2021
ANNUAL REPORT
LI-NING COMPANY LIMITED
( Incorporated in the Cayman Islands with limited liability ) ( Stock Code: 2331 )

中國李寧
Li-Ning Sports Canada Inc.

( Incurred in the Cayman Islands with limited liability ) ( Stock Code: 2331)
This presentation incorporates information contained in the annual results announcement (the “Results Announcement”) for the year ended 31 December 2021 of Li Ning Company Limited (the “Company”). This presentation should be read in conjunction with the Results Announcement and is qualified in its entirety by the more detailed information and financial information contained in the Results Announcement.

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Net profit attributable to equity holders increased by 136% to RMB4,011 million, and the net profit margin raised from 11.7% to 17.8%:

- Revenue increased by 56% to RMB22,572 million
- Gross profit margin expanded by 3.9 percentage points to 53.0%
- Enhanced operating leverage helped drive operating profit margin up by 7.6 percentage points to 22.8%

Operating cash flow increased by over 136% to RMB6,525 million.

Stable improvement in working capital:

- The percentage of gross average working capital to revenue improved (reduced) by over 2 percentage points
- Cash conversion cycle remained flat at a healthy level of 20 days
2021 OPERATIONAL HIGHLIGHTS

- The retail sell-through for the overall platform increased by high-fifties, including online and offline channels.

- Channel inventory turnover improvement continued with aging structure optimized materially.

- Offline channel new product sell-through increase accelerated to high-sixties:
  - Sell-through mix of new products increased by approximately 7 percentage points
  - Retail discount rate improved by over 3.5 percentage points
  - Sell-out rate: 6-month improved by approximately 14 percentage points, 3-month improved by approximately 13 percentage points
Growth driven by all product groups
Consistent strong growth in all channels with improved new product mix
SAME STORE SALES GROWTH (SSSG) RATE
LN Brand (excl. International Markets and LN YOUNG)

SSSG (2021* vs 2020*)
Overall Platform
- Overall
- Offline

Overall
- Low-forties
- Mid-forties
- Mid-thirties
- High-forties

Retail
- Low-nineties
- Low-thirties
- Mid-twenties

Wholesale
- Low-seventies
- Mid-twenties
- High-teens

E-commerce*
- High-eighties
- High-eighties
- Mid-thirties
- High-twenties

Overall Platform
- Low-eighties
- High-seventies
- High-twenties
- Mid-twenties
- Low-twenties

Q1 2021
Q2 2021
Q3 2021
Q4 2021

0%

### remarks
* No comparison data in 20Q1, so only including SSSG data of e-commerce and offline channels in Q2, Q3 and Q4
# In 2021, same store sales of E-commerce registered a mid-fifties growth on a year-on-year basis
**ONLINE AND OFFLINE EXPANSION**

LN Brand (excl. International Market Sales)

**POS number**

(Year end)

- **LN Brand**
  - 2017: 6,435
  - 2018: 6,262
  - 2019: 6,344
  - 2020: 6,933
  - 2021: 7,137

- **LN Young**
  - 2017: 1173
  - 2018: 6344
  - 2019: 6449
  - 2020: 1021
  - 2021: 1202

**Sell-through growth, YoY %**

(excl. LN YOUNG)

- Offline Channel
- Online and Offline Channels

**Continued channel expansion with big store focus while sell-through momentum expanded**
WHOLESALE BUSINESS^ 
LN Brand (excl. International Market Sales and LN YOUNG)

Business Performance

- Revenue (RMB million)
- No. of POS (Year End)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>No. of POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4,721</td>
<td>5,157</td>
</tr>
<tr>
<td>2018</td>
<td>4,838</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>5,157</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4,763</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>4,770</td>
<td></td>
</tr>
</tbody>
</table>

Sell-through and Revenue Change, YoY%

- Wholesale Revenue
- Wholesale Revenue (excl. Sell-in to Specialty Stores)
- Sell-through (excl. Specialty Stores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mid-fifties</th>
<th>High-fifties</th>
<th>Mid-fifties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4,216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4,679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>6,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>6,576</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>10,222</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Balance sell-in vs sell-through to maintain channel inventory health

^ Include product sales of badminton, table tennis and football categories from specialty-stores
RETAIL BUSINESS^  
LN Brand (excl. LN YOUNG)

