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## LI NING COMPANY LIMITED

( 李寧有限公司 )

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

### GRANT OF SHARE OPTIONS AND AWARD OF SHARES

This announcement is made by Li Ning Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Having regard to the proactive steps of reform the Group is taking and its implementation of strategies to strengthen its distribution channel as well as branding and product development in order to improve its business performance, the board of directors of the Company (the “**Board**”) and its management team are confident about the development and outlook of the Group. As a long-term incentive to and to retain talents so as to effectively aligning the interests of the employees with that of the Company and its shareholders as a whole, the Board has resolved to make grants of share options and awards of shares as set out below.

#### GRANT OF SHARE OPTIONS

On 15 July 2011, the Board has granted options (the “**Options**”) to the directors of the Company and senior management staff to subscribe for a total of 6,699,190 ordinary shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) pursuant to the share option scheme adopted by the Company on 5 June 2004 and amended on 15 May 2009. The total number of grantees includes eight directors of the Company and 15 senior management staff.

The Options shall entitle the grantees to subscribe for the Shares at an exercise price of HK\$9.896 per Share, which is the highest of: (a) the closing price of HK\$8.96 per Share as stated in the Stock Exchange’s daily quotations sheets on the date of grant; (b) the average closing price of HK\$9.896 per Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the Shares.

The Options are subject to a vesting scale in tranches of one-third each on 1 July 2012, 1 July 2013 and 1 July 2014, respectively. Parts of the Options are performance based. The Options shall be exercisable during the period of 6 years from the date of grant.

Among the Options granted on 15 July 2011, options granted to the directors and chief executives of the Company are as follows:

<b>Name of Grantees</b>	<b>Number of Shares entitled to subscribe under the Options granted</b>	<b>Position held with the Company</b>
Mr. Zhang Zhi Yong	836,690	Executive director and chief executive officer
Mr. Chong Yik Kay	706,800	Executive director and chief financial officer
Mr. Lim Meng Ann	209,180	Non-executive director
Mr. Chu Wah Hui	209,180	Non-executive director
Mr. James Chun-Hsien Wei	209,180	Non-executive director
Mr. Koo Fook Sun, Louis	209,180	Independent non-executive director
Ms. Wang Ya Fei	209,180	Independent non-executive director
Mr. Chan Chung Bun, Bunny	209,180	Independent non-executive director

Save as disclosed above, there is no other grantee who is a director, chief executive or substantial shareholder of the Company, or an associate of any of them (as defined in the Listing Rules).

#### **AWARD OF SHARES**

On 15 July 2011, the Board has also awarded 1,647,140 shares (the “**Awarded Shares**”) to 72 managerial staff under the Company’s restricted share award scheme (the “**Scheme**”) adopted on 14 July 2006 and amended on 30 April 2009. The Awarded Shares represent approximately 0.16% of the issued share capital of the Company as at the adoption date of the Scheme. The Company has transferred a relevant amount of funds to the trustee of the Scheme to procure the purchase of the relevant number of Shares from the market.

The Awarded Shares will be held by the trustee of the Scheme in accordance with the rules of Scheme and the relevant trust deed. The Awarded Shares are subject to a vesting scale in tranches of one-third each on 1 July 2012, 1 July 2013 and 1 July 2014, respectively. Parts of the Awarded Shares are performance based. When the employee concerned has satisfied all the vesting conditions specified at the time of grant, the trustee shall transfer the relevant vested Shares to the relevant employee at no cost.

By order of the Board  
**Li Ning Company Limited**  
**Li Ning**  
*Chairman*

Hong Kong, 18 July 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Li Ning, Mr. Zhang Zhi Yong and Mr. Chong Yik Kay. The non-executive directors are Mr. Lim Meng Ann, Mr. Chu Wah Hui and Mr. James Chun-Hsien Wei. The independent non-executive directors are Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei and Mr. Chan Chung Bun, Bunny.*