

(For Immediate Release)



LI NING COMPANY LIMITED

(李寧有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2331)

Li Ning Sharpens Focus on Core Business by Optimising its Organisational Structure

(3 February 2012 – Hong Kong) – **Li Ning Company Limited** (“Li Ning” or the “Group”; HKSE stock code: 2331), one of the leading sports brand enterprises in China, announces that in light of its proactive reform initiatives and its 2012 business development plan, the Group has adjusted and optimised its organisational structure.

The adjustment in organisational structure represents part of the Group’s ongoing strategic reforms. Through the adjustment, the Group endeavours to sharpen its focus on the core business, optimise its organisational structure, enhance its operational efficiency, and improve its net profit margin. For the Group’s front-office business development departments such as Marketing, Sales and Product divisions, while the Group ensures to devote necessary resources, it will further improve control and management of cost effectiveness. As for departments related to non-core businesses such as the Group’s other brands division, the Group will further consolidate these divisions in order to focus the Group’s resources on its core business. Regarding back-office function departments such as Human Resources, Information and Technology, and Strategic Development divisions, the Group will streamline the organisational structure of these departments to increase operational efficiency, lower human resources cost, and channel resources to the Group’s core business. There will be corresponding adjustments in the personnel and responsibilities of related departments to reflect the changes made during the organisational restructuring. The restructuring includes streamlining the workforce, consolidation of resources and motivation of performing employees. The Group stresses that the direction of its overall strategic developments will not be changed after this organisational restructuring.

Commenting on the organisational restructuring, Mr. Zhang Zhiyong, CEO of the Group said, “As with our continuous communications with the capital market and the public, in view of the transformation China’s sporting goods industry is going through as well as the Group’s determination for proactive reforms, ongoing restructuring of the organisation and human resources is a necessary step in order to achieve the Group’s goals in reforms and strategic execution.” Mr. Zhang further emphasised, “The adjustment is beneficial to the Group’s long-term development. On one hand, the optimised organisational structure helps to enhance operational efficiency and reduce headcount-related expenses. On the other hand, it also further hones the Group’s human resources management and also strengthens its performance-oriented and results-oriented corporate culture. The Group will also utilise more effective measures to identify and motivate talents, allowing them to flourish and dedicate themselves towards achieving our common goals.”

Mr. Li Ning, Chairman of the Group, also said, “With our excellent talent pool and positive experience in organisational reform, the Group is well prepared for the current adjustment in organisational structure. The Board of Directors and I have confidence in the capability of the current management team in ensuring stability of the business operations. The management team will also continue its focused effort in the execution of the Group’s future development strategy as well as in enhancing operational efficiency and effectiveness of strategic execution, laying a solid foundation for the Group to achieve its long-term vision.”

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About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand enterprises in China, with brand marketing, research and development, design, manufacturing, distribution and retail capabilities. The Group's products mainly include footwear, apparel, equipment and accessories for sports and leisure uses under its own LI-NING brand. The Group has established an extensive supply chain management system, and a retail distribution network in China 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) manufactures, markets, distributes and sells outdoor sports products under the French brand AIGLE in China, the exclusive rights of which were granted to a joint venture established with Aigle International S.A.; (ii) engages in the 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; (iii) develops, manufactures, markets, distributes and sells licensed products under the Italian sports fashion brand Lotto in China under an exclusive license granted by a company owned by Lotto Sport Italia S.p.A.; and (iv) engages in the research and development, manufacture and sale of professional badminton equipment under the Kason brand.

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