Business Performance

Revenue Change Analysis

Direct retail business boosted by increased store productivity

^ Refer to direct retail operation
GP MARGIN ANALYSIS
Net Change in Major Items

Gross margin expansion largely driven by discount improvement at retail end
## Profitability Analysis

### Net Change of Major P&L Items

<table>
<thead>
<tr>
<th>(RMB Million)</th>
<th>Gross Profit</th>
<th>Sales Related Variable Costs</th>
<th>Platform Operation Costs</th>
<th>Other income &amp; Interest</th>
<th>Tax</th>
<th>2021 Reported Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Reported Net Profit</td>
<td>+4,875</td>
<td>-768</td>
<td>-372</td>
<td>-499</td>
<td>-344</td>
<td>+189</td>
</tr>
<tr>
<td>Breakeven</td>
<td>1,698</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Significant revenue growth and gross margin rate expansion drive substantial profit growth

# Other income includes (i) other income and other gains (net), (ii) share profit from associates and joint ventures
Successful inventory management initiative drive inventory turnover efficiency and aging structure improvement

*Including store and warehouse
**COMPANY INVENTORY**

At cost, before provision (RMB Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>6 months or less</th>
<th>7 - 12 months</th>
<th>Over 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2017</td>
<td>14%</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>13%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>15%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Dec 2020</td>
<td>13%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>Dec 2021</td>
<td></td>
<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

Highly improved aging structure provided healthy foundation for growth
Receivable Days Sales Outstanding (DSO) continued to improve

At gross amount, before provision (RMB Million)

Dec 2017: 1,540
Dec 2018: 1,213
Dec 2019: 945
Dec 2020: 939
Dec 2021: 1,111

18%, YoY

Dec 2017: 22%
Dec 2018: 19%
Dec 2019: 23%
Dec 2020: 24%
Dec 2021: 15%

Below 90 days: 70%
91 - 180 days: 74%
Over 180 days: 83%
Healthy working capital structure provides flexibility for business development

- Simple average between period opening and ending
- Gross Amounts of inventory, trade receivables and payables, without netting off provisions
## BALANCE SHEET SUMMARY AND CASH POSITION

-RMB Million-

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2017</td>
<td>2,529</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>3,672</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>5,963</td>
</tr>
<tr>
<td>Dec 2020</td>
<td>7,443</td>
</tr>
<tr>
<td>Dec 2021</td>
<td>18,482</td>
</tr>
</tbody>
</table>

### Cash Conversion Cycle (Days)

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2017</td>
<td>49</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>40</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>26</td>
</tr>
<tr>
<td>Dec 2020</td>
<td>20</td>
</tr>
<tr>
<td>Dec 2021</td>
<td>20</td>
</tr>
</tbody>
</table>

### Dividends**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2017</td>
<td>0</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>215</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>380</td>
</tr>
<tr>
<td>Dec 2020</td>
<td>510</td>
</tr>
<tr>
<td>Dec 2021</td>
<td>1,203</td>
</tr>
</tbody>
</table>

### Operating Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2017</td>
<td>1,159</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>1,672</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>3,503</td>
</tr>
<tr>
<td>Dec 2020</td>
<td>2,763</td>
</tr>
<tr>
<td>Dec 2021</td>
<td>6,525</td>
</tr>
</tbody>
</table>

*Net Cash = Cash and Cash Equivalents (including restricted bank deposits and long and short term bank deposits) - Borrowings
**Upon shareholders approval
Strategic Direction
Lead the Robust Growth Momentum in the Industry, Continuously Optimise LI-NING’s Experience Value

“Common Prosperity” Vision to Increase National Income, Further Promote the Sports Consumption Upgrade

Under China’s promotion of common prosperity, the disposable income per capita will steadily increase and the consumption structure will continue to upgrade. As consumption upgrade has brought opportunities to the niche segments of sporting goods market, LI-NING brand has continued to upgrade its product and consumption experience, adhering to the strategy of “Single Brand, Multi-categories, Diversified Channels” to satisfy growing personalised, diversified and high-quality consumption needs of consumers, while enhancing its brand value and grasping the trends and growth opportunities of the consumption market.

National Policies Accelerate the Quality Enhancement and Market Expansion of Sports Consumption Industry, Bringing Strong Growth Momentum to the Industry

The “National Fitness Plan (2021-2025)” and the “14th Five-Year Plan for Sports Development” both propose to promote the high-quality development of sports industry, aiming that the ratio of people frequently participating in physical exercise will reach 38.5% in 2025, driving the overall scale of the national sports industry to reach 5 trillion. The country also encourages the disbursement of sports consumption vouchers to the public, organizing sports consumption festivals and other means to deeply exploit the consumption potential. With the support of numerous favourable policies, the development of China’s sports consumption industry has shown strong momentum.

