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VIVA GOODS COMPANY LIMITED

非凡領越有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 933)

**MAJOR TRANSACTIONS IN RESPECT OF
FURTHER ACQUISITIONS OF SHARES OF
LI NING COMPANY LIMITED**

This circular is despatched to the Shareholders for information purposes only, and written Shareholders' approval has been obtained in lieu of holding a general meeting.

23 October 2026

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Ace Leader”	Ace Leader Holdings Limited, a company incorporated in the British Virgin Islands which holds 1,304,644,825 Shares as at the Latest Practicable Date
“Acquirer”	Viva China Development Limited, a company incorporated under the laws of the British Virgin Islands, a wholly-owned subsidiary of the Company
“Acquisitions”	collectively, 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Viva Goods Company Limited, a company incorporated on 13 January 2000 in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 933)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GINGKO Investment”	GINGKO Investment Limited, a company incorporated in the British Virgin Islands
“Grand Colour”	Grand Colour Limited, a company incorporated in the British Virgin Islands which holds 84,001,139 Shares as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party(ies) independent of the Company and its connected persons

DEFINITIONS

“Jumbo Top”	Jumbo Top Group Limited, a limited company incorporated in the British Virgin Islands which holds 852,968,153 Shares as at the Latest Practicable Date
“Latest Practicable Date”	21 October 2026, being the latest practicable date prior to the date of this circular for ascertaining certain information disclosed herein
“Lead Ahead”	Lead Ahead Limited, a limited company incorporated in the British Virgin Islands which holds 2,132,420,382 Shares as at the Latest Practicable Date
“Li Ning Co”	Li Ning Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2331)
“Li Ning Co Share(s)”	share(s) in the share capital of Li Ning Co
“Li Ning Group”	Li Ning Co and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PALM Assets”	PALM Assets Holdings Limited, a company incorporated in the British Virgin Islands
“percentage ratio(s)”	has the meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) at par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TMF”	TMF (Cayman) Ltd., a company incorporated in the Cayman Islands with limited liability

DEFINITIONS

“Total Acquired Shares”	an aggregate of 149,026,000 Li Ning Co Shares, which have been acquired by the Acquirer under the Acquisitions
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Victory Mind”	Victory Mind Assets Limited, a limited company incorporated in the British Virgin Islands which holds 1,438,408,652 Shares as at the Latest Practicable Date
“1st Acquisitions”	the acquisitions of an aggregate of 44,865,500 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$751,681,000 (excluding stamp duty and related expenses) through a series of transactions during the period from 30 October 2025 to 9 December 2025 (both dates inclusive)
“1st Li Ning Co Acquisitions”	collectively, the 1st Acquisitions and the 2nd Acquisitions
“2nd Acquisitions”	the acquisitions of an aggregate of 38,757,500 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$525,078,000 (excluding stamp duty and related expenses) through a series of transactions on 27 August 2026
“2nd Li Ning Co Acquisitions”	collectively, the 3rd Acquisitions, the 4th Acquisitions and the 5th Acquisitions
“3rd Acquisitions”	the acquisitions of an aggregate of 29,619,500 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$398,386,000 (excluding stamp duty and related expenses) through a series of transactions from 28 August 2026 to 1 September 2026 (both dates inclusive)
“4th Acquisitions”	the acquisitions of an aggregate of 17,253,500 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$228,207,000 (excluding stamp duty and related expenses) through a series of transactions on 2 September 2026

DEFINITIONS

“5th Acquisitions”	the acquisitions of an aggregate of 18,530,000 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$247,392,000 (excluding stamp duty and related expenses) through a series of transactions during the period from 3 September 2026 to 4 September 2026 (both dates inclusive)
“6th Acquisitions”	the acquisitions of an aggregate of 19,231,000 Li Ning Co Shares by the Acquirer on the open market through the Stock Exchange at an aggregate consideration of approximately HK\$263,736,000 (excluding stamp duty and related expenses) through a series of transactions on 7 September 2026
“%”	per cent

LETTER FROM THE BOARD



VIVA GOODS COMPANY LIMITED 非凡領越有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 933)

Executive Directors:

Mr. LI Ning (*Chairman and Co-Chief Executive Officer*)

Mr. Victor HERRERO (*Co-Chief Executive Officer*)

Mr. LI Chunyang

Mr. LI Qilin

Registered office:

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

Non-executive Directors:

Mr. MA Wing Man

Ms. LYU Hong

Mr. QIAN Cheng

*Head office and principal place of
business in Hong Kong:*

23/F, Hong Kong Li-Ning Building

218 Electric Road

Fortress Hill

Hong Kong

Independent non-executive Directors:

Mr. LI Qing

Mr. PAK Wai Keung, Martin

Mr. WANG Yan

Professor CUI Haitao

23 October 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS IN RESPECT OF FURTHER ACQUISITIONS OF SHARES OF LI NING COMPANY LIMITED

1. INTRODUCTION

References are made to the announcements of the Company dated 31 October 2025, 9 December 2025, 27 August 2026, 1 September 2026, 2 September 2026, 4 September 2026 and 7 September 2026 in relation to the Acquisitions and the 6th Acquisitions.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information on, among other things, the Acquisitions and other information as required under the Listing Rules.

2. THE ACQUISITIONS AND FURTHER ACQUISITIONS

The Board is pleased to announce that on 27 August 2026, the Acquirer acquired an additional 38,757,500 Li Ning Co Shares on the open market through the Stock Exchange. Taking into account the 2nd Acquisitions, during the period from 30 October 2025 to 27 August 2026 (both dates inclusive), the Acquirer acquired an aggregate of 83,623,000 Li Ning Co Shares on the open market through the Stock Exchange.

During the period from 3 September 2026 to 4 September 2026 (both dates inclusive), the Acquirer acquired an additional 18,530,000 Li Ning Co Shares on the open market through the Stock Exchange. Taking into account the 5th Acquisitions, during the period from 28 August 2026 to 4 September 2026 (both dates inclusive), the Acquirer acquired an aggregate of 65,403,000 Li Ning Co Shares on the open market through the Stock Exchange.

On 7 September 2026, the Acquirer acquired an additional 19,231,000 Li Ning Co Shares on the open market through the Stock Exchange.

The details of the acquisitions of Li Ning Co Shares conducted by the Acquirer during the period from 30 October 2025 to 7 September 2026 are set out in the table below as follows:

Acquisitions of Li Ning Co Shares	Date of acquisitions	Date of announcement(s)	Consideration (excluding stamp duty and related expenses) HK\$	Number and approximate percentage of Li Ning Co Shares acquired	Average acquisition price per Li Ning Co Share HK\$	The size of such transactions (on a standalone basis)
1st Acquisitions	From 30 October 2025 to 9 December 2025	31 October 2025 and 9 December 2025	751,681,000	44,865,500 (1.74%)	16.75	Discloseable transactions
2nd Acquisitions	27 August 2026	27 August 2026	525,078,000	38,757,500 (1.50%)	13.55	Discloseable transaction
3rd Acquisitions	From 28 August 2026 to 1 September 2026	1 September 2026	398,386,000	29,619,500 (1.15%)	13.45	Discloseable transaction
4th Acquisitions	2 September 2026	2 September 2026	228,207,000	17,253,500 (0.67%)	13.23	Discloseable transaction
5th Acquisitions	From 3 September 2026 to 4 September 2026	4 September 2026	247,392,000	18,530,000 (0.72%)	13.35	Discloseable transaction
6th Acquisitions	7 September 2026	7 September 2026	263,736,000	19,231,000 (0.74%)	13.71	Discloseable transaction

Each of the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions on a standalone basis, and when aggregated with each other, constitute a major transaction for the Company. As at the Latest Practicable Date, the Group intends to conduct further acquisitions of Li Ning Co's shares, depending on the current and future market conditions. The Company will assess the implications of the Listing Rules prior to conducting any further acquisitions of Li Ning Co's Shares and will comply with the applicable requirements under Chapter 14 of the Listing Rules as and where appropriate.

LETTER FROM THE BOARD

As the Acquisitions were made through the Stock Exchange from sellers on the open market, the Company is not aware of the identities of the counterparties of the Acquisitions. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the sellers of the Li Ning Co Shares and their respective ultimate beneficial owners is an Independent Third Party.

Assets Acquired

The Li Ning Co Shares acquired from the 1st Li Ning Co Acquisitions represent approximately 3.24% of the total issued Li Ning Co Shares as at the Latest Practicable Date.

The Li Ning Co Shares acquired from the 2nd Li Ning Co Acquisitions represent approximately 2.53% of the total issued Li Ning Co Shares as at the Latest Practicable Date.

Consideration

The aggregate consideration of the 1st Li Ning Co Acquisitions was approximately HK\$1,276,759,000 (excluding stamp duty and related expenses), and the average price was approximately HK\$15.27 per Li Ning Co Share.

The aggregate consideration of the 2nd Li Ning Co Acquisitions was approximately HK\$873,985,000 (excluding stamp duty and related expenses), and the average price was approximately HK\$13.36 per Li Ning Co Share.

The consideration for the Acquisitions, which had been settled in cash in accordance with the standard market practice, represented the then prevailing market prices of the Total Acquired Shares at the time of the respective Acquisitions. The Acquisitions were settled in cash with external financing of the Group.

