out refined control of the inventory structure of the running shoe category, maintaining healthy inventory amid a challenging market environment.

In terms of supply chain, the Group continued to advance deep optimisation and strategic upgrades of the supply chain, systematically promoting the building of a large supply-chain system from five directions – planning management, quality control, cost management, development management and digital-intelligence transformation – and achieved notable results. As order scale grew steadily, the Group made comprehensive efforts around enhancement of delivery capability, production-sales coordination and building of flexible supply capability, strengthening supply-chain resilience while safeguarding delivery stability. On this basis, the Group concurrently promoted transformation of production functions, organisational structure and factory management models, guiding suppliers to gradually move toward self-driven and autonomous management, and consolidating the foundation for quality assurance amid scale growth. In terms of cost management, through a combination of measures including control at the design and development end, integration of bulk materials, and concessions on major IP resources, the Group achieved cost reduction and efficiency enhancement while safeguarding product power. In terms of development management, the Group actively advanced development of the Glory Gold Label series, safeguarded the supply of top-tier event equipment, and steadily promoted the continuous launch of other new products; at the same time, it promoted the implementation of AI+3DVR design and development processes for footwear, substantially shortened the R&D cycle, and realised the transformation of traditional R&D models toward digitalisation. In terms of digital-intelligence transformation, the Group continued to optimise production-line automation and manpower-efficiency management, and fully rolled out the Guangxi LI-NING intelligent digital dashboard, achieving network visibility and traceability of key equipment and process data, providing underlying support for efficiency enhancement across all supply-chain links.

In terms of logistics, in the first half of 2026, around the three core directions of omni-channel logistics integration, digital upgrade and automation optimisation, the Group continued to unlock logistics efficiency and optimise cost control. In terms of omni-channel logistics integration, the Group adjusted the previous model of independent inventory, independent operations and low coordination efficiency into an operating model of "one inventory pool, easy coordination and high efficiency", connected online and offline inventory, effectively reduced the need for physical circulation of goods, enhanced the timeliness of goods reaching stores and end consumers directly, and further reduced overall logistics costs. Digitally, based on data-driven approaches, the Group optimised the inbound planning coordination system for goods, realised efficient linkage among the supply chain, logistics and sales ends, enhanced inbound efficiency and balanced operating capacity; and independently established the Group's e-commerce "E-WMS" warehouse management system, custom-developing the management system in light of e-commerce logistics scenario characteristics and serving logistics operations with industry-leading technologies and hardware such as RFID and automation. In terms of automation, the Group completed full-process RFID functional development of the "WES" white-box system, connected full-link RFID data from manual operating zones to automated operating zones across central warehouses, combined system customisation capability with dedicated equipment to achieve precise control of goods at all operating nodes, and resolved the data-gap problem in human-machine hybrid operations; at the same time, it advanced the automation renovation and upgrade of the Jiading warehouse, further releasing warehouse space and picking operating efficiency, and laying a solid foundation for high-precision digital inventory management.

HUMAN RESOURCES

Based on overall strategic goals and the "category-based" business development plan, the Group has always adhered to "fewer but elite" as its core orientation, promoting deep alignment between organizational capability and business development, strengthening talent supply-chain building, improving the performance and incentive system, and deepening corporate culture and employer-brand building, thereby providing organizational safeguards for business growth and long-term competitiveness.

In terms of organizational development, around core business development, new category layout and the implementation of strategic cooperation, the Group continued to optimise organizational structure and capability allocation, promoting alignment between organizational forms and the development needs of multi-track businesses. Around operating strategies for multi-ball sports niche categories, the Group improved organizational capability building for key categories including badminton, tennis, pickleball, football and basketball. In addition, it introduced a Chief Product Officer (CPO) to further strengthen product-system building, enhance professional product operating capability and core competitiveness, and continuously support enhancement of brand value and high-quality business development.