LI-NING Brand Seizes Opportunities to Increase Market Share, Deeply Exploit the Consumption Potential of Young Consumer Group

With the continuous strengthening of cultural self-confidence and public health awareness, alongside the significant improvement in technological research & development capabilities and continuous product innovation of domestic brands, high-quality domestic sports brands have been gaining awareness and recognition from consumers. Leading the development of the industry, LI-NING brand has continued to strengthen its brand power, improve its product technology and design, and accelerate the development of niche markets such as skateboarding and female sports. During the year, Li Ning launched its new high-end sports fashion sub-brand, LI-NING 1990, seizing the opportunity of China-Chic to attract young consumers and continuously increase its market share.
Consolidate the Strategy of “Single Brand, Multi-categories, Diversified Channels” through Practice
Professionalism and Fashion as Dual Engines to Drive the Strong Momentum of Core Categories

Retail Sell-through — YoY Change (2021)
- Total Value: 59%
- Running: 53%
- Fitness: 57%
- Basketball: 46%
- Sports Casual: 71%

Revenue — YoY Change (2021)
- Others: 40%
Basketball – Drive Business with Professional Products, Deliver Values via Basketball Culture
With LI-NING BOOM Technology platform as the core, LI-NING focuses on building the professional running shoe matrix for all scenarios with four series, including Racing Series, High Resilience Series, Protection Series, and Super Light Series.

**LI-NING BOOM Technology Platform**

- **Lightweight**: Up to 50% lighter than traditional anti-shock materials
- **Strong Rebound**: Up to 80% energy rebound
- **Durability**: Better resilience and fatigue resistance

**Super Light Series**
- Beginner Runners
  - Super Light 18

**Protection Series**
- Advanced Runners & Beginner Runners
  - Furious Rider 5

**High Resilience Series**
- Advanced Runners & Beginner Runners
  - Shadow

**Racing Series**
- Racing Runners & Advanced Runners
  - Feidian 2.0 Elite
Fitness – Accelerate Development in the Niche Markets, Focus on Female Power

- Focus on female professional sports such as yoga, CrossFit and dance to fortify the image of professional product category for women fitness
- Upgrade protective equipment, introduce products in more youthful style, and create more vibrant functional products
- Comprehensively upgrade “No Boundaries 3” fitness shoes by adopting the “LI-NING BOOM Technology”
Sports Casual – Show the Beauty of Sports and Lifestyle

“Rich Everyday” Series—Welcome the good fortune of the new year with traditional Chinese New Year series

Skateboarding Series—Shine in the young street style

Classic Multi-colour Series—inher the beauty of pure colour
Brand Marketing – Continuously Strengthen Professional Sports Resources Matrix

- CBA Basketball League
- Olympic Champion, Chinese Athlete – Chen Long
- Olympic Champion, Chinese Athlete – Ma Long
- 2021 Qingdao Marathon
- Canada Snowboard Federation
- Hungarian Skating Federation
Brand Marketing – Expand Crossover Resources to Reach Diverse Consumer Groups

LI-NING x Legend Skateboarder Erik Ellington
Create professional signature skateboard shoes. Break the norm, bring more possibilities to skateboarding.

WADE x French Artist DFT
Balance black and white, combine sports and arts, achieve breakthroughs and advance fearlessly.

LI-NING x Jackie Chan - Kungfu Series
Integrate the thousand-year spirit and heroism with the sports trend to create a kind of culture – “Chinese Kungfu”
Brand Marketing – China LI-NING
Spring/Summer 2022 Fashion Music Festival

In December 2021, China LI-NING held a fashion music festival "The Power of Thoughts" in Sanya, Hainan, and unveiled its Spring/Summer 2022 collection.
Operational Progress
Center on Business Development Strategy, Unleash Operation Efficiency to Drive the Growth of Business

- Revenue greatly increased
- Profit margin significantly improved
- Expense ratio continuously optimized
Core Business Development Strategy

- Store Operation Efficiency
- Effective Inventory Management
- Organization Efficiency
- Optimize Merchandising Capabilities
- Consumer Focus
- Business Core Competitiveness
- Products and Point of Sale Merchandising
- Enhance Omni-channel
- Discipline Cost Control
Product Merchandising: Strengthen Product Operation Management, Optimize Product Planning System