Completion

Completion of the respective Acquisitions took place on the second trading day after the orders regarding the relevant Acquisitions had been made.

3. INFORMATION ABOUT THE COMPANY AND THE ACQUIRER

The Company is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Group is a multi-brand operator principally engaged in design and development, branding and sales of sports and lifestyle apparel and footwear, mainly in the United States of America, the United Kingdom, Europe, the PRC, Japan and the Republic of Korea.

The Acquirer is a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company. Its principal business is investment holding.

LETTER FROM THE BOARD

4. INFORMATION OF LI NING GROUP

Li Ning Co is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Li Ning Group is one of the leading sports brand enterprises in the PRC mainly providing professional and leisure sporting goods including footwear, apparel, equipment and accessories primarily under the LI-NING brand. Li Ning Co was indirectly held as to approximately 12.53% and 19.33% by the Group prior to the Acquisitions and as at the Latest Practicable Date, respectively and is an associated company of the Group.

According to the annual report of Li Ning Co for the year ended 31 December 2025 and its interim report for the six months ended 30 June 2026, the audited consolidated financial information of the Li Ning Group for the two financial years ended 31 December 2024 and 31 December 2025, and the unaudited consolidated financial information of the Li Ning Group for the six months ended 30 June 2026 are as follows:

	For the financial year ended 31 December 2024 (audited) RMB'000	For the financial year ended 31 December 2025 (audited) RMB'000	For the six months ended 30 June 2026 (unaudited) RMB'000
Profit before taxation	4,109,609	4,189,223	2,447,680
Profit after taxation	3,012,918	2,935,743	1,816,185

Based on the published documents of Li Ning Co, the audited net assets of Li Ning Co amounted to approximately RMB27,627,499,000 as at 31 December 2025, and the unaudited net assets of Li Ning Co amounted to approximately RMB28,658,629,000 as at 30 June 2026.

5. REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Prior to the 2nd Acquisitions and the 5th Acquisitions, the Acquirer was interested in 368,779,543 and 454,410,043 Li Ning Co Shares (representing approximately 14.27% and 17.58% respectively of the total issued Li Ning Co Shares as at the Latest Practicable Date). After completion of the 2nd Acquisitions and the 5th Acquisitions, the Acquirer was interested in an aggregate of 407,537,043 and 472,940,043, respectively, of Li Ning Co Shares (representing approximately 15.77% and 18.30%, respectively, of the total issued Li Ning Co Shares as at the Latest Practicable Date). Li Ning Co is accounted for and will remain as one of the associates of the Group after the completion of the Acquisitions and the Group will continue to share the profits less losses of Li Ning Co in its accounts.

LETTER FROM THE BOARD

The Group's investments in Li Ning Co are for long-term investment and earning dividend income. Furthermore, the Group has started to conduct business with Li Ning Group since 2017 and there is an established business relationship between the Group and Li Ning Group. The Group has generated marketing service income from Li Ning Group in relation to some sports events and competitions and the endorsement of brand products of Li Ning Group as well as sales of goods in relation to brand products of the Group to Li Ning Group. In view of such business relationship, the Group's familiarity with the requirements of Li Ning Group and the Group's capability to provide quality services and products, and the mutual benefits of the Group and Li Ning Group to maintain such reciprocal relationship, the Company considers that the Acquisitions will further strengthen the business relationship between the Group and Li Ning Group. The Group intends to hold Li Ning Co's shares as a passive investor.

Having considered the recent market price of the Li Ning Co Shares and its reasonableness, the Company considers that the Acquisitions were appropriate investment and can enhance the returns of the Group.

Given the Acquisitions were conducted in the open market of the Stock Exchange, the Total Acquired Shares were acquired at the then prevailing market prices.

In light of the above, the Directors believe that the Acquisitions were on normal commercial terms and the terms of the Acquisitions were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. FINANCIAL EFFECTS OF THE ACQUISITIONS

The Acquisitions can enhance the returns of the Group and it is expected that (i) both the consolidated assets and liabilities of the Group will be increased by approximately HK\$2,150,744,000 due to the Acquisitions; and (ii) the earnings of the Group will be increased due to increase in share of profits from Li Ning Co as the Group's shareholding interest in Li Ning Co increased from approximately 12.53% prior to the 1st Acquisitions to approximately 18.30% after the Acquisitions.

7. IMPLICATIONS OF THE LISTING RULES

As the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions were conducted within a 12-month period, they were therefore aggregated pursuant to Rule 14.22 of the Listing Rules. As two of the applicable percentage ratios under Chapter 14 of the Listing Rules in relation to each of the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions on a standalone basis, and when aggregated with each other, are more than 25% but all applicable percentage ratios are less than 100%, each of the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions on a standalone basis, and when aggregated with each other, constitute a major transaction for the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The 6th Acquisitions on a standalone basis constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As two of the applicable percentage ratios under Chapter 14 of the Listing Rules in relation to the 6th Acquisitions, if aggregated with the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions, are more than 25% but all applicable percentage ratios are less than 100%, the 6th Acquisitions, if aggregated with the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions, constitute a major transaction for the Company.

Li Ning Co is not an associate of Mr. Li Ning under Chapter 14A of the Listing Rules.

Written Shareholders' approval

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date:

- (a) Mr. Li Ning was interested in 523,467,296 Li Ning Co Shares, among which, (a) he was directly interested in 23,776,253 Li Ning Co Shares, which included his interest in 13,535,325 unvested restricted Li Ning Co Shares under the restricted share award schemes adopted by Li Ning Co on 14 July 2016 and 14 July 2026 (collectively, the **"Restricted Share Award Schemes"**) and 1,944,200 share options of Li Ning Co, representing in aggregate approximately 0.92% of the total issued share capital of Li Ning Co; and (b) he was deemed to be interested in 499,691,043 Li Ning Co Shares held by the Acquirer, representing approximately 19.33% of the total issued share capital of Li Ning Co. Mr. Li Ning is an executive Director, the chairman, a co-chief executive officer and a controlling shareholder of the Company. He is also the executive chairman, joint chief executive officer and an executive director of Li Ning Co;
- (b) Mr. Li Qilin was interested in 504,390,473 Li Ning Co Shares, among which, (a) he was directly interested in 4,699,430 Li Ning Co Shares, which included his interest in 1,829,375 unvested restricted Li Ning Co Shares under the Restricted Share Award Schemes and 1,008,500 share options of Li Ning Co, representing in aggregate approximately 0.18% of the total issued share capital of Li Ning Co; and (b) he was deemed to be interested in 499,691,043 Li Ning Co Shares held by the Acquirer. Mr. Li Qilin is the nephew of Mr. Li Ning and the son of Mr. Li Chun. He is also an executive director of each of the Company and Li Ning Co; and
- (c) Mr. Li Chun was deemed to be interested in 499,691,043 Li Ning Co Shares held by the Acquirer. He is a substantial shareholder of the Company. He is the brother of Mr. Li Ning and the father of Mr. Li Qilin.

LETTER FROM THE BOARD

In light of the above, the Board considered that the direct interest of Mr. Li Ning, Mr. Li Qilin and their respective associates in Li Ning Co (in aggregate approximately 0.92% and 0.18%, respectively) was immaterial compared to that held through the Acquirer (in aggregate approximately 19.33%), being a wholly-owned subsidiary of the Company. Furthermore, the Board considered that (a) none of Mr. Li Ning, Mr. Li Qilin and Mr. Li Chun is a party to the Acquisitions or a close associate of such a party; (b) the Acquisitions do not confer upon Mr. Li Ning, Mr. Li Qilin or Mr. Li Chun or any of their respective close associate a benefit (whether economic or otherwise) not available to the other Shareholders; (c) Mr. Li Ning did not have any involvement or influence in the terms of the Acquisitions; and (d) the Acquisitions were conducted on the open market through the Stock Exchange. As the interest of Mr. Li Ning, Mr. Li Qilin and Mr. Li Chun in the Acquisitions was in alignment with the interest of other Shareholders, the Board is of the view that Mr. Li Ning, Mr. Li Qilin and Mr. Li Chun would not be regarded as having a material interest in the Acquisitions, and Mr. Li Ning, Mr. Li Qilin and Mr. Li Chun would not be required to abstain from voting if the Company were to convene a general meeting for approving each of the major transactions relating to the 1st Li Ning Co Acquisitions or the 2nd Li Ning Co Acquisitions.

As at the Latest Practicable Date, (i) Lead Ahead is indirectly held by the corporate trustee of a discretionary trust, the beneficiaries of which include the family members of Mr. Li Ning (an executive Director, chairman of the Board and the co-chief executive officer of the Company). Mr. Li Ning is also a director of Lead Ahead; (ii) Victory Mind is indirectly held by the corporate trustee of a discretionary trust, the beneficiaries of which include the family members of Mr. Li Chun. Mr. Li Qilin, an executive Director, is also one of the beneficiaries of the discretionary trust; (iii) Ace Leader is indirectly held by the corporate trustee of a discretionary trust, the beneficiaries of which include the family members of Mr. Li Ning; (iv) Jumbo Top is wholly owned by Mr. Li Chun. Mr. Li Chun is also a director of Jumbo Top; and (v) Grand Colour is owned as to 50% by Mr. Li Ning and 50% by Mr. Li Chun. Both Mr. Li Ning and Mr. Li Chun are directors of Grand Colour. Mr. Li Qilin is the son of Mr. Li Chun and the nephew of Mr. Li Ning. Lead Ahead, Victory Mind, Ace Leader, Jumbo Top and Grand Colour are considered as “closely allied group of Shareholders” under Rule 14.45 of the Listing Rules.

