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 Company Proposes Open Offer; Raises Capital to Support Overall Growth in a New Phase of Development

- ***The Group targets to raise approximately HK$1,847.8 million to HK$1,868.6 million by way of an open offer of convertible securities to qualifying shareholders, at the initial conversion price of HK$3.50 to support the company's business development, including the Transformation Plan, and to optimize its capital structure***
- ***Viva China, TPG and GIC, who are existing shareholders and/or bondholders, have committed to subscribe to such Convertible Securities, demonstrating unified confidence in the Group***
- ***Viva China and TPG will be underwriters of the Open Offer***
- ***The Group has agreed with TPG and GIC, who are existing convertible bondholders, to amend the terms of their existing convertible bonds so as to allow the Group greater flexibility to achieve its strategic and operational goals of long term sustainable growth***

[25 January, 2013] – Hong Kong – **Li Ning Company Limited** ("Li Ning" or the "Group"; HKEx stock code: 2331), one of the leading sports brand companies in China, announced today that its Board of Directors (the "Board") proposes to raise approximately HK$1,847.8 million to HK$1,868.6 million by way of an Open Offer of Convertible Securities. The total gross proceeds from the Open Offer will be used by the Group to fund overall execution of the Transformation Plan, provide general working capital to the Group and to optimize its capital structure.

Under the Open Offer, each Convertible Security in the principal amount of HK$3.50 (convertible into one Share at a conversion price of HK$3.50 each) is offered to qualifying shareholders for every two existing Shares. The conversion price of HK$3.50 represents a 43.64% discount to the Group's closing share price on the last trading day. Such Convertible Securities are readily convertible into common shares of the Group, and will be treated as equity from an accounting perspective.

Viva China Holdings Ltd (HKEx stock code: 8032), TPG and GIC, who are the Group's existing shareholders and/or bondholders, have committed to subscribe to the Convertible Securities based on their assured entitlements in the Open Offer. In addition, Viva China and TPG will underwrite 60% and 40%, respectively, of all the Convertible Securities not taken up by other shareholders.

Mr. Li Ning, Founder and Executive Chairman of the Group, commented, "We are at a critical point in executing our plans and transforming our business. The additional capital to be raised through the

Open Offer and continued support from its key stakeholders will ensure a stable platform while we work to restore the Group to sustainable growth and profitability in the long-term and step into a new phase of our development. The key investors' increased commitment and contribution to the Group's future growth is a boost of confidence for the Group as it pioneers a new sports marketing-driven and retail-oriented business model at this very challenging time for the sporting goods industry."

Over-expansion in China's sporting goods industry has caused the building up of inventory for channel partners, which has adversely affected store productivity and profitability and led to deteriorating financial positions. Over the past two years, problems in the Group's sales channels have started to gradually impact the Group's financial position. Furthermore, the Group's debt level may begin to impact management's ability to make optimal decisions including investments into the Group's operations.

When the situation deteriorated further in 2012, management acted quickly by implementing a comprehensive Transformation Plan in July 2012. As part of the Transformation Plan, the Group has introduced strong additions to the management team who have in turn put in place a new vision for the Group and implemented initiatives on all fronts including marketing, product/merchandising, sales channels, cost savings and cash flow management, and building the foundation of an industry-leading platform. The Group also announced a key component of the Transformation plan - a one-time "Channel Revival Plan" - in December 2012, to accelerate the Group's inventory clearance process and enhance sales channel profitability.

As previously announced, the costs associated with the Channel Revival Plan will be mostly non-cash and take on the form of trade credits. A key part of the Channel Revival Plan is replenishing channels with new inventories with more rationalized SKUs, improved pricing strategy, broader and more targeted coverage of key demographics and a sports marketing strategy highly focused on the Group's core market, products and sports, which the management believes will start generating healthy performance in the channels.

The Group has reviewed alternative sources of funding for the implementation of the Transformation Plan, with a view to maintain its leadership in the dynamic sporting goods market and pursue long-term and sustainable growth. The Board considers that the Open Offer is in the interests of both the Group and its shareholders as it provides an equitable means for the Group's qualifying shareholders to participate in the future development of the Group and the opportunity to maintain their respective shareholding interests.

In light of the Group's financial need and its desire to optimize its capital structure, the Group has also entered into a deed of amendment with each of TPG and GIC (the "Investors"), who are existing convertible bondholders, to amend certain terms of the original bond subscription agreements and the convertible bonds which allows the Group greater flexibility to achieve its strategic and operational goals. Following the execution of the deeds of amendment, the Investors will make a number of fundamental concessions on their rights as bondholders under the original bond subscription agreements and convertible bonds executed in January 2012 (the 2012 CBs), including waiving financial covenants and restrictions/thresholds on capital raisings, debt financings and transactions (such as disposals and acquisitions) to be conducted by the Group.

In exchange for the amendments to the 2012 CBs, the Group and the Investors have also agreed to change the initial conversion price for the 2012 CBs from HK$7.74 (or HK$6.53 adjusted for the Open Offer according to the anti-dilution clause in the 2012 CBs contract) to HK$4.50 per share, which now represents a 3.64% discount to the 90-day average trading price and a 28.57% premium over the Open Offer price.

Mr. Jin-Goon Kim, Executive Vice Chairman of the Group and Partner of TPG, commented, "Li Ning Company and TPG are pleased with the development and the progress made to date on the implementation of the Transformation Plan. TPG is further strengthening its commitment to the Group by committing to subscribing to the Open Offer and underwriting a significant portion of the Open Offer to increase its investment in the Group."

- The End -

About Li Ning Company Limited

Li Ning Company Limited is one of the leading sports brand companies in China, mainly providing sporting goods including footwear, apparel, equipment and accessories for professional and leisure purposes primarily under the LI-NING brand. Headquartered in Beijing, the Group has brand marketing, research and development, design, manufacturing, distribution and retail capabilities. It has established an extensive supply chain management system and a retail distribution network in China, predominantly through outsourced manufacturing operations and franchised distribution.

In addition to its core LI-NING brand, the Group (i) manufactures, markets, distributes and sells outdoor sports products in China under the French brand AIGLE, the exclusive rights of which have been 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 57.5% interest; (iii) develops, manufactures, markets, distributes and sells licensed products in China under the Italian sports fashion brand Lotto 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 badminton equipment under the Kason brand.

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