



LI NING COMPANY LIMITED

李寧有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2331)

INTRODUCTION

In accordance with the terms and subject to the conditions in the Prospectus dated 27 March 2013 of Li Ning Company Limited (the "Company") accompanying this PAL, the Directors have provisionally allotted to you the amount of the Convertible Securities indicated on the front page of this PAL on the basis of the Convertible Securities in the principal amount of HK\$3.50 for every two existing Shares registered in your name in the register of members on Tuesday, 19 March 2013. Your holding of the Shares as at that date is set out in Box A and the amount of the Convertible Securities provisionally allotted to you is set out in Box B. Terms defined in the Prospectus despatched to the Shareholders have the same meaning when used herein, unless otherwise specified herein or the context otherwise requires.

You have the right to acquire the Convertible Securities provisionally allotted to you at their principal amount payable in full on acceptance, in the manner set out below, by not later than 4:00 p.m. on Monday, 15 April 2013.

You may, subject to the section headed "Qualifying Shareholders and Excluded Shareholders" below, accept all or any amount of Convertible Securities provisionally allotted to you hereunder.

The Open Offer is conditional upon, among other things, (i) the Underwriting Agreements becoming unconditional and not being terminated; and (ii) the permission to deal in and listing of all Conversion Shares being granted by the Stock Exchange on or prior to the Latest Time for Termination. If the conditions of the Open Offer are not fulfilled or waived, the Open Offer will not proceed.

Completion and return of a PAL by any person will be deemed to constitute a representation and warranty from such person to the Company that those local laws and requirements of the relevant territory or jurisdiction have been fully complied with. If you are in doubt as to your position, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser.

THE CONVERTIBLE SECURITIES

The Convertible Securities constitute direct, unsecured and subordinated obligations of the Company and shall at all times rank *pari passu* without any preference among themselves.

The Convertible Securities are not listed on the Stock Exchange or any other stock exchange. No application will be made for the listing of the Convertible Securities on the Stock Exchange or any other stock exchange. No application will be made for the admissibility, deposit, clearance or settlement of the Convertible Securities in CCASS. No transfer, clearing or settlement services will be provided by HKSCC in respect of the Convertible Securities. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights. Subject to the granting of listing of, and permission to deal in, the Conversion Shares on the Stock Exchange, the Conversion Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Conversion Shares or such other date as may be determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

PROCEDURES FOR ACCEPTANCE

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Open Offer must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

To take up your provisional allotment of the Convertible Securities in full, you must lodge the whole of this PAL intact with a remittance for the full amount payable on acceptance, as shown in Box B, so as to be received by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 15 April 2013. All remittances must be in Hong Kong dollars. Cheques must be drawn on an account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Li Ning Company Limited - Open Offer Account" and crossed "Account Payee Only". Such payment will constitute acceptance of the provisional allotment on the terms of this PAL and the Prospectus and subject to the memorandum and articles of association of the Company. No receipt will be given for such remittances. All enquiries in connection with this PAL should be addressed to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

It should be noted that, unless a PAL, together with the appropriate remittance shown in Box B or Box C (as the case may be), has been received as described above by not later than 4:00 p.m. on Monday, 15 April 2013, your provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may (at its discretion) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The Company reserves the right to treat as invalid any acceptance of or application for the Convertible Securities where it believes that such acceptance of application would violate the applicable securities or others laws or regulations of any territory or jurisdiction.

CONDITIONS OF THE OPEN OFFER AND UNDERWRITINGS AGREEMENTS

The Open Offer is conditional upon, among other things, (i) the Underwriting Agreements becoming unconditional and not being terminated and (ii) the permission to deal in and listing of all Conversion Shares being granted by the Stock Exchange on or prior to the Latest Time for Termination.

Each of the Underwriters is entitled to terminate its respective Underwriting Agreement by notice in writing given by the relevant Underwriter to the Company at any time prior to the Latest Time for Termination if the obligations of the Underwriter under the relevant Underwriting Agreement have not ceased and there has developed, occurred, existed or come into effect:

- any moratorium, suspension of or material restriction on trading in securities generally on the Stock Exchange, the New York Exchange or NASDAQ; or
- there is any suspension in trading of the Shares on the Stock Exchange for a continuous period of 10 business days (other than suspension resulting from the Open Offer or the transactions contemplated under the Underwriting Agreements); or
- permission to deal in and listing of the Conversion Shares has been withdrawn by the Stock Exchange; or
- the Company is in breach of any of its obligations under each of the Underwriting Agreements which is material in the context of the Open Offer.

Upon termination of the Underwriting Agreements, all obligations and liabilities of the Underwriters under the Underwriting Agreements shall cease, and no party to the Underwriting Agreements shall have any claim against the other party in respect of anything arising out of or in connection with Underwriting Agreements, subject to certain limitations as set out in the Underwriting Agreements.

If the Underwriters terminate the Underwriting Agreements, or if any of the conditions of the Open Offer is not fulfilled and/or waived, the Open Offer will not proceed.

Any dealing in the Shares up to the date on which all the conditions of the Open Offer are fulfilled (which is expected to be on Tuesday, 16 April 2013) and/or waived and the Underwriters' right to termination has lapsed will accordingly bear the risk that the Underwriting Agreements may not become unconditional and the Open Offer may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers.

CHEQUES AND CASHIER ORDERS

All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of this PAL together with a cheque or banker's cashier order in payment for the Convertible Securities accepted will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order is dishonoured on first presentation, this PAL is liable to be rejected, and in that event the provisional allotment and all rights given pursuant to it will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application received.