LETTER FROM THE BOARD

Since (i) to the best of the Company's knowledge, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving each of the major transactions relating to the 1st Li Ning Co Acquisitions or the 2nd Li Ning Co Acquisitions, and (ii) the Company has obtained written Shareholders' approval in respect of each of the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions from a closely allied group of Shareholders, comprising Lead Ahead, Victory Mind, Ace Leader, and Jumbo Top and Grand Colour which directly holds 2,132,420,382, 1,438,408,652, 1,304,644,825, 852,968,153 and 84,001,139 Shares respectively, representing approximately 21.41%, 14.45%, 13.10%, 8.57% and 0.84% and in aggregate 58.37% of the total issued share capital of the Company (excluding any treasury shares), no general meeting will be convened by the Company to approve the 1st Li Ning Co Acquisitions or the 2nd Li Ning Co Acquisitions pursuant to Rule 14.44 of the Listing Rules.

As none of the Directors has a material interest in the Acquisitions, no Director has abstained from voting on the relevant board resolutions.

8. RECOMMENDATIONS

The Board considers that the Acquisitions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, if an extraordinary general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the resolution(s) to approve the 1st Li Ning Co Acquisitions and the 2nd Li Ning Co Acquisitions at such extraordinary general meeting.

9. GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three financial years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the financial years ended 31 December 2023 (pages 154-275), 31 December 2024 (pages 172-295) and 31 December 2025 (pages 217-347), respectively. The unaudited consolidated financial information of the Group for the six months ended 30 June 2026 are disclosed in the interim report of the Company for the six months ended 30 June 2026 (pages 17-55), respectively. These consolidated financial information are incorporated by reference into this circular.

The said annual reports and interim report of the Company are available on the Company's website (www.vivagoods.hk) and website of the Stock Exchange (www.hkex.com.hk):

- (i) the annual report of the Company for the year ended 31 December 2023 published on 20 March 2024 (pages 154-275):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0320/2024032001353.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2024 published on 28 March 2025 (pages 172-295):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0328/2025032802514.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2025 published on 24 March 2026 (pages 217-347):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0324/2026032401674.pdf>

- (iv) the interim report of the Company for the six months ended 30 June 2026 published on 24 August 2026 (pages 17-55):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0824/2026082401269.pdf>

2. WORKING CAPITAL SUFFICIENCY

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, the financial resources available to the Group, including available banking facilities, cash generated from future operations, and the existing cash and bank balances of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

3. INDEBTEDNESS STATEMENT**Indebtedness and Contingent Liabilities**

As at 31 August 2026, being the most recent practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	As at 31 August 2026 HK\$'000
Bank borrowings – secured (<i>Note i</i>)	2,178,352
Bank borrowings – unsecured	231,448
Lease liabilities (<i>Note ii</i>)	<u>2,000,443</u>
	<u><u>4,410,243</u></u>

Notes:

- i) The Group's bank borrowings are secured by total assets of a subsidiary (which mainly consist on investment in an associate) and certain land and buildings.
- ii) None of the lease liabilities above were secured and guaranteed.

As at 31 August 2026, the Group had bank guarantees (i) related to arrangement with His Majesty's Revenue and Customs and insurance cover of approximately HK\$77,238,000; and (ii) given in lieu of utility and property rental deposits of approximately HK\$9,330,000.

Save as disclosed above, and apart from intra-group liabilities and normal trade payable in the ordinary course of business, the Group did not, at the close of business on 31 August 2026, have any other loan issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, term loans (whether guaranteed, unguaranteed, secured and unsecured), debts securities or any other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the design and development, branding and sales of multi-brand apparel and footwear; and management and operation of sports parks, sports centres and ice-skating rinks and management and operation of an e-sports club, coordination of sports events and sports-related marketing services.

Clarks is a long-established brand with a broad customer base. Its main markets cover the United States of America and the United Kingdom, while having presence in other regions including Europe, the PRC, Japan and the Republic of Korea. Through strategies such as optimizing the supply chain, upgrading the product mix and intensifying digitalisation efforts, the Group has strengthened the Clarks brand and increased its market penetration.

Haglöfs, the well-known Nordic outdoor brand, continued to strengthen brand promotion and expand its retail network during the period, actively capturing development opportunities in the outdoor sports market.

Other major brands under the Group, including the casual apparel brand Bossini in Greater China and the luxury leather goods brand Testoni, continued to implement cost-reduction and efficiency-improvement measures with the aim of gradually reducing losses.

The multi-brand apparels and footwears segment generated revenue totalling HK\$4,826,381,000 for the six months ended 30 June 2026 (the corresponding period in 2025: HK\$4,553,615,000), which represents an increase of HK\$272,766,000 as compared to the corresponding period in prior year. The increase was attributed to (i) better performance in the direct-operated stores and online channels of Clarks brand as a result of assortment optimisation and right pricing; (ii) commencement of outdoor brand Haglöfs in the second quarter of 2025; and (iii) improved capacity in the footwear manufacturing business. With the improvement in the revenue and effective control on product costs and operating costs, the multi-brand apparels and footwears segment recorded an operating profit of HK\$303,319,000 for the six months ended 30 June 2026 (corresponding period in 2025: HK\$123,496,000).

Sports experience segment comprises operation, service provision and investment of sports destinations (including sports parks, sports centres and ice-skating rinks), sports competitions and events as well as an e-sports club.

For sports experience segment, it is the Group's strategy to drive the establishment of an integrated sports platform by leveraging on the existing resources of its sports business. The Group will therefore continue its effort to capture and maximise the commercial values of the sports resources under our management, and encourage social participation in sporting activities through commercial management of popular sports events and competitions and operation of an e-sports club. In the meantime, the Group has been selecting suitable cooperation opportunities to invest in and operate potential sports destination projects, including sports parks, sports centres and ice-skating rinks that promote healthier living and sports awareness in the PRC. We hope to capitalise on this opportunity where nationwide physical fitness is becoming more popular and to engage more people in more diversified sports experience by operating sports destinations that are open to the public, which is expected to benefit the medium to long term development of our business.

The sports experience segment generated revenue totalling HK\$293,102,000 for the six months ended 30 June 2026 (the corresponding period in 2025: HK\$256,855,000) for the period, which represents an increase of HK\$36,247,000 as compared to the corresponding period in prior year. Due to the decrease in government grants, operating profit of the segment decreased by HK\$5,619,000 to HK\$15,748,000 for the six months ended 30 June 2026 from HK\$21,367,000 for the corresponding period of prior year.

In its latest Global Economic Prospects report, the World Bank projected that global economic growth would slow down from 2.9% in 2025 to 2.5% in 2026, reflecting a moderation in the momentum of the global economic recovery. The World Bank noted that geopolitical risks, energy price volatility and persistent policy uncertainty would continue to pose ongoing challenges to the global economic outlook.

Through a series of restructuring and optimisation measures, the Group has built stronger resilience and risk resistance. Facing uncertainties in the business environment, the Group will adhere to a steady and pragmatic operating approach, closely monitor market dynamics, and flexibly adjust its operating strategies in response to changes in the environment, with a view to responding more swiftly and effectively to potential challenges and seizing development opportunities. Going forward, the Group will continue to advance its cost-reduction and efficiency improvement strategy, and maintain a healthy cash flow and financial position to support the long-term development of its various businesses.

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. FINANCIAL INFORMATION OF LI NING GROUP

The audited consolidated financial statements of Li Ning Group, together with the accompanying notes, for each of the three financial years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of Li Ning Co for the financial years ended 31 December 2023 (pages 158-246), 31 December 2024 (pages 171-262) and 31 December 2025 (pages 191-274), respectively. The unaudited consolidated financial information of Li Ning Group for the six months ended 30 June 2026 are disclosed in the interim report of Li Ning Co for the six months ended 30 June 2026 (pages 37-70), respectively. These consolidated financial information are incorporated by reference into this circular.

The said annual reports and interim report of Li Ning Co are available on Li Ning Co's website (ir.lining.com) and website of the Stock Exchange (www.hkex.com.hk):

- (i) the annual report of Li Ning Co for the year ended 31 December 2023 published on 23 April 2024 (pages 158-246):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0423/2024042300041.pdf>

- (ii) the annual report of Li Ning Co for the year ended 31 December 2024 published on 29 April 2025 (pages 171-262):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042901718.pdf>

- (iii) the annual report of Li Ning Co for the year ended 31 December 2025 published on 22 April 2026 (pages 191-274):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200804.pdf>

- (iv) the interim report of Li Ning Co for the six months ended 30 June 2026 published on 9 September 2026 (pages 37-70):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0909/2026090900475.pdf>

MANAGEMENT DISCUSSION AND ANALYSIS ON LI NING GROUP

Set out below is the management discussion and analysis on Li Ning Group for the three financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 extracted from the annual reports of Li Ning Co for the three financial years ended 31 December 2023, 2024 and 2025 and the interim report of Li Ning Co for the six months ended 30 June 2026.

