

# Investor Relations Report

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## Overview

The Company is committed to continuing to practice high standards of investor relations (“IR”). Under the guidance of the Group’s management, the IR Department strives to communicate with our investors efficiently in an open and accurate manner, to disclose information fairly and to maintain a high level of transparency.

The IR Department places strong emphasis on the effective management of all channels of communications with investors. Only through this strategy can we understand the investment community with respect to the Group’s mission and vision, development strategies, competitive position as well as operating and financial performance. Their views and opinions are crucial in formulating our IR strategies.

Throughout the years, the Company has endeavoured to build strong relationships with investors and these efforts have borne fruit. During 2008, the Company was awarded the following accolades:

- “Best Managed Company (Mid-Cap) for China” awarded by Asiamoney
- Ranked number two in “Shareholder Friendly Company – Sector: Consumer” by Institutional Investors
- The Company’s Annual Report 2007 won a silver award for overall design (retail industry) and a merit prize for cover design (character) at the International Mercury Awards

These awards were all presented by widely-recognized international competition organizations. Judging criteria were based on the overall business performance, management strategy, IR and transparency. All of these acknowledgements are testaments to our sound planning and execution in upholding high standards in IR principles and practices.

## IR Program Review – Timely and Precise Information Dissemination

The IR Department not only acts as a channel through which the Company's information is disseminated to the public, it is also an important conduit through which we proactively communicate with investors and, in turn, gain their invaluable feedback in order to bolster our efforts in improving the Company's business strategies. The Group adheres strictly to fair disclosure guidelines to ensure that communication with Shareholders, investors and the media is conducted in a balanced manner and that no material non-public information is made available to any individual on a selective basis.

Below is a summary of the IR activities the Company conducted in 2008.

### Informative Financial Reporting

The Group accords a high priority to annual and interim reports as these represent two of the most important documents and major communication tools through which we keep our investors up to date and well-informed. Considerable resources have been deployed to compile these reports, such that they could convey the Group's vision, operating strategies, business and financial performance, as well as future outlook, with a high degree of accuracy and precision.

### Diversified Investor Communication Strategy

The Company has made use of a number of channels to interact with investors and keep them abreast of the Group's latest developments.

- **Annual and interim results presentations to investors and analysts**

These are the two most important major occasions where the Chief Executive Officer and the Chief Financial Officer of the Group meet with investors and analysts to share the financial results, updates on business strategies and future outlook.

- **International roadshows and investment forums**

During the year, the Company took part in a number of international roadshows and investment forums organized by investment banks. These events represent another series of occasions where the Group's management has direct dialogue with investors to discuss the latest developments. During 2008, the Group's management also took part in a number of international roadshows and investment forums organized by various leading financial institutions in different parts of the world, including the United States, Europe and Asia.

- **Ongoing communication with the investment community**

The IR Department assigns designated professionals to coordinate regular IR activities, proactively arrange the management to take part in meetings and telephone conferences with the investors and analysts and field the investors' enquiries, in order to give the investment community a better understanding of the Company.

In addition, the Company actively arranged various IR activities, including telephone conferences with analysts and analyst luncheons, in order to keep investors abreast of the Group's latest updates and business operations. For instance, in July 2008, a telephone conference was set up immediately after the announcement of the entering into a license agreement with Lotto where the management fielded questions from the investors. These meetings serve the dual purpose of maintaining close contact with investors and collecting valuable feedback on the Group's business strategies.

- **Store visits**

Personal store visits are one of the best ways our investors can come to better understand our business operations. Upon receiving requests for store visits, the IR Department made prompt arrangements and reception for investors and research analysts to fully utilize the opportunity to gather first-hand information on the Company's products, store display and sales management.



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## ■ Investor opinion audit

The Company puts great value on its relations with investors. Since its listing on the Hong Kong Stock Exchange in 2004, the Company has conducted investor opinion audits four times to gain in-depth knowledge of their views on the effectiveness of the Company's external communications with regard to the Group's operational and development strategies, as well as the quality of its IR activities. These provide valuable insight for guiding the Company in making improvements to its business strategies.

## ■ Media relations

The Company made use of various channels to communicate its messages to the public, including news releases, press conferences and media interviews. The Company considers media relations as a fundamental part of the Group's IR strategies, through which investment-related information and community-related messages relevant to the Group were disseminated to build the Group's corporate profile.

During the year under review, the Company's management met the press frequently and was interviewed by international, regional and local media. In June 2008, the Company also conducted a media site visit to the Company's flagship store in Shanghai and the "Li Ning Center", the Company's headquarters in Beijing. Participants were able to gain a better understanding of the retail operation of the Shanghai flagship store as well as to experience the advanced facilities and working environment in the Company's headquarters.

## Timely Response to Investors, Analysts and Media

The IR Department provides detailed and accurate information in a timely manner in response to various forms of enquiries from Shareholders, investors, analysts and the media via email, fax or telephone. Designated professionals are assigned to handle these enquiries to ensure that all information disclosed is on a fair and non-selective basis and is in line with the Company's policy and the relevant regulatory requirements.

## Summary

During the year under review, the Company participated in a number of international roadshows in Hong Kong, Singapore, Europe, Japan and the United States, and investment forums held by the world's leading investment banks and organized other activities, including one-on-one and group investor meetings, conference calls and visits to the Company's stores in the PRC. Details of such activities are listed below:

Type of event	Number of participation in 2008
International roadshows	2 rounds, 8 events
Investment forums	7 forums
Face-to-face meetings with fund managers and analysts*	381 meetings
Conference calls	69 conference calls with local and overseas investors
Visits to the Company's stores in the PRC	34 visits
Media interviews	3 sessions by 3 media outlets
Media site visits	13 media outlets
Investor opinion audit	1 time

\* Including the one-on-one and group meetings in the roadshows, forums and company visits.

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## Corporate Websites

To ensure all Shareholders have equal and timely access to important company information and discloseable updates, the Company has made extensive use of the corporate websites ([www.lining.com](http://www.lining.com), [www.irasia.com/listco/hk/lining](http://www.irasia.com/listco/hk/lining) and [www.li-ning.com](http://www.li-ning.com)). The websites are updated regularly to enable investors and the public to access information on the Group's activities, corporate governance, management, operating and financial performance, latest business developments and share performance. They also provide a platform to disseminate the Company's announcements, interim and annual reports and other corporate communications to all Shareholders in a timely manner.

## Information for Investors

### Share Information

Share listing: Main Board of the Hong Kong Stock Exchange since 28 June 2004  
Stock code: 2331  
Board lot: 500 Shares  
Number of issued Shares as at 31 December 2008: 1,040,921,133 Shares  
Market capitalization as at 31 December 2008: approximately HK\$12,595,146,000

### Dividends for 2008

Interim dividend: RMB9.63 cents per Share  
Special dividend: RMB28.9 cents per Share  
Proposed final dividend: RMB11.14 cents per Share

### Financial Calendar

Announcement of interim results: 27 August 2008  
Announcement of annual results: 18 March 2009  
Closure of register of members\*: 14 May 2009 – 15 May 2009  
Record date\*: 15 May 2009  
Annual general meeting: 15 May 2009  
Payment date of final dividend: on or about 25 May 2009

\* For the purpose of determination of entitlement to the final dividend and to attend and vote at the annual general meeting.

## Corporate Websites

To know more about the Group, please visit the following Company's websites:

<http://www.lining.com>  
<http://www.irasia.com/listco/hk/lining>  
<http://www.li-ning.com>

## IR Contact

For enquiries, please contact:

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