



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 Growth**

- *The Company targets to raise approximately HK\$1,517.69 million to HK\$1,694.93 million by way of an open offer of a combination of Ordinary Shares and Convertible Securities at the subscription price of HK\$2.60, respectively, to support the Company's growth*
- *Viva China, TPG, GIC and Milestone Capital Strategic Holdings Limited who are existing shareholders, have committed to subscribe to the open offer, demonstrating unified confidence in the Company*
- *Viva China, TPG, Milestone Capital Strategic Holdings Limited and another financial investor will also be underwriters of the open offer*

17 December, 2014, Hong Kong – **Li Ning Company Limited** (“Li Ning” or the “Company”; 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\$1,517.69 million to HK\$1,694.93 million by way of an Open Offer of a combination of Ordinary Shares and Convertible Securities (“Offer Securities”). The total gross proceeds from the Open Offer will be used by the Company as working capital to support its next stage of growth and to optimize its capital structure.

Under the Open Offer, Qualifying Shareholders will be offered a choice between Ordinary Shares and Convertible Securities, and are entitled to subscribe to the Offer Securities on the basis of 5 Offer Securities for every 12 existing Ordinary Shares. The Offer Securities will be offered at the subscription price of HK\$2.60 each, representing a 25% discount to the Company’s closing share price on the last full trading day. Convertible Securities are readily convertible into Ordinary Shares of the Company, and will be treated as equity from an accounting perspective.

Viva China Holdings Ltd (HKEx stock code: 8032), TPG, Milestone Capital Strategic Holdings Limited (Milestone) and GIC, the Company’s existing shareholders, have committed to subscribe to the Offer Securities based on their assured entitlements in the Open Offer. In addition, Viva China, TPG, Milestone and another financial investor will underwrite all the Offer Securities not taken up by other shareholders.

Mr. Li Ning, Founder and Executive Chairman of the Company said, “Next year will mark the beginning of the Company’s growth phase. The series of adjustments made to date have resulted in an improvement in our operations and set the Company on a clear path to growth. The Company has relentlessly adhered to its three strategic focuses, including focusing on the China market, LI-NING brand, and the five core sports categories with the highest growth potential in China – basketball, badminton, running, training and sports life. New products were developed for our target market of ever-growing middle class sports consumers in the country, which includes both professional and mass market sports fans. These new products have achieved a unique competitiveness in our core market. In addition, benefitting from the Channel Revival Plan, the optimisation of our network has resulted in our various distributor and sub-distributor partners seeing improved profitability.

For Immediate Release

The Company has also completed the build out of its retail operation platform. Through the sports marketing, product-driven and retail-oriented platform, we've laid a solid foundation for the Company's new phase of growth. The funds raised will continue to enable us to develop new products, enhance their competitiveness in the market and improve our overall retail operational capability across the channels and the Company."

The Company has reviewed alternative sources of funding for the next phase of its development, and the Board considers the Open Offer to be in the interests of both the Company and its shareholders as it provides an equitable means for the Company's qualifying shareholders to participate in the future development of the Company and the opportunity to maintain their respective shareholding interests.

Mr. Li Ning continued, "As Li Ning Company's management transitions, I will take on more of the Company's operations with the support of our management team. The Board and I very much value key investors' continued commitment to the Company's strategy in driving the transformation from a wholesale-led to a leading sports marketing-driven, product and retail-oriented business model. We firmly believe in our strategy and the vision of building the leading sportswear brand in China."

Mr. Scott Chen, non-executive Director of the Company and Partner of TPG, commented, "Li Ning Company and TPG are pleased with the Company's development and the progress made to date. TPG is further strengthening its commitment to the Company by subscribing to and underwriting the Open Offer to increase its investment in the Company."

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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 Company 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 Company also manufactures, develops, markets, distributes and/or sells sports products under several other brands, including Double Happiness (table tennis), Kason (badminton), AIGLE (outdoor sports), and Lotto (sports fashion) which are either self-owned, licensed or operated through joint ventures.

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