BUSINESS REVIEW

Li Ning Co was incorporated on 26 February 2004 in the Cayman Islands as an exempted company with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2331).

Li Ning Group is principally engaged in brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the PRC.

FINANCIAL REVIEW**Revenue**

Li Ning Group's revenue for the year ended 31 December 2023 amounted to RMB27,598,491,000 (2022: RMB25,803,383,000), representing an increase of 7.0% as compared to that of 2022. Changes in revenue from all channels during the year were as follows: (1) the strategic layout of directly-operated stores was effective in providing consumers with more comprehensive product display, professional offline experience and outstanding service team, resulting in a growth rate of 29.6% year-on-year for the directly operated revenue; (2) affected by the changing environment of the online platforms, Li Ning Group continued to put in resources efficiently and increased efforts in the development of various platforms, thereby maintaining stable revenue with a slight increase of 0.9% year-on-year; and (3) in order to support the sound development of the distributors and maintain its healthy operating conditions, Li Ning Group curbed some futures orders upon thorough communication with the distributors, thereby maintaining stable distribution revenue with a slight increase of 0.6% year-on-year.

Li Ning Group's revenue for the year ended 31 December 2024 amounted to RMB28,675,643,000 (2023: RMB27,598,491,000), representing an increase of 3.9% as compared to that of 2023. During the year, (1) the revenue from the e-commerce business for the year grew by 10.3% thanks to the in-depth development of online channels, the emergence of economies of scale and the optimisation of cost control; (2) Li Ning Group achieved inventory optimisation and rapid order response by strengthening cooperation with distributors, optimising product supply, offering a more competitive product portfolio and enhancing the efficiency of synergies with distributors, leading to a year-on-year increase of 2.6% in distribution revenue; and (3) as affected by the overall consumption vibe and intensified market competition, Li Ning Group improved and

adjusted its retail channels, resulting in a slight year-on-year decrease of 0.3% in retail revenue; and with optimised discount strategies, Li Ning Group improved the profitability of its retail stores.

Li Ning Group's total revenue for the year ended 31 December 2025 increased by 3.2% year-on-year to RMB29,598,417,000 (2024: RMB28,675,643,000). The changes in revenue from all channels were as follows: (1) during the year, the franchised distributors channel continued to serve as a core pillar, with revenue growing steadily by 6.3% year-on-year, further increasing its contribution to 46.6%; (2) Li Ning Group enhanced its online marketing strategies, strengthening collaboration with mainstream e-commerce ecosystems while closely monitoring the growth opportunities of marketing in emerging e-commerce channels, resulting in increased revenue from the e-commerce channel by 5.3% year-on-year; and (3) the retail channel remained under pressure, with revenue decreasing by 3.3% year-on-year, due to adjustments to the directly-operated store layout and a shift in consumer scenarios.

For the six months ended 30 June 2026, Li Ning Group achieved steady revenue growth of 2.8% year-on-year to RMB15,235,250,000 (the corresponding period in 2025: RMB14,816,763,000). During the period, change in revenue from all channels were as follows: (1) the franchised distributors channel performed steadily with revenue increasing by 1.7% year-on-year; (2) Li Ning 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, Li Ning 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.

Cost of Sales and Gross Profit

For the year ended 31 December 2023, the overall cost of sales of Li Ning Group amounted to RMB14,246,436,000 (2022: RMB13,318,590,000), and the overall gross profit margin was 48.4% (2022: 48.4%), which remained flat as compared with that of the previous year. During the year, Li Ning Group improved the discount at directly-operated offline stores, leading to a slight increase in gross profit margin. However, with the increasingly competitive environment online, the gross profit margin of e-commerce channel dropped. Overall, Li Ning Group's gross profit margin remained stable.

For the year ended 31 December 2024, the overall cost of sales of Li Ning Group amounted to RMB14,519,540,000 (2023: RMB14,246,436,000), and the overall gross profit margin was 49.4% (2023: 48.4%), representing an increase of 1.0% point as compared to 2023. During the year, benefiting from the continuous expansion of online channels, the proportion of e-commerce channels with higher profit margins further increased, coupled with improved discount strategies in direct-operated offline stores, leading to an increase in gross profit margin.

For the year ended 31 December 2025, the overall cost of sales of Li Ning Group amounted to RMB15,109,580,000 (2024: RMB14,519,540,000), and the overall gross profit margin was 49.0% (2024: 49.4%). During the year, the gross profit margin decreased by 0.4% points as compared to 2024. The decline in gross profit margin was primarily attributable to adjustments in channel structure, with a lower proportion of revenue generated from the direct-to-customer channels, the increase in discount offerings due to intensified promotional competition in self-operated channels, resulting in a slight decline in gross profit margin.

For the six months ended 30 June 2026, the overall cost of sales of Li Ning Group amounted to RMB7,484,523,000 (the corresponding period in 2025: RMB7,401,960,000), and the overall gross profit margin was 50.9% (the corresponding period in 2025: 50.0%). During the period, revenue from wholesale, retail and e-commerce channels all increased compared with the corresponding period in 2025. Revenue growth and channel structure adjustment brought optimisation of gross profit margin, with gross profit margin increasing by 0.9% points compared with the corresponding period in 2025.

Selling and Distribution Expenses

For the year ended 31 December 2023, Li Ning Group's overall selling and distribution expenses amounted to RMB9,080,121,000 (2022: RMB7,314,303,000), representing a year-on-year increase of 24.1%; the selling and distribution expenses accounted for 32.9% (2022: 28.3%) of Li Ning Group's total revenue with a year-on-year increase of 4.6% points. During the year, along with the increase in revenue from direct operation, rental, wages and bonuses of direct sales staff that related to revenue recorded increases to varying degrees. In order to enhance brand value and promote consumption, Li Ning Group increased the expenses in relation to advertising, promotion and sponsorship during the year. Meanwhile, owing to Li Ning Group's planning and adjustment in high-tier markets, there was a relatively significant increase in fixed rental of retail stores and amortisation charges of props for store fittings, and provisions have been made for asset impairment of certain loss-making stores. As a result, selling and distribution expenses recorded a relatively large increase.

For the year ended 31 December 2024, Li Ning Group's overall selling and distribution expenses amounted to RMB9,198,907,000 (2023: RMB9,080,121,000), representing a year-on-year increase of 1.3%; the selling and distribution expenses accounted for 32.1% (2023: 32.9%) of Li Ning Group's total revenue with a year-on-year decrease of 0.8% points. During the year, the selling expenses of Li Ning Group slightly increased as compared to 2023, primarily due to the intensified efforts in market expansion, increased investments in brand promotion and higher commission expenses resulting from the growth in e-commerce turnover. However, the cost control at retail front led to a decrease in the proportion of selling and distribution expenses to revenue.

For the year ended 31 December 2025, Li Ning Group's overall selling and distribution expenses amounted to RMB9,189,675,000 (2024: RMB9,198,907,000), accounting for 31.0% (2024: 32.1%) of Li Ning Group's total revenue. The selling and distribution expenses decreased by 0.1% as compared to 2024. The refined cost control enhanced the operational efficiency. By optimising store operations and closing underperforming stores, Li Ning Group effectively reduced key costs such as store rent, labor, and amortisation of operating store decoration and fixture while maintaining consumer experience. Meanwhile, to strengthen brand competitiveness and support long-term growth momentum, Li Ning Group strategically increased investment in marketing, with a particular focus on sports marketing campaigns centered on Olympic and national team partnerships, as well as premium brand building, thereby achieving a dynamic optimisation of the cost structure.

For the six months ended 30 June 2026, the overall selling and distribution expenses of Li Ning Group amounted to RMB4,639,732,000 (the corresponding period in 2025: RMB4,292,730,000), representing 30.5% (the corresponding period in 2025: 29.0%) of Li Ning Group's total revenue. Selling and distribution expenses increased by 8.1% compared with the corresponding period in 2025. During the period, Li Ning 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, Li Ning Group responded quickly to consumer demand and changes across various sports scenarios, with both online and offline marketing investment increasing. Li Ning Group always values the building and accumulation of brand assets, actively balancing immediate conversion from marketing spend and long-term momentum growth.

Administrative Expenses

Li Ning Group's administrative expenses mainly comprise staff costs, management consulting expenses, office rental, depreciation and amortisation, research and product development expenses, taxes and other daily expenses.

For the year ended 31 December 2023, Li Ning Group's overall administrative expenses amounted to RMB1,256,152,000 (2022: RMB1,113,218,000), accounting for 4.6% (2022: 4.3%) of Li Ning Group's total revenue with a year-on-year increase of 0.3% points. The increase in administrative expenses during the year was mainly attributable to the growth of research and product development expenses, tax increase arising from the revenue growth as well as the increase in daily expenses after the pandemic.

For the year ended 31 December 2024, Li Ning Group's overall administrative expenses amounted to RMB1,427,907,000 (2023: RMB1,256,152,000), accounting for 5.0% (2023: 4.6%) of Li Ning Group's total revenue with a year-on-year increase of 0.4% points. The increase in administrative expenses during the year was mainly attributable to the increase in staff costs and research and product development expenses.

