



LI NING COMPANY LIMITED

(李寧有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2331)

**Li Ning Sealed Agreement with Coolpoint in Relation to Brand or Product Endorsement,
Sponsorship and Event Management Services**

AND

**Memorandum of Understanding with Coolpoint to Acquire 30.9% of the
Entire Issued Capital of Li Ning from Victory Mind Assets, Dragon City and
Alpha Talent**

(31 August 2010 – Hong Kong) – Li Ning Group Limited (“Li Ning” or the “Group”; HKSE stock code: 2331), one of the leading sports brand enterprises in China, announced that the Group and Coolpoint has entered into an agreement (“Master Agreement”), whereby the Coolpoint Group (“Coolpoint Energy Limited” and its subsidiaries) shall provide to the Group services in relation to brand or product endorsement, sponsorship and event management. The Master Agreement is conditional upon the obtaining of the independent shareholders’ approval in respect of Coolpoint Energy Limited at its extraordinary general meeting which must be held on or before 15 November 2010.

According to the Master Agreement, the maximum annual amounts (“Annual Caps”) in respect of the three financial periods ending 31 December 2010, 2011 and 2012 will be RMB21,500,000, RMB100,000,000 and RMB100,000,000 respectively. The Annual Caps are determined with reference to (1) the marketing expenses of the Group; (2) certain marketing plan of the Group that may require services offered by the Coolpoint Group; (3) services that may be offered by the Coolpoint Group in the future and the expected level of service fees; (4) service fee for similar services in the PRC; and (5) the marketing plans proposed to the Group by the Coolpoint Group.

Through this Master Agreement, the Group will have better access to sports sponsorship resources and events promotion, which is conducive to the long term stability of the Group’s sports sponsorship resources. The Group will also be able to benefit from the synergies and crossover created from other sports resources of the holding platform of the Coolpoint Group.

In addition, the Board of Directors of the Group has been informed that Victory Mind Assets¹, Dragon City² and Alpha Talent³ (as Vendors), entered into the Memorandum of Understanding with Coolpoint, pursuant to which Coolpoint has proposed to acquire from the Vendors an aggregate of 325,181,850 shares, representing approximately 30.9% of the entire issued share capital of the Group as at 31 August 2010. (“Proposed Transaction”). The Proposed Transaction will not result in any change to the existing business strategies, management and day-to-day business of the Group.

“Both the Master Agreement and the Proposed Transaction would help further strengthen the Group’s edge in brand marketing. In addition, the Proposed Transaction would enable the Group and Coolpoint Group to explore more opportunities in strategic development of their businesses. The Group is committed to taking its proven business model of branding, research and development, design, manufacturing, distribution and retail of footwear, apparel, accessories and equipment products for sports and leisure uses to the next level,” said Mr. Li Ning.

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Note:

1: Victory Mind Assets is an investment holding company and is 57% owned by Ace Leader and 38% owned by Jumbo Top. All shares of Ace Leader are held by Equity Trust Company (Cayman) Ltd. in its capacity as trustee of the Jun Tai Trust, the beneficiaries of which include Mr. Li Ning and his family members. All shares of Jumbo Top are held by Equity Trust Company (Cayman) Ltd. in its capacity as trustee of the Yuan Chang Trust, the beneficiaries of which include Mr. Li Chun and his family members. 173,374,000 Shares, representing approximately 16.5% of the total issued share capital of the Company as at the date of this announcement, are held by Victory Mind Assets.

2: Dragon City is an investment holding company and is 60% owned by Mr. Li Ning and 40% owned by Mr. Li Chun. 150,000,000 Shares, representing approximately 14.3% of the issued share capital of the Company as at the date of this announcement, are held by Dragon City.

3: Alpha Talent is an investment holding company and is wholly owned by Mr. Li Ning. 2,476,184 Shares, representing approximately 0.2% of the total issued share capital of the Company as at the date of this announcement, are held by Alpha Talent. Among the 2,476,184 Shares, 668,334 Shares have been granted to eligible employees of the Group under the share purchase scheme set up by Alpha Talent on 5 June 2004. Therefore, only 1,807,850 Shares owned by Alpha Talent will be subject to the Memorandum of Understanding.

About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand enterprises in the PRC, possessing brand marketing, research and development, design, manufacturing, distribution and retail capabilities. The Group's products mainly include footwear, apparel, accessories and equipment for sports and leisure uses under its own **LI-NING** brand. The Group has established an extensive supply chain management system, and a distribution and retail network in the PRC primarily through outsourcing of manufacturing operations and distribution via franchised agents. The Group also directly manages retail stores for the LI-NING brand.

The Group adopts a multi-brand business development strategy. In addition to its core LI-NING brand, the Group (i) distributes sports products under its **Z-DO** brand via hypermarket channel; (ii) manufactures, markets, distributes and sells outdoor sports products under the French brand **AIGLE** in the PRC, the exclusive right of which was granted to a joint venture established with Aigle International S.A.; (iii) engages in manufacture, research and development, marketing and sale of table tennis and other sports equipment under the **Double Happiness** brand through a subsidiary in which the Group has a 57.5% interest; (iv) develops, manufactures, markets, distributes and sells the licensed products under the Italian sports fashion brand **Lotto** in the PRC under an exclusive license granted by a company owned by Lotto Sport Italia S.p.A.; and (v) engages in the research and development, manufacture and sale of professional badminton equipment under the **Kason** brand.

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