In terms of talent development, the Group enhanced talent attraction and employer influence by deepening school-enterprise cooperation and industry talent introduction mechanisms. Internally, around the building of young-talent and management-talent pipelines, the Group upgraded its management-trainee cultivation mechanism, improved systems for identification, cultivation and appointment of high-potential talent, and continued to optimise management-talent review mechanisms, strengthening talent reserves and internal mobility for key positions to provide stable talent support for sustained business development.

In terms of performance incentives and enhancement of organizational effectiveness, around operating targets the Group continued to improve multi-level performance management mechanisms at the organization, team and individual levels, strengthened process management, performance feedback and review-and-retrospection applications, and drove the implementation of a value-creation orientation. At the same time, the Group continued to optimise its compensation, benefits and incentive system, focusing on key positions, core talent and high-contribution groups, improving differentiated incentive mechanisms, enhancing the effectiveness of human-resources investment and stimulating organizational vitality.

In terms of corporate culture and employer-brand building, the Group continued to improve its honour-incentive and cultural-communication systems and, through shaping benchmark employees, communicating values and employee cultural activities, enhanced employees' sense of identity and organizational cohesion. Combining the Company's sports DNA, it created diversified employee sports-culture scenarios such as fat-burning challenge competitions, sports carnivals and sports bazaars, continuously enhancing employer-brand influence.

Going forward, the Group will continue to deepen organizational capability building, talent development, performance incentives and culture building around strategic goals and business development needs, continuously enhance organizational efficiency and talent vitality, and provide strong support for achieving annual operating targets and long-term sustainable development.

As at 30 June 2026, the Group had 5,218 employees (31 December 2025: 5,152 employees), among which 5,032 employees were at the Group's headquarters, Guangxi Supply Base, and retail subsidiaries (31 December 2025: 4,969 employees), and 186 employees were at other subsidiaries (31 December 2025: 183 employees).

OUTLOOK

The Outline of the "15th Five-Year" Plan places "adhering to expanding domestic demand" at its core. The State has deployed supporting special actions to boost consumption, and the State Council has successively approved the "15th Five-Year" Plan for Expanding Consumption and the "15th Five-Year" Plan for Building a Leading Sports Nation, with multiple policy tailwinds released in combination. In July 2026, the meeting of the Political Bureau of the CPC Central Committee further clarified that macro policies should be more proactive and effective, and called for continued comprehensive efforts to address "involution-style" competition and foster a fair and orderly market competition environment. This has created a more favourable policy and competitive environment for enterprises committed to technological innovation and long-term brand building. Looking ahead to the second half of the year, the Group will seize policy opportunities, grasp the structural opportunities arising from the implementation of consumption-promoting policies and the quality enhancement and capacity expansion of the sports industry, anchor its core development strategy of "Single Brand, Multi-categories, Diversified Channels", continuously refresh the "LI-NING's experience value", take multiple measures to consolidate the foundation for development, achieve higher-quality and more sustainable steady operations, and strive to become the preferred brand for sports consumers.

Product power, as the core underlying support for the Group's development, will subsequently adhere to technological innovation as the core driving force, and continuously strengthen the core competitiveness of products by relying on the three major levers of professional technology platforms, a full-scenario category matrix and Eastern aesthetics. The Group will continue to develop the LI-NING technology innovation platform to provide cutting-edge technical support for product quality upgrades and functional innovation. While ensuring the continuous optimisation of core categories, we will keenly seize incremental opportunities, strengthen the layout of high-potential tracks such as professional sports and urban outdoor, and meet increasingly upgraded diversified consumer demands. In addition, the Group will deeply integrate traditional Chinese aesthetics, modern trendy fashion and sports functional design, achieving a triple-value overlay of professional sports, trendy styling and cultural empowerment, helping the brand maintain a differentiated leading edge amid intense industry competition.

