Listed Company Information

LI NING<02331> - Results Announcement

Li Ning Company Limited announced on 28/08/2006:
(stock code: 02331)
Year end date: 31/12/2006
Currency: RMB
Auditors' Report: N/A
Interim report reviewed by: Both Audit Committee and Auditors

	Note	(Unaudited) Current Period from 01/01/2006 to 30/06/2006 ('000)	(Unaudited) Last Corresponding Period from 01/01/2005 to 30/06/2005 ('000)
Turnover	:	1,371,929	1,104,307
Profit/(Loss) from Operations	:	172,513	113,169
Finance income, net	:	815	6,355
Share of Profit/(Loss) of Associates	:	N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	:	N/A	N/A
Profit/(Loss) after Tax & MI	:	129,939	78,313
% Change over Last Period	:	+65.9 %	
EPS/(LPS)-Basic (in dollars)	:	0.1266	0.0765
-Diluted (in dollars)	:	0.1248	0.076
Extraordinary (ETD) Gain/(Loss)	:	N/A	N/A
Profit/(Loss) after ETD Items	:	129,939	78,313
Interim Dividend per Share	:	RMB3.80 cents (equivalent to HK3.71 cents)	RMB2.30 cents (equivalent to HK2.21 cents)
(Specify if with other options)	:	N/A	N/A

B/C Dates for Interim Dividend	:	19/09/2006	to 22/09/2006 bdi.
Payable Date	:	29/09/2006	
B/C Dates for (-) General Meeting	:	N/A	
Other Distribution for Current Period	:	N/A	
B/C Dates for Other Distribution	:	N/A	

Remarks:

1. BASIS OF PREPARATION

The unaudited consolidated condensed interim financial information for the six months ended 30 June 2006 has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. This unaudited consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2005.

2. ACCOUNTING POLICIES

The accounting policies adopted are consistent with the annual financial statements for the year ended 31 December 2005.

The following new standards, amendments to standards and interpretations are mandatory for the financial year ending 31 December 2006:

- Amendment to IAS 19, 'Actuarial gains and losses - group plans and disclosures', effective for annual periods beginning on or after 1 January 2006. This standard is not relevant to the Group;

- Amendment to IAS 39, Amendment 'The fair value option', effective for annual periods beginning on or after 1 January 2006. This amendment does not have any impact on the classification and valuation of the Group's financial instruments classified at fair value through profit or loss prior to 1 January 2006 as the Group is able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss;

- Amendment to IAS 21, Amendment 'Net investment in a foreign operation', effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant to the Group;

- Amendment to IAS 39, Amendment 'Cash flow hedge accounting of forecast intragroup transactions', effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant to the Group;

- Amendment to IAS 39 and IFRS 4, Amendment 'Financial guarantee contracts', effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant to the Group;

- IFRS 6 'Exploration for and evaluation of mineral resources', effective for annual periods beginning on or after 1 January 2006. This standard is not relevant to the Group;

- IFRIC Int.4 'Determining whether an arrangement contains a lease', effective for annual periods beginning on or after 1 January 2006. The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with IAS 17, 'Leases'. However, these leases are operating leases, and their reclassification has had no impact on the expense recognised in respect of them;

- IFRIC Int.5 'Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds', effective for annual periods beginning on or after 1 January 2006. This interpretation is not relevant to the Group; and

- IFRIC Int.6 'Liabilities arising from participating in a specific market - waste electrical and electronic equipment', effective for annual periods beginning on or after 1 December 2005. This interpretation is not relevant to the Group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- IFRIC Int.7 'Applying the Restatement Approach under IAS 29', effective for annual periods beginning on or after 1 March 2006. Management does not expect the interpretation to be relevant for the Group;

- IFRIC Int.8 'Scope of IFRS 2', effective for annual periods beginning on or after 1 May 2006. Management is currently assessing the impact of IFRIC Int.8 on the Group's operations;

- IFRIC Int.9 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1 June 2006. Management believes that this interpretation should not have a significant impact on the reassessment of embedded derivatives as the Group has assessed whether any embedded derivative should be separately accounted for using principles consistent with IFRIC Int.9; and

- IFRS 7 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1 January 2007. IAS 1, 'Amendments to capital disclosures', effective for annual periods beginning on or after 1 January 2007. The Group is in the process of assessing the impact of these new standards, and will apply them from annual periods beginning 1 January 2007.

3. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2006 (RMB'000)	2005 (RMB'000)
Profit attributable to equity holders of the Company	129,939	78,313
Weighted average number of ordinary shares in issue (thousands)	1,026,737	1,023,038
Basic earnings per share (RMB cents)	12.66	7.65

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised shares which may be issued under its share option schemes. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options, with the difference being adjusted in arriving at the weighted average number of shares for diluted earnings per shares, of which details are as follows:

	Unaudited Six months ended 30 June	
	2006 (RMB'000)	2005 (RMB'000)
Profit attributable to equity holders of the Company, used to determine diluted earnings per share	129,939	78,313
Weighted average number of ordinary shares in issue (thousands)	1,026,737	1,023,038
Adjustment for share options (thousands)	14,603	6,721
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,041,340	1,029,759
Diluted earnings per share (RMB cents)	12.48	7.60