For the year ended 31 December 2025, Li Ning Group's overall administrative expenses amounted to RMB1,630,412,000 (2024: RMB1,427,907,000), accounting for 5.5% (2024: 5.0%) of Li Ning Group's total revenue with a year-on-year increase of 0.5% points. The increase in administrative expenses was mainly attributable to the increase in staff costs due to the recruitment of product research and development talents and adjustments to the social insurance base, and increased taxes resulted from revenue growth. In addition, the impairment of goodwill in the amount of RMB72,387,000 was fully recognised during the year, which resulted from the acquisition of Kason Sports (Hong Kong) Limited in 2009.

For the six months ended 30 June 2026, the overall administrative expenses of Li Ning Group amounted to RMB720,206,000 (the corresponding period in 2025: RMB776,642,000), accounting for 4.7% (the corresponding period in 2025: 5.2%) of Li Ning Group's total revenue, a decrease of 0.5% points year-on-year. 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 corresponding period in 2025, with such provision absent in the current period.

Share of Profits and Losses of Joint Ventures and Associates

For the year ended 31 December 2023, Li Ning Group's share of profit of investments accounted for using the equity method amounted to RMB377,972,000 (2022: RMB201,155,000), among which, Li Ning Group shared the one-off gains not related to operation of RMB140,457,000 in relation to the disposal of certain land parcels held by one of its associates during the year.

For the year ended 31 December 2024, Li Ning Group's share of profit of investments accounted for using the equity method amounted to RMB256,299,000 (2023: RMB377,972,000, while excluding one-off gains not related to operation, the share of profit of investments accounted for using the equity method amounted to RMB237,515,000).

For the year ended 31 December 2025, Li Ning Group's share of profit of investments accounted for using the equity method amounted to RMB257,897,000 (2024: RMB256,299,000).

For the six months ended 30 June 2026, Li Ning Group's share of profits and losses of joint ventures and associates amounted to RMB91,060,000 (the corresponding period in 2025: RMB133,724,000). Affected by overall pressure in the table tennis and badminton equipment market, the revenue and profit of Li Ning 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 year ended 31 December 2023, Li Ning Group's EBITDA amounted to RMB6,157,208,000 (2022: RMB6,541,707,000), representing a year-on-year decrease of 5.9%, while excluding the one-off gains not related to operation, the EBITDA was RMB6,016,751,000, representing a year-on-year decrease of 8.0%.

For the year ended 31 December 2024, Li Ning Group's EBITDA amounted to RMB6,379,193,000 (2023: RMB6,157,208,000, while excluding the one-off gains not related to operation which was recorded as part of the share of profit of investments accounted for using the equity method, the EBITDA was RMB6,016,751,000), representing a year-on-year increase of 3.6%. After deducting the one-time non-operating gains from the previous year, the year-on-year increase was 6%.

For the year ended 31 December 2025, Li Ning Group's EBITDA amounted to RMB6,160,940,000 (2024: RMB6,379,193,000), representing a year-on-year decrease of 3.4%.

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

Finance Income/Expenses – Net

Li Ning Group's finance income and expenses mainly comprise interest income on bank balances and deposits, net foreign currency exchange gain/loss, finance cost of licenses fee payables and lease liabilities, and interest expenses of borrowings.

For the year ended 31 December 2023, Li Ning Group's net finance income amounted to RMB319,110,000 (2022: RMB327,187,000). During the year, the interest expenses recognised on lease liabilities increased; the exchange gains decreased; and Li Ning Group has made adjustment to its currency investment portfolio where more funds were deposited in the form of fixed term deposits for more stable returns, which led to the year-on-year growth of interest income. Taking into account the above factors, the net finance income recorded a decrease during the year.

For the year ended 31 December 2024, Li Ning Group's net finance income amounted to RMB175,104,000 (2023: RMB319,110,000). The decrease was mainly attributed to (1) net exchange losses recorded as compared to net exchange gains recorded in 2023 due to the impact of exchange rate fluctuations; and (2) decrease in interest income resulted from decrease in interest rates.

For the year ended 31 December 2025, Li Ning Group's net finance income amounted to RMB33,118,000 (2024: RMB175,104,000). The year-on-year decrease in net finance income was due to the decrease of interest income as a result of the decrease in interest rates.

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

Income Tax Expense

For the year ended 31 December 2023, the income tax expense of Li Ning Group amounted to RMB1,069,207,000 (2022: RMB1,351,329,000) and the effective tax rate was 25.1% (2022: 25.0%).

For the year ended 31 December 2024, the income tax expense of Li Ning Group amounted to RMB1,096,691,000 (2023: RMB1,069,207,000) and the effective tax rate was 26.7% (2023: 25.1%).

For the year ended 31 December 2025, the income tax expense of Li Ning Group amounted to RMB1,253,480,000 (2024: RMB1,096,691,000) and the effective tax rate was 29.9% (2024: 26.7%).

For the six months ended 30 June 2026, the income tax expense of Li Ning Group amounted to RMB631,495,000 (the corresponding period in 2025: RMB869,094,000) and the effective tax rate was 25.8% (the corresponding period in 2025: 33.3%).

Overall Profitability Indicators

Li Ning Group's revenue growth for the year ended 31 December 2023 had slowed down and the gross profit margin remained flat as compared with 2022. In order to promote consumption, Li Ning Group devoted more resources in this regard accordingly, resulting in an increase in expenses; also other gains decreased in the meanwhile. During the year, Li Ning Group's profit attributable to equity holders amounted to RMB3,186,910,000 (2022: RMB4,063,834,000), representing a year-on-year decrease of 21.6%, while excluding the one-off gains not related to operation, the profit attributable to equity holders was RMB3,046,453,000, representing a year-on-year decrease of 25.0%. The margin of profit attributable to equity holders was 11.5% (2022: 15.7%), while excluding the one-off gains not related to operation, the margin

of profit attributable to equity holders was 11.0%. The return on equity attributable to equity holders was 13.1% (2022: 17.9%), while excluding the one-off gains not related to operation, the return on equity attributable to equity holders was 12.5%.

Li Ning Group's revenue rose steadily during the year ended 31 December 2024, with a gross profit margin of 49.4%, representing an increase of 1% point as compared to last year. Due to the changes in market supply and demand and the overall adjustment of the real estate industry during the year, Li Ning Group, based on the principle of prudence, made provision for impairment of RMB333,372,000 of certain real estate projects it held which experienced a decline in fair value. During the year, Li Ning Group's profit attributable to equity holders amounted to RMB3,012,918,000 (2023: RMB3,186,910,000, while excluding the one-off gains not related to operation which was recorded as part of the share of profit of investments accounted for using the equity method, the profit attributable to equity holders was RMB3,046,453,000). The margin of profit attributable to equity holders was 10.5% (2023: 11.5%, while excluding the one-off gains not related to operation which was recorded as part of the share of profit of investments accounted for using the equity method, the margin of profit attributable to equity holders was 11.0%). The return on equity attributable to equity holders was 11.9% (2023: 13.1%, while excluding the one-off gains not related to operation which was recorded as part of the share of profit of investments accounted for using the equity method, the return on equity attributable to equity holders was 12.5%).

During the year ended 31 December 2025, Li Ning Group recorded steady revenue growth. Although the expenses achieved a slight optimisation, gross profit margin has declined year-on-year with the effective tax rate increased significantly. As a result of these combined factors, the margin of profit attributable to equity holders has decreased. Li Ning Group's profit attributable to equity holders amounted to RMB2,935,743,000 during the year (2024: RMB3,012,918,000). The margin of profit attributable to equity holders was 9.9% (2024: 10.5%), and the return on equity attributable to equity holders was 10.9% (2024: 11.9%).

For the six months ended 30 June 2026, Li Ning Group's revenue and gross profit maintained steady growth. Expenses increased due to marketing investment. Other gains decreased due to lower wealth management interest rates and foreign exchange fluctuations. Share of profits and losses of joint ventures and associates 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. During the period, profit attributable to equity holders of Li Ning Group amounted to RMB1,816,185,000 (the corresponding period in 2025: RMB1,737,422,000); margin of profit attributable to equity holders was 11.9% (the corresponding period in 2025: 11.7%); return on equity attributable to equity holders was 6.5% (the corresponding period in 2025: 6.5%).

Provision for Inventories

Li Ning Group's policy in respect of provision for inventories for the three financial years ended 31 December 2023, 2024 and 2025 and six months period ended 30 June 2026 was the same. Inventories of Li Ning 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. Li Ning Group considers that this policy can ensure appropriate provision for inventories made by Li Ning Group.

As at 31 December 2023, the accumulated provision for inventories was RMB134,727,000 (31 December 2022: RMB120,531,000). During the year, the original value of inventory increased from the beginning of the year, which led to the year-on-year growth of provision for inventories.

As at 31 December 2024, the accumulated provision for inventories was RMB166,817,000 (31 December 2023: RMB134,727,000). During the year, the original value of inventory increased from the beginning of the year, which led to the year-on-year growth of provision for inventories.

As at 31 December 2025, the accumulated provision for inventories was RMB158,679,000 (31 December 2024: RMB166,817,000). During the year, through the implementation of smart inventory management, the responsiveness of the supply chain has been enhanced and the inventory structure has been optimized, resulting in a decrease in provision for inventories.