CERTIFICATES OF THE CONVERTIBLE SECURITIES AND REFUND CHEQUES

Subject to the fulfilment of the conditions of the Open Offer, certificates of the Convertible Securities and refund cheques in respect of wholly or partially unsuccessful applications for the Convertible Securities in excess of assured entitlement are expected to be posted on or before Monday, 22 April 2013 by ordinary post to the applicants at their own risk.

EXCESS CONVERTIBLE SECURITIES

Qualifying Shareholders will have the right to apply for the Convertible Securities in excess of their own assured entitlement. Any Convertible Securities (i) not taken up by the Qualifying Shareholders in accordance with their proportional allocation; (ii) to which the Excluded Shareholders would otherwise have been entitled; or (iii) created by adding together the principal amount of the Convertible Securities of any fractional assured entitlements, will be made available for excess applications by the Qualifying Shareholders. Application for excess Convertible Securities may be made by completing the EAF and lodging the same with a separate remittance for the excess Convertible Securities being applied for.

Qualifying Shareholders who have applied for Convertible Securities in excess of their own assured entitlement are not assured of being allocated any Convertible Securities in excess of their assured entitlement. The Directors will allocate the Convertible Securities in excess of assured entitlement at their discretion, on a fair and equitable basis, to Qualifying Shareholders who have applied for excess Convertible Securities based on a pro-rata basis with reference to the amount of excess Convertible Securities applied for by the relevant Qualifying Shareholders. For the avoidance of doubt, the allocation of the Convertible Securities in excess of assured entitlement will not be based on the number of the Shares held by the relevant Qualifying Shareholders and no preference will be given to topping-up odd lots to whole board lots.

Qualifying Shareholders with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company.

FRACTIONAL ENTITLEMENTS

When the Company allocates to each Qualifying Shareholder its assured entitlement on the basis of a principal amount of Convertible Securities of HK\$3.50 for every two existing Shares held on the Record Date, the principal amount of any fractional assured entitlements will be aggregated and made available for application by the Qualifying Shareholders who wish to apply for the Convertible Securities in excess of their own assured entitlements.

DISTRIBUTION OF THIS PAL AND THE OTHER PROSPECTUS DOCUMENTS

This PAL has only been sent to Qualifying Shareholders.

Distribution of this PAL and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this PAL or any of the other Prospectus Documents (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as may be agreed between the Company and the Underwriters, this PAL and the other Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any of the jurisdictions where the Excluded Shareholders are located.

The Prospectus Documents are not registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

QUALIFYING SHAREHOLDERS AND EXCLUDED SHAREHOLDERS

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder as at the close of business on the Record Date.

Any person taking up or subscribing for the Convertible Securities will be required to represent, among others, that such person:

- is not within the United States;
- is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Convertible Securities;
- is not doing so for the account of any person who is located in the United States, unless:
 - the instruction to take up was received from a person outside the United States; and
 - the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Convertible Securities in an "offshore transaction" within the meaning of Regulation S; and
- is not acquiring the Convertible Securities with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Convertible Securities into the United States or any other jurisdiction referred to in (ii) above.

Receipt of this PAL and/or any other Prospectus Documents or the crediting of Convertible Securities to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this PAL and/or the other Prospectus Documents must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this PAL and/or any other Prospectus Documents or whose stock account (including in CCASS) is credited with Convertible Securities should not, in connection with the Open Offer, distribute or send the same in, into or from, or transfer Convertible Securities to any person in, into or from, any jurisdictions where the Excluded Shareholders are located. If a PAL or EAF or a credit of Convertible Securities (including in CCASS) is received by any person in any such territory, or by his/her/its agent, custodian, nominee or trustee, he/she/it must not seek to take up the rights referred to in this PAL or transfer this PAL (or apply for any excess Convertible Securities under the EAF) or transfer the Convertible Securities (including in CCASS). Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this PAL or any other Prospectus Documents in, into or from any jurisdiction where the Excluded Shareholders are located (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Notwithstanding any other provision in this PAL or any other Prospectus Documents, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question would not result in a contravention of any registration or other legal requirement in any jurisdiction.

GENERAL

Lodgment of this PAL, shall be conclusive evidence of the party or parties lodging it to deal with the same and to receive the relevant Convertible Securities certificates. Further copies of the Prospectus are available at the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

All documents, including refund cheques (if any), will be sent by ordinary post at the risk of the relevant applicants or other persons entitled hereto.

This PAL and all acceptances of the offer contained in it shall be governed by and construed in accordance with the laws of Hong Kong.

All references in this PAL to times and dates refer to Hong Kong local times and dates.

If you have questions in relation to the Open Offer, please telephone the Shareholders' hotline on (852) 2862 8648 during business hours from 9:00 a.m. to 6:00 p.m., Mondays to Fridays (other than Hong Kong public holidays) until further notice. By completing, signing and submitting this PAL, you agree to disclose to the Company and/or the Hong Kong Share Registrar and their respective advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the acceptance of the provisional allotment of the Convertible Securities. The Personal Data (Privacy) Ordinance provides the holders of securities with rights to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Personal Data (Privacy) Ordinance, the Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to the Company, at its principal place of business in Hong Kong at Suites 1, 7-15, L45, Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon, Hong Kong or as notified from time to time in accordance with the applicable law, for the attention of the Company Secretary or (as the case may be) the Hong Kong Share Registrar.