Product Operation

- Product Structure
  - Product Width decreased by high-single-digit
  - Product Depth increased by mid-sixties

- Product Sales
  - New product
  - 3-month discount rate at low-eighties
  - New product
  - 3-month sell-out rate at low-sixties

Product Inventory

- Inventory Cost
  - Company inventory increased by high-twenties

- Inventory Structure
  - Greatly optimized new and old product inventory structure
  - Proportion of inventory over 12 months decreased by high-single-digit (percentage points)

Refine Product Planning
Focus on "Product and Point of Sale Merchandising"

Achieve Better Business Growth with Reasonable Inventory
Channel: Expand High-Quality Profitable Stores, Accelerate Development of High-Quality Channels

Optimize the Standards and Procedures of Store Opening, Enhance the Efficiency and Quality of Stores

- **Store Penetration**
  - Total selling square footage increased by high-teens
  - Average single-store selling square footage exceeded 200 sq.m.
  - Average monthly store productivity increased by high-fifties

- **Big Store Penetration**
  - Number of big store exceeded 1200
  - Average single-store selling square footage exceeded 410 sq.m.
  - Average monthly store productivity at approximately RMB600,000

- **Sell-through Structure**
  - Sell-through contribution of high-tier market* increased by low-teens (percentage points)
  - Sell-through contribution of shopping mall increased by high-single-digit (percentage points)

*Including regular stores in metropolises and first-tier cities
E-Commerce: Promote the Establishment of Li Ning Omni-Channel Business Model

- **Retail Sell-through**
  - Sell-through of online retail business increased by high-sixties

- **Retail Indicators**
  - Average retail discount rate increased by high-single-digit (percentage points)

- **Channel Structure**
  - Number of low-efficiency online wholesale stores decreased by mid-forties
  - Sell-through contribution of online retail business increased by mid-single-digit

- **Member Development**
  - Number of members exceeded 40 million
  - Sales contributions of members increased by low-teens (percentage points)

- **Omni-channel**
  - Omni-channel O2O cross-store sales increased by high-seventies

Establish a Cross-functional Communication Mechanism between E-commerce and Offline, Enhance Integration and Synergy of Omni-Channel
Retail Operation: Progressively Develop Single-Store Business Model to Improve Retail Performance

Retail KPIs*

- **Conversion Rate**: Overall conversion rate increased by low-single-digit (percentage points)
- **Retail Discount Rate**: Overall retail discount rate increased by mid-single-digit (percentage points)
  - Average selling price increased by low-teens
- **Unit Per Transaction**: Overall unit per transaction increased by high-teens

Focus on “Products and Point of Sale Merchandising” and “Efficiency”, Cultivate Retail Talents and Develop Retail Culture

*Excluding online channel*
Retail Operation: Build the Matrix of Big Stores with High Efficiency, Comprehensively Improve Store Efficiency

**01 Matrix of Directly-operated Stores with High Efficiency**
- Set up the first store with a monthly sell-through of over 10 million
- Promote the systemization of “Big Stores with High Efficiency”
- Establish the matrix system of directly-operated stores

**02 Comprehensive Efficiency Upgrade of Wholesale and Retail Stores**
- Optimize the matrix system of directly-operated stores, and promote to wholesale channels
- Expand the coverage of directly-operated and wholesale stores to core cities and business districts

**03 Enhance Omni-channel Profitability**
- Drive business improvement, and enhance efficiency of collaborations between departments
- Enhance the single store profitability and retail competitiveness
- Enhance the profitability of distributors and improve the profit of wholesale business

Gradually Realized the Product and Retail Operation Model of Big Stores with High Efficiency, and Fully Optimized the Profitability of Channels
Supply Chain: Continuously Integrate and Optimize Supply Chain Organization

- Production Capacity: Overall increased by 50%
  - Footwear: Increased by high-fifties
  - Apparel: Increased by mid-forties
- Number of Suppliers: Overall increased 4
  - Footwear: Increased 7
  - Apparel: Decreased 3
- Top 3 Suppliers: Accounted for over 45%
  - Footwear: Accounted for over 40%
  - Apparel: Accounted for over 50%

Transition from Passive Production to Proactive Production
Consolidate Advantages and Resources, and Strengthen Flexible Supply
Kidswear Business: Enhance Professional Kidswear Image, Drive Efficiency and Business Growth