As at 30 June 2026, the accumulated provision for inventories was RMB168,602,000 (31 December 2025: RMB158,679,000). During the period, Li Ning Group continued to focus on optimising inventory structure, with inventory provision rate decreasing compared with the corresponding period in 2025.

Expected Credit Loss Allowance

Li Ning Group's policy in respect of provision of doubtful debts for the three financial years ended 31 December 2023, 2024 and 2025 and six months period ended 30 June 2026 was the same. 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 31 December 2023, the accumulated expected credit loss allowance was RMB45,738,000 (31 December 2022: RMB159,200,000), among which the accumulated expected credit loss allowance for trade receivables was RMB38,215,000 (31 December 2022: RMB152,511,000) and the accumulated expected credit loss allowance for other receivables was RMB7,523,000 (31 December 2022: RMB6,689,000). The trade receivables and other receivables written off during the year as uncollectible and the effect of change in exchange rate amounted to RMB93,824,000 (2022: RMB32,669,000). During the year, certain long-aged and uncollectible doubtful debts were written off, and the expected credit loss allowance decreased significantly as compared to the beginning of the year.

As at 31 December 2024, the accumulated expected credit loss allowance was RMB45,678,000 (31 December 2023: RMB45,738,000), among which the accumulated expected credit loss allowance for trade receivables was RMB41,658,000 (31 December 2023: RMB38,215,000) and the accumulated expected credit loss allowance for other receivables was RMB4,020,000 (31 December 2023: RMB7,523,000). The trade receivables and other receivables written off during the year as uncollectible and the effect of change in exchange rate amounted to RMB5,334,000 (2023: RMB93,824,000). The expected credit loss allowance remained stable during the year ended 31 December 2024, which was in line with expectations.

As at 31 December 2025, the accumulated expected credit loss allowance was RMB43,932,000 (31 December 2024: RMB45,678,000), among which the accumulated expected credit loss allowance for trade receivables was RMB37,906,000 (31 December 2024: RMB41,658,000) and the accumulated expected credit loss allowance for other receivables was RMB6,026,000 (31 December 2024: RMB4,020,000). The trade receivables and other receivables of Li Ning Group written off during the year as uncollectible and the effect of change in exchange rate amounted to RMB721,000 (2024: RMB5,334,000).

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 period, the amount of uncollectible trade receivables and other receivables written off and the effect of exchange rate movements amounted to RMB2,008,000 (the corresponding period in 2025: RMB721,000).

Liquidity and Financial Resources

Li Ning Group's net cash generated from operating activities for the year ended 31 December 2023 amounted to RMB4,687,936,000 (2022: RMB3,913,604,000). As at 31 December 2023, cash and cash equivalents (including cash at banks and in hand, and fixed term deposits with original maturity of no more than three months) amounted to RMB5,443,883,000 (2022: RMB7,382,218,000), representing a net decrease of RMB1,938,335,000 as compared with the position as at 31 December 2022. Adding back the amount recorded as fixed-term deposits held at banks, cash balance amounted to RMB17,974,712,000 (2022: RMB19,048,838,000), representing a net decrease of RMB1,074,126,000 as compared to 31 December 2022. Net cash from operating activities increased during the year ended 31 December 2023; in addition, Li Ning Group's net cash used in financing activities increased significantly as a result of dividend payments and share repurchases. Under the comprehensive influence, cash balance decreased. As at 31 December 2023, Li Ning Group's banking facilities amounted to RMB6,223,950,000 (2022: RMB4,100,000,000), without outstanding borrowings (2022: nil).

Li Ning Group's net cash generated from operating activities for the year ended 31 December 2024 amounted to RMB5,267,935,000 (2023: RMB4,687,936,000). As at 31 December 2024, cash and cash equivalents (including cash at banks and in hand, and fixed term deposits with original maturity of no more than three months) amounted to RMB7,498,596,000 (2023: RMB5,443,883,000), representing an increase of RMB2,054,713,000 as compared with the position as at 31 December 2023. Adding back the amount recorded as fixed-term deposits held at banks, cash balance amounted to RMB18,140,927,000 (2023: RMB17,974,712,000), representing a net increase of RMB166,215,000 as compared to 31 December 2023. Net cash from operating activities increased during the year; and there was an increase in Li Ning Group's expenditures on the purchase of investment properties and the redemption of fixed-term deposits at banks. Under the comprehensive influence, there was a significant decrease in net cash used in investing activities as compared to last year. In addition, there was no repurchase transaction of treasury shares during the year, and the amount of dividend payment was also lower than that of 2023, leading to a decrease in net cash used in financing activities as compared with 2023. As a result, net cash balance increased when compared with 2023. As at 31 December 2024, Li Ning Group's banking facilities amounted to RMB13,740,000,000 (2023: RMB6,223,950,000), without outstanding borrowings (2023: nil).

Li Ning Group's net cash generated from operating activities for the year ended 31 December 2025 amounted to RMB4,851,532,000 (2024: RMB5,267,935,000). As at 31 December 2025, cash and cash equivalents (including cash at banks and in hand, and fixed term deposits with original maturity of no more than three months) amounted to RMB16,716,551,000 (2024: RMB7,498,596,000), representing a net increase of RMB9,217,955,000 as compared with the position as at 31 December 2024. Adding back the amount recorded as time deposits held at banks, cash balance amounted to RMB19,973,440,000 (2024: RMB18,140,927,000), representing a net increase of RMB1,832,513,000 as compared to 31 December 2024. During the year, revenue increased year-on-year, while cash-based expenses including marketing costs and tax payments rose, coupled with the settlement time lag of e-commerce platforms, leading to a year-on-year decrease in net cash generated from operating activities. Meanwhile, the maturity and redemption of time deposits led to a significant increase in net cash generated from investing activities resulting a net increase in cash balance. As at 31 December 2025, Li Ning Group's banking facilities amounted to RMB13,922,000,000 (2024: RMB13,740,000,000), without outstanding borrowings (2024: nil).

Li Ning Group's net cash generated from operating activities for the six months ended 30 June 2026 amounted to RMB953,760,000 (the corresponding period in 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 (31 December 2025: RMB16,716,551,000), 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 (31 December 2025: RMB19,973,440,000), representing a net decrease of RMB584,940,000 as compared to 31 December 2025. During the six months ended 30 June 2026, 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 resulting in a net decrease in cash balance. As at 30 June 2026, Li Ning Group's banking facilities amounted to RMB14,129,000,000 (31 December 2025: RMB13,922,000,000), without outstanding borrowings (31 December 2025: nil).

During the three financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, Li Ning Group did not hedge its exposure to interest rate risks via interest-rate swaps.

Foreign Exchange Risk

Li Ning Group's operations are mainly carried out in the PRC, with most transactions settled in RMB. The reporting currency of Li Ning Group is RMB. Li Ning Group's subsidiaries in South Korea, Singapore, Hong Kong and Macau use South Korean Won, Singapore Dollars, Hong Kong Dollars and Macau Pataca respectively, as their functional currencies. Li Ning Group has a partial amount of cash and bank deposits denominated in Hong Kong Dollars, United States Dollars, Euros, South Korean Won, Singapore Dollars, Pound Sterling and Macau Pataca.

Significant Investments

In order to satisfy the needs of Li Ning Group's commercialisation layout, expand its international business by establishing a footing in Hong Kong and explore global business opportunities, High Match Limited ("**High Match**"), a subsidiary of Li Ning Co, and Gallex Resources Limited ("**Gallex Resources**"), a subsidiary of Henderson Land Development Company Limited, entered into a sale and purchase agreement (the "**SPA**") on 10 December 2023.

Pursuant to the SPA, High Match agreed to (1) acquire the entire share capital of Vansittart Investment Limited (the “**Vansittart Investment**”) and (2) take up the assignment of the loan amount owing by Vansittart Investment to one of its related parties as at the date of completion of the above acquisition. The adjusted aggregate consideration for the said acquisition was HK\$2,221 million. Vansittart Investment is principally engaged in property investment and is the sole legal and beneficial owner of a property comprising 22 storeys of commercial/office space and two storeys of retail areas in Hong Kong (the “**Property**”), which is the principal asset of Vansittart Investment. For details, please refer to the announcement of Li Ning Co dated 10 December 2023.

The said acquisition was completed on 28 January 2024 and the consideration has been fully paid. The said acquisition was funded by Li Ning Group’s net proceeds from the top-up placing of shares and internal resources. Upon completion, Vansittart Investment had become an indirect wholly-owned subsidiary of Li Ning Company and the financial results of which are consolidated into the financial statements of Li Ning Group. Following the completion of the said acquisition, Li Ning Group will continue to perform the original leases of the major portion of the Property, and the remaining portion of the Property will be used as the Hong Kong headquarters of Li Ning Group.

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 Li Ning Group’s future development needs, Li Ning Sports (Guangxi) Company Limited (李寧體育(廣西)有限公司)(“**Li Ning Guangxi**”), a subsidiary of Li Ning Co, entered into and updated an investment agreement (the “**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 Li Ning Guangxi 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 Li Ning Group’s technological R&D capability and to provide consumers with better product experience, sports experience and consumption experience.

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

As of 31 December 2023, Li Ning Guangxi had successfully acquired the land use right over the relevant land and had been making investments on the construction of the supply chain base. Save as disclosed above and in this circular, Li Ning Group did not hold any other significant investments during the three financial years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026.

