

Investor Relations Report



Overview

Maintaining high standards in its investor relations (IR) work has always been an important foundation of the Company's commitments. The IR department regards consistent and effective communication with all stakeholders, including Shareholders, investors and the media to maintain a high degree of transparency as its topmost priorities.

Adhering to the Group's management philosophy, and under the guidance of the management, the IR Department strives to continuously provide, in a timely manner, an open and accurate flow of information regarding the Group's long-term development strategies, competitive landscape, financial performance as well as the operating data, in order to help the public and the investment community establish a full and complete understanding of the Group's businesses.

Not only does this proactive sharing of information with the public and investors allow the Company to maintain close communication with them, it also allows the Group to collect valuable feedback, which the Company may take into account in planning its future business strategies and directions.

The Company has maintained its long-standing practice of building and nurturing good relationships with the investment community. These efforts have led to encouraging results for the Group. In 2009, the Company was delighted to be commended with the following honours:

- "200 Best Under A Billion" by *Forbes*
- "Best Managed Company (Mid-Cap) for China" by *Asiamoney*
- No. 1 in the "Most Promising Company – Retail Sector" by *The Asset* in the publication's "Triple A China's Most Promising Companies Awards 2009"
- "Galaxy Awards" by *MerComm* for the Company's Annual Report 2008

- Honours in the "Cover Photo/Design" category in ARC Awards by *MerComm* for the Company's Annual Report 2008
- "Bronze" on overall presentation – consumer products category in *the International MERCURY Awards 2009/10* for the Company's Annual Report 2008

These accolades were all presented by widely-recognised international competition organisations, with judging criteria based on contestants' overall business performance, management strategies and the transparency of IR. They are powerful endorsements to the Company's sound planning and implementation of high standards in IR principles and practices.

Comprehensive IR Programme

The Group adheres strictly to fair disclosure guidelines to ensure that communications with Shareholders, investors and the media are conducted in a fair manner. No material, non-public information is made available to any individual on a selective basis.

In order to keep the investment community up to date with information of the Company's activities, the Group constantly seeks new channels to interact with investors, bringing them closer to the Company's latest developments, on the top of annual and interim results presentations.

– International roadshows and investment forums:

As a customary practice, the Group's management participated in a number of international roadshows and investment forums hosted by leading financial international institutions in Asia, the United States, Europe and Australia in 2009. These events presented great opportunities for the Group's management to maintain direct dialogue with investors and explain to them the Group's latest developments.

– Ongoing communication with the investment community

The IR Department is manned by dedicated professionals who coordinate the hosting of a range of regular IR activities and proactively arrange the management to attend meetings and telephone conferences with investors and analysts, as well as store visits and investor site visits. During these activities the management addresses investors' enquiries and allowing them to establish an understanding of the Group in greater detail.

In addition, the Company initiates a wide range of investor communication events, to give timely updates to investors regarding the Group's latest developments and business operations. For example, in July 2009, after the Company issued a press release regarding the acquisition of the entire issued share capital of Kason Sports, one of the leading badminton brands, a telephone conference was hosted to allow the management to take questions from investors directly. On 19 October 2009 and 14 January 2010, telephone conferences were held to allow the Company to share with analysts the Company's performances in the third and fourth quarters at the retail and operation levels.

– Reverse roadshows and store visits

Store visits are one of the best ways to allow investors to better understand the Company's day-to-day business operations. In May 2009, the Company invited analysts to visit one of its stores in Guangzhou, from which they were briefed with first-hand details about the Company's retail operations. They were then invited to attend "2009 LI-NING Sudirman Cup" – a badminton tournament sponsored by the LI-NING brand. This Guangzhou trip allowed analysts to experience in person the Group's business operation and witness the Group's badminton strategy as it unfolded.

– Investor Opinion audit

The Company puts great value on its relationship with investors. Since being a company listed on Hong Kong Stock Exchange in 2004, the Company has conducted investor opinion audits every year to gauge in-depth investors' perceptions about the Group's businesses and development strategies and to assess the effectiveness of its communications efforts, as well as the quality of its IR activities. These audit exercises continue to provide valuable insight and guidance for the Company in its development of better business strategies.

– Media Relations

The Company considers that strong media relations constitute an integral part of its IR strategies. The IR Department has been exploiting the full use of various media channels, including news releases, press conferences and media interviews to disseminate information to the public.

Summary

During the year under review, the management has initiated to conduct more IR activities, especially participating in more roadshows and investment forums, thereby enhancing the breadth and depth communications of the public and investors. Even though the number of regular face-to-face meetings and conference-calls were not increased, the efficiency was improved.

Details of these activities are as follows:

Event type	2008	2009
Results presentations for investors and media	2 times	2 times
Roadshows	9 times (119 meetings in all)	12 times (124 meetings in all)
Investment forums	7 times (50 meetings in all)	8 times (59 meetings in all)
Investors group tours	6 times	5 times
Media interviews	3 times	3 times
Regular face-to-face meetings with investors	101 slots	92 slots
Conference-calls with investors	67 times	32 times
Visits to the Company's store	34 times	32 times
Analysts conference-call	2 times	2 times
Investor opinion audit	1 time	1 time

Corporate Websites

To ensure that Shareholders simultaneously have access to the Company's important information and to enable the disclosure of the latest information, the Company makes extensive use of its corporate websites www.lining.com, www.irasia.com/listco/hk/lining and www.li-ning.com for the dissemination of its latest information. To ensure that, the Company updates its websites regularly to allow members of the investment community and the public to access information on the Group's activities, corporate governance, management, operating and financial performance, latest business developments and share price performance. These websites constitute a platform from which the Company's announcements, interim and annual reports and other corporate communications are disseminated to all Shareholders in a timely manner.

Information for Investors

Share Information

Listing: Main Board of Hong Kong Stock Exchange on 28 June 2004

Stock code: 2331

Board lot: 500 Shares

Number of Shares in issue as at 31 December 2009: 1,047,445,501

Market capitalisation as at 31 December 2009: approximately HK\$30,899,642,000

Dividends for 2009

Interim dividend: RMB13.58 cents per Share

Proposed final dividend: RMB22.54 cents per Share

Financial Calendar

Announcement of interim results: 26 August 2009

Announcement of annual results: 17 March 2010

Closure of register of members*: 13 May 2010 – 14 May 2010

Dividend Entitlements Record date*: 14 May 2010

Annual general meeting: 14 May 2010

Payment date of final dividend: on or about 24 May 2010

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

IR Contact

Investor Relations Department
Li Ning Company Limited
3/F, Double Happiness Mansion,
258 Zhizaoju Road, Shanghai, PRC
Postal Code: 200023
Telephone: +8621 2326 7366
Fax: +8621 2326 7492
E-mail: investor@li-ning.com.cn