**Retail Efficiency**
- Retail sell-through increased by **low-seventies**
- Average selling price increased by **high-teens**
- Retail discount rate improved by **mid-single-digit** (percentage points)
- SSSG increased by **mid-thirties**

**Product Efficiency**
- New product retail discount rate improved by **mid-single-digit** (percentage points)

**Channel Efficiency**
- Number of stores totaled **1,202**
- Average monthly store productivity increased by **50%**
**Appendix 1 – Summary of Income Statement and Balance Sheet**

<table>
<thead>
<tr>
<th>(RMB million)</th>
<th>2021</th>
<th>2020</th>
<th>Better/ (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>22,572</td>
<td>14,457</td>
<td>56.1%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>11,969</td>
<td>7,094</td>
<td>68.7%</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>-6,138</td>
<td>-4,425</td>
<td>38.7%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-1,110</td>
<td>-805</td>
<td>37.9%</td>
</tr>
<tr>
<td>Other income and other gains-net</td>
<td>400</td>
<td>362</td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>5,136</td>
<td>2,196</td>
<td>133.9%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>6,436</td>
<td>3,292</td>
<td>95.5%</td>
</tr>
<tr>
<td>ProfitAttributable to Equity Holders</td>
<td>4,011</td>
<td>1,698</td>
<td>136.1%</td>
</tr>
<tr>
<td>Basic Earnings per share (RMB cents)</td>
<td>160.1</td>
<td>69.21</td>
<td>131.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(RMB million)</th>
<th>2021</th>
<th>2020</th>
<th>Better/ (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>14,745</td>
<td>7,187</td>
<td>105.2%</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Net Cash</strong></td>
<td>18,482</td>
<td>7,443</td>
<td>148.3%</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>7,704</td>
<td>5,015</td>
<td>53.6%</td>
</tr>
<tr>
<td><strong>Current Ratio (times)</strong></td>
<td>2.42</td>
<td>1.95</td>
<td>0.47</td>
</tr>
<tr>
<td><strong>Total Liabilities to Total Asset Ratio</strong></td>
<td>30%</td>
<td>40%</td>
<td>10.0p.p.</td>
</tr>
</tbody>
</table>

*Net Cash = Cash and Cash Equivalents (including restricted bank deposits and long & short-term bank deposits) - Borrowings
## Appendix 2 – Profit Margins and Key Operating Indicators

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Better/ (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>53.0%</td>
<td>49.1%</td>
<td>3.9p.p.</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>22.8%</td>
<td>15.2%</td>
<td>7.6p.p.</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>28.5%</td>
<td>22.8%</td>
<td>5.7p.p.</td>
</tr>
<tr>
<td><strong>Margin of Profit Attributable to Equity Holders</strong></td>
<td>17.8%</td>
<td>11.7%</td>
<td>6.1p.p.</td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong> (as % of revenue)</td>
<td>1.8%</td>
<td>2.2%</td>
<td>0.4p.p.</td>
</tr>
<tr>
<td><strong>A&amp;P Expenses</strong> (as % of revenue)</td>
<td>7.9%</td>
<td>8.9%</td>
<td>1.0p.p.</td>
</tr>
<tr>
<td><strong>Staff Costs</strong> (as % of revenue)</td>
<td>8.0%</td>
<td>9.1%</td>
<td>1.1p.p.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Better/ (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inventory Turnover</strong> (Days)</td>
<td>54</td>
<td>68</td>
<td>14</td>
</tr>
<tr>
<td><strong>Trade Receivables Turnover</strong> (Days)</td>
<td>13</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td><strong>Trade Payables Turnover</strong> (Days)</td>
<td>47</td>
<td>65</td>
<td>18</td>
</tr>
<tr>
<td><strong>Cash Conversion Cycle</strong> (Days)</td>
<td>20</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td><strong>Return on Equity</strong> (ROE)</td>
<td>26.9%</td>
<td>21.5%</td>
<td>5.4p.p.</td>
</tr>
<tr>
<td><strong>Return on Asset</strong> (ROA)</td>
<td>17.9%</td>
<td>12.5%</td>
<td>5.4p.p.</td>
</tr>
<tr>
<td><strong>CAPEX</strong> (RMB million)</td>
<td>1,797</td>
<td>639</td>
<td>181%</td>
</tr>
</tbody>
</table>