Pledge of Assets

As at 31 December 2023, 31 December 2024 and 31 December 2025 and 30 June 2026, Li Ning Group had no pledged assets.

Contingent Liabilities

As at 31 December 2023, Li Ning Group had no significant contingent liabilities. As at 31 December 2024, 31 December 2025 and 30 June 2026, Li Ning Group had the following contingent liabilities set out below:

RealSports Pte Ltd. (“**RealSports**”) and 李寧體育(深圳)有限公司 (Li Ning Sports (Shenzhen) Company Limited) (“**Li Ning Shenzhen**”), each a wholly-owned subsidiary of Li Ning Co, entered into a transfer agreement with Blooming Target Investments Ltd. and Bank of China Investment Asset Management Company Limited on 31 December 2020 pursuant to which, among others, RealSports and Li Ning Shenzhen agreed to acquire the entire share capital in Matsunichi Communications (Hong Kong) Limited (“**Matsunichi Communications**”). The share transfer of Matsunichi Communications was completed on 28 January 2021, and since then, Matsunichi Communications became an indirect wholly-owned subsidiary of Li Ning Co. Matsunichi Communications was subsequently renamed as Li Ning Communications (Hong Kong) Limited.

Matsunichi Communications received a statutory demand (the “**Statutory Demand**”) from one of the joint and several liquidators of Vast Gold Holdings Limited (in liquidation) (“**Vast Gold**”) and Active Legend Limited (in liquidation) (“**Active Legend**”) on 24 March 2025, alleging that Active Legend had extended a short-term loan in the principal amount of HK\$500,000,000 (the “**Subject Loan**”) pursuant to a loan facility letter from Active Legend dated 20 August 2018 and confirmed by Matsunichi Communications and Mr. Pan Sutong on the same day. In the Statutory Demand, the liquidator further alleged that the Subject Loan still 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 Matsunichi Communications’ application to restrain the liquidators from commencing any winding up proceedings against Matsunichi Communications based on the alleged loan stated in the Statutory Demand, the liquidators withdrew the Statutory Demand. For details, please refer to Li Ning Co’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 Matsunichi Communications a writ of summons issued by the High Court (the “**Court**”) of the Hong Kong Special Administration 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, Matsunichi Communications filed the Acknowledgement of Service to the Court. On 15 December 2025, Matsunichi Communications filed its amended defence. On 12 January 2026, Active Legend and Vast Gold filed their reply to the defence. In March 2026, Li Ning Co, 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 Matsunichi Communications received the Statutory Demand on 24 March 2025, Li Ning Co was not aware of the existence of the Subject Loan and any matter related thereto, and Matsunichi Communications has not received any repayment demand or other correspondence from Active Legend or Vast Gold since 28 January 2021.

Having taken legal advice and based on the facts and circumstances available to Li Ning Group, Li Ning Group believes that there is no obligation for Matsunichi Communications to repay the Subject Loan. Matsunichi Communications will vigorously defend against the claim made in the Statutory Demand. Li Ning Co will make further announcement(s) on this matter when there is substantial development.

**1. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
GROUP****Introduction**

The following unaudited pro forma statement of assets and liabilities of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared on the basis of the notes set out below for the purposes of illustrating the effects on the assets and liabilities of the Group as if the acquisitions have been completed on 30 June 2026.

The Unaudited Pro Forma Financial Information as at 30 June 2026 has been prepared based on (i) the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2026 as set out in its 2026 interim report for the six months ended 30 June 2026; and (ii) the pro forma adjustments prepared to reflect the effects of the acquisitions as explained in the notes set out below.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in its 2026 interim report for the six months ended 30 June 2026, and other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been compiled by the Group’s Directors in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Group had the acquisitions been completed as at 30 June 2026 or any future date.

APPENDIX III

**UNAUDITED PRO FORMA STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP**

	As at 30 June 2026 (Note 1) HK\$'000	Pro forma adjustment (Note 2) HK\$'000	Unaudited pro forma statement of assets and liabilities of the Group HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	1,547,584	—	1,547,584
Right-of-use assets	1,399,699	—	1,399,699
Investment properties	62,200	—	62,200
Intangible assets	572,992	—	572,992
Interests in associates and joint ventures	6,971,264	1,399,063	8,370,327
Prepayments, deposits and other receivables	160,477	—	160,477
Restricted bank balances	62,326	—	62,326
Financial assets at fair value through other comprehensive income	28,887	—	28,887
Derivative financial instruments	3,191	—	3,191
Defined benefit surplus	57,664	—	57,664
Deferred tax assets	594,604	—	594,604
Other non-current assets	<u>5,367</u>	<u>—</u>	<u>5,367</u>
Total non-current assets	<u>11,466,255</u>	<u>1,399,063</u>	<u>12,865,318</u>

APPENDIX III**UNAUDITED PRO FORMA STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP**

	As at 30 June 2026 (Note 1) HK\$'000	Pro forma adjustment (Note 2) HK\$'000	Unaudited pro forma statement of assets and liabilities of the Group HK\$'000
CURRENT ASSETS			
Inventories	3,190,318	–	3,190,318
Trade debtors	822,412	–	822,412
Prepayments, deposits and other receivables	737,311	–	737,311
Derivative financial instruments	19,815	–	19,815
Tax recoverable	8,156	–	8,156
Restricted bank balances	3,037	–	3,037
Cash and cash equivalents	<u>927,685</u>	<u>–</u>	<u>927,685</u>
Total current assets	<u>5,708,734</u>	<u>–</u>	<u>5,708,734</u>
CURRENT LIABILITIES			
Trade and other payables	(2,429,818)	–	(2,429,818)
Accruals	(554,391)	–	(554,391)
Contract liabilities	(158,869)	–	(158,869)
Income tax payables	(132,454)	–	(132,454)
Lease liabilities	(565,266)	–	(565,266)
Bank borrowings	(619,221)	–	(619,221)
Derivative financial instruments	(11,803)	–	(11,803)
Provision	(136,253)	–	(136,253)
Other current liabilities	<u>(23,769)</u>	<u>–</u>	<u>(23,769)</u>
Total current liabilities	<u>(4,631,844)</u>	<u>–</u>	<u>(4,631,844)</u>
NET CURRENT ASSETS	<u>1,076,890</u>	<u>–</u>	<u>1,076,890</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>12,543,145</u>	<u>1,399,063</u>	<u>13,942,208</u>

APPENDIX III**UNAUDITED PRO FORMA STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP**

	As at 30 June 2026 (Note 1) HK\$'000	Pro forma adjustment (Note 2) HK\$'000	Unaudited pro forma statement of assets and liabilities of the Group HK\$'000
NON-CURRENT LIABILITIES			
Other payables	(18,689)	–	(18,689)
Lease liabilities	(1,476,914)	–	(1,476,914)
Provision	(58,500)	–	(58,500)
Bank borrowings	(1,389,788)	(1,399,063)	(2,788,851)
Derivative financial instruments	(121)	–	(121)
Deferred tax liabilities	(82,951)	–	(82,951)
Defined benefit obligation	<u>(139,853)</u>	<u>–</u>	<u>(139,853)</u>
Total non-current liabilities	<u>(3,166,816)</u>	<u>(1,399,063)</u>	<u>(4,565,879)</u>
NET ASSETS	<u>9,376,329</u>	<u>–</u>	<u>9,376,329</u>

Notes:

1. The balances have been extracted from the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2026 as set out in the 2026 interim report for the six months ended 30 June 2026.
2. The adjustment represents the consideration of the acquisitions of 104,160,500 Li Ning Co Shares at an aggregate consideration of approximately HK\$1,399,063,000 (excluding stamp duty and related expenses) through a series of transactions during the period from 27 August 2026 to 4 September 2026. The acquisitions were settled in cash with external financing of the Group.
3. No adjustment has been made to the Unaudited Pro Forma Financial Information for acquisition-related costs (including fees to legal advisers, reporting accountants, printer and other expenses) as the Directors of the Company determined that such costs are insignificant.
4. No adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2026.