In terms of brand communication, the Group will coordinate its domestic and overseas marketing resources with a focus on input-output efficiency. By leveraging core resource deployments, such as its partnership with the Chinese Olympic Committee and collaborations with superstar IPs, the Group will build a multi-dimensional, long-term, and high-conversion communication system to drive the coordinated enhancement of brand reputation and market value. LI-NING will continue to deepen its long-term cooperation with the Chinese Olympic Committee, supporting the Chinese sports delegation as it continues to compete in international events such as the 2026 Asian Games, further reinforcing the brand's core perception as being professional and reliable, and laying a solid foundation for long-term value growth. Meanwhile, the Group will deepen its strategic cooperation with Stephen Curry and his personal brand, "Curry Brand", integrating professional sports equipment with the competitive storylines of a superstar athlete and launching new products in phases, thereby enhancing brand recognition and reputation through the influence of a global sports icon.

In terms of business operations, the Group will focus on the three core pillars of channel layout, merchandise systems and supply chain integration, and enhance business quality, operating efficiency and market competitiveness through refined management. On the channel side, the Group will accelerate online-offline integration and interconnection, deeply advance omni-channel layout, and focus on expanding opportunities for the roll-out, operation and scalable replication of innovative store formats such as "Loong Store"(龍店), helping sales performance climb steadily. On the merchandise side, the Group will optimise the full-chain merchandise system and enhance merchandise operating quality and inventory turnover efficiency. On the supply chain side, centering on the three key dimensions of cost, quality and delivery time, the Group will build a flexible supply chain system that is high-efficiency, low-cost and fast-response.

The long-term development of an enterprise is inseparable from a complete internal safeguard system. The Group will consolidate its operating foundation from the three aspects of talent, finance and digital intelligence. The talent system will continuously improve professional recruitment and cultivation mechanisms, and enhance the overall operational capability of the organisation through a complete talent pipeline; financial management will persistently optimise the efficiency of capital and asset utilisation, maintain ample cash flow and a rigorous risk control mechanism, and provide stable financial support for the implementation of various strategies; digital intelligence construction will continuously promote the deep penetration of artificial intelligence and digital technologies across the full scenarios of R&D, production and channels, and drive comprehensive efficiency enhancement in decision-making, management and terminal operations with digital tools, safeguarding the long-term steady operation of the enterprise.

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 2026, nor were any shares purchased by the trustee of the restricted share award scheme of the Company ("Restricted Share Award Scheme") pursuant to the trust deed and the rules of the 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 2026. As at 30 June 2026, the Company does not have any treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")).

EVENTS AFTER THE REPORTING PERIOD

On 14 July 2026, the Company adopted a new share incentive scheme. The maximum number of shares administered under this scheme shall not exceed in total 5% (i.e. 129,240,687 shares as at the date of this announcement) of the Company's issued shares capital from time to time. As at the date of this announcement, no shares have been granted under the scheme. For further details of the scheme, please refer to the announcement of the Company dated 14 July 2026.

Save as disclosed in this announcement, there is no significant event requiring disclosure under the Listing Rules that has taken place subsequent to 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE

For the period from 1 January 2026 to 30 June 2026, 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 separate and should not be performed by the same individual. During the six months ended 30 June 2026, 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 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 its shareholders as a whole.

The Company has adopted the "Model Code of Securities Transactions by Directors of Listed Issuers" (the "Model Code") contained in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the directors of the Company. Directors of the Company are reminded regularly of their obligations under the Model Code. Following specific enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

The audit committee of the Company, consisting of three independent non-executive directors of the Company, 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 2026.

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 2026 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The report on review of interim financial information by the auditor will be included in the 2026 interim report of the Company.

By order of the Board
Li Ning Company Limited
Li Ning
Executive Chairman and
Joint Chief Executive Officer

Hong Kong, 20 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Li Ning, Mr. Kosaka Takeshi and Mr. Li Qilin. The independent non-executive directors of the Company are Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei, Dr. Chan Chung Bun, Bunny and Ms. Wang Yajuan.