**2. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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To the Directors of Viva Goods Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Viva Goods Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2026 and the related notes as set out on pages III-2 to III-4 of the circular dated 23 October 2026 (the “Circular”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are set out on page III-4 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of acquisitions of shares of Li Ning Company Limited on the Group’s assets and liabilities as at 30 June 2026 as if the transaction had taken place at 30 June 2026. As part of this process, information about the Group’s assets and liabilities has been extracted by the Directors from the Group’s interim financial information for the six months ended 30 June 2026, on which no audit or review report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of acquisitions of shares of Li Ning Company Limited on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young

Certified Public Accountants

Hong Kong

23 October 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executive(s) of the Company is taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions in the shares and underlying shares of the Company

Directors	Capacity	Number of Shares/underlying Shares held		Number of share options held	Total interests	Approximate percentage of shareholdings
		Nature of interests				
		Personal interest	Corporate interest			
Mr. LI Ning	Beneficial owner	879,508,000	–	14,000,000		
	Interest of controlled corporation	–	3,521,066,346	–	4,414,574,346 ⁽¹⁾	44.30%
Mr. Victor HERRERO	Beneficial owner	29,168,000	–	334,000,000	363,168,000	3.64%
Mr. LI Chunyang	Beneficial owner	15,451,669	–	56,000,000	71,451,669	0.72%
Mr. LI Qilin	Beneficiary of trusts	1,438,408,652 ⁽²⁾	–	–		
	Beneficial owner	–	–	27,000,000	1,465,408,652	14.71%
Mr. MA Wing Man	Beneficial owner	2,000,000	–	7,600,000	9,600,000	0.10%
Ms. LYU Hong	Beneficial owner	–	–	3,600,000	3,600,000	0.04%
Mr. LI Qing	Beneficial owner	–	–	3,600,000	3,600,000	0.04%
Mr. PAK Wai Keung, Martin	Beneficial owner	–	–	3,600,000	3,600,000	0.04%
Mr. WANG Yan	Beneficial owner	–	–	3,600,000	3,600,000	0.04%
Professor CUI Haitao	Beneficial owner	4,984,000	–	1,800,000	6,784,000	0.07%

Notes:

1. Mr. Li Ning is interested in 4,414,574,346 Shares, including (i) personal interests in 21,508,000 Shares, 14,000,000 share options which are exercisable into 14,000,000 Shares and the convertible bonds in the principal amount of HK\$278,850,000 which are convertible into 858,000,000 Shares; and (ii) deemed interests in the long positions of 3,521,066,346 Shares in aggregate through his interests in Lead Ahead, Ace Leader, PALM Assets and Grand Colour respectively as follows:
 - (a) The long position of 1,304,644,825 Shares is directly held by Ace Leader, and 2,132,420,382 Shares is directly held by Lead Ahead, which is wholly owned by Ace Leader.
 - (b) Ace Leader is wholly owned by PALM Assets, which in turn is wholly owned by TMF in its capacity as trustee of a discretionary trust.
 - (c) Mr. Li Ning, as a founder of the trust, is deemed to be interested in such 3,437,065,207 Shares. Mr. Li Ning is a director of each of Lead Ahead and Ace Leader.
 - (d) The long position of 84,001,139 Shares is held by Grand Colour which is owned as to 50% by Mr. Li Ning and 50% by Mr. Li Chun. Both Mr. Li Ning and Mr. Li Chun are directors of Grand Colour.
2. Please refer to note 1(a) under the section headed “Interests and short positions of substantial shareholders and other persons in the share capital of the Company” below.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Long positions in the Shares and underlying Shares

<u>Name</u>	<u>Capacity</u>	<u>Number of Shares/ underlying Shares held</u>	<u>Approximate percentage of shareholdings</u>
Substantial Shareholders			
Mr. Li Chun ⁽¹⁾	Beneficial owner	60,000,000	
	Interest of controlled Corporation	2,375,377,944	
		<u>2,435,377,944</u>	24.44%
Ace Leader ⁽³⁾	Beneficial owner	1,304,644,825	
	Interest of controlled Corporation	2,132,420,382	
		<u>3,437,065,207</u>	34.49%
PALM Assets ⁽³⁾	Interest of controlled Corporation	3,437,065,207	34.49%
Lead Ahead ⁽²⁾	Beneficial owner	2,132,420,382	21.40%
Victory Mind ⁽⁴⁾	Beneficial owner	1,438,408,652	14.43%
GINGKO Investment ⁽⁴⁾	Interest of controlled Corporation	1,438,408,652	14.43%
Jumbo Top ^{1(b)}	Beneficial owner	852,968,153	8.56%
TMF ⁽⁵⁾	Trustee	4,875,473,859	48.92%
China Orient Asset Management (International) Holding Limited ⁽⁶⁾	Interest of controlled Corporation	698,488,000	7.01%

<u>Name</u>	<u>Capacity</u>	<u>Number of Shares/ underlying Shares held</u>	<u>Approximate percentage of shareholdings</u>
Substantial Shareholders			
Other persons			
Mr. ZHAO Jianguo ⁽⁷⁾	Beneficial owner	298,039,067	
	Interest of spouse	700,000,000	
	Interest of controlled corporation	12,963,200	
		<u>1,011,002,267</u>	10.15%
Ms. LI Ying ⁽⁷⁾	Beneficial owner	700,000,000	
	Interest of spouse	298,039,067	
	Interest of controlled corporation	12,963,200	
		<u>1,011,002,267</u>	10.15%

Notes:

- Mr. Li Chun has personal interest in 60,000,000 Shares and is deemed to be interested in the long positions of 2,375,377,944 Shares in aggregate through his interests in GINGKO Investment, Victory Mind, Jumbo Top and Grand Colour, respectively as follows:
 - The long position of 1,438,408,652 Shares is directly held by Victory Mind, which is wholly owned by GINGKO Investment, which in turn is wholly owned by TMF in its capacity as trustee of a discretionary trust; and Mr. Li Chun, as a founder of the trust, is deemed to be interested in such 1,438,408,652 Shares. Mr. Li Chun is also the director of Victory Mind. Mr. Li Qilin, being one of the beneficiaries of the discretionary trust, is also deemed to be interested in the 1,438,408,652 Shares.
 - The long position of 852,968,153 Shares is held by Jumbo Top which is wholly owned by Mr. Li Chun. Mr. Li Chun is the director of Jumbo Top.
 - The long position of 84,001,139 Shares is held by Grand Colour which is owned as to 50% by Mr. Li Ning and 50% by Mr. Li Chun. Both Mr. Li Ning and Mr. Li Chun are directors of Grand Colour.
- See note 1(a) under the section “Interests and Short Positions of Directors and Chief Executive in the Shares and Underlying shares and Debentures of the Company and its Associated Corporations” and note 3 below. Lead Ahead is wholly owned by Ace Leader. Mr. Li Ning is a director of Lead Ahead.
- See note 1(a) under the section “Interests and Short Positions of Directors and Chief Executive in the Shares and Underlying shares and Debentures of the Company and its Associated Corporations”. For the avoidance of doubt and double counting, Ace Leader is deemed to be interested in the 2,132,420,382 Shares which Lead Ahead is interested in, and PALM Assets is deemed to be interested in the 3,437,065,207 Shares which Ace Leader is interested in.

4. See note 1(a) above. For the avoidance of doubt and double counting, it should be noted that GINGKO Investment is deemed to be interested in the 1,438,408,652 Shares which Victory Mind is interested in.
5. See note 1(c) under the section “Interests and Short Positions of Directors and Chief Executive in the Shares and Underlying shares and Debentures of the Company and its Associated Corporations” and note 1(a) above. For the avoidance of doubt and double counting, TMF is interested in the 3,437,065,207 Shares and 1,438,408,652 Shares which PALM Assets and GINGKO Investment are interested in respectively.
6. China Orient Asset Management (International) Holding Limited is interested in the 698,488,000 Shares through various corporations directly or indirectly controlled by it.
7. Mr. Zhao Jianguo has personal interest in 289,705,734 Shares and 8,333,333 share options which are exercisable into 8,333,333 Shares. Ms. Li Ying, the spouse of Mr. Zhao Jianguo, has personal interest in the convertible bonds in the principal amount of HK\$227,500,000 which are convertible into 700,000,000 Shares. Double Essence Limited was interested in 12,963,200 Shares and is owned as to 50% by Mr. Zhao Jianguo and 50% by Ms. Li Ying respectively.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than the directors or chief executive of the Company whose interests in shares, underlying shares and debentures of the Company or any of its associated corporations as set out above) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up) up to the Latest Practicable Date.

None of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group as at the Latest Practicable Date.

5. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed below, so far as the Directors are aware of, none of the Directors nor their respective close associates (as defined in the Listing Rules) had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of Group.

Name of Director	Name of Entity	Description of the Entity's Business	Nature of interest of the Director in the Entity
Mr. Li Ning	Li Ning Co	mainly engaged in brand marketing, research and development, design, manufacturing, distribution and retail of professional and leisure footwear, sport apparels, equipment and accessories under the LI-NING brand and other licensed brands	director and substantial shareholder (within the meaning of the SFO)
Mr. Li Qilin	Li Ning Co	as disclosed above	director and substantial shareholder (within the meaning of the SFO)

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Group which was not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. MATERIAL CONTRACTS

There were no material contracts (being contracts entered outside the ordinary course of business carried on or intended to be carried on by the Group) having been entered into by any member of the Group within the two years preceding the Latest Practicable Date.

8. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants

Ernst & Young has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, advice, opinion and/or report and references to its name in the form and context in which they respectively appeared.

As at the Latest Practicable Date, Ernst & Young (i) did not have any direct or indirect interest in any assets which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2025, the date to which the latest audited financial statements of the Group was made up; and (ii) was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, the Group was not engaged in any material litigation or arbitration of material importance and there was no material litigation or claim of material importance known to the Directors to be pending or threatened by or against any members of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and the head office and principal place of business in Hong Kong of the Company is at 23/F, Hong Kong Li-Ning Building, 218 Electric Road, Fortress Hill, Hong Kong.
- (b) The company secretary of the Company is Ms. Chan Tsz Ping. She is a fellow member of the Association of Chartered Certified Accountants.
- (c) The branch registrar of the Company is Tricor Investor Services Limited and its address is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (www.vivagoods.hk), for a period of 14 days from the date of this circular:

- (a) the report from Ernst & Young in respect of the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix III to this circular; and
- (b) the written consent referred to in the paragraph headed "8. Expert and consent" in this Appendix.