

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*Unless otherwise defined in this announcement, terms defined in the prospectus of Li Ning Company Limited (the “Company”) dated 15 June, 2004 (the “Prospectus”) shall have the same meanings when used in this announcement.*

*The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*In connection with the Share Offer, DBS Asia, as stabilising manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail for a limited period commencing from the date of dealing in Shares first commences on the Main Board. However, there is no obligation on DBS Asia or any person acting for it to do this. Such stabilisation may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules made under the SFO. Such stabilisation, if commenced, will be conducted at the absolute discretion of DBS Asia or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The details of the intended stabilisation and how it will be regulated under the SFO are contained in the Prospectus. The number of Shares being offered in the Share Offer may be increased by up to an aggregate of 36,976,000 Shares through the exercise of the Over-allotment Option granted to DBS Asia by the Company exercisable by DBS Asia to cover over-allocations (if any) in the International Placing and/or the obligations of DBS Asia to return the securities borrowed under the Stock Borrowing Agreement. The Over-allotment Option is exercisable at any time from the day on which trading of the Shares commences on the Main Board until 30 days after the last day for lodging applications under the Hong Kong Public Offer. In the event that such Over-allotment Option is exercised, a press announcement will be made.*



## **LI NING COMPANY LIMITED**

**(李寧有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

### **LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTERNATIONAL PLACING AND HONG KONG PUBLIC OFFER**

<b>Number of Offer Shares</b>	<b>:</b>	<b>246,516,000 Offer Shares (subject to the Over-allotment Option)</b>
<b>Number of Hong Kong Offer Shares</b>	<b>:</b>	<b>24,652,000 New Shares (subject to reallocation)</b>
<b>Number of International Placing Shares</b>	<b>:</b>	<b>221,864,000 Offer Shares comprising 211,410,000 New Shares and 10,454,000 Sale Shares (subject to the Over-allotment Option and reallocation)</b>
<b>Offer Price</b>	<b>:</b>	<b>Not more than HK\$2.23 per Offer Share payable in full upon application and subject to refund</b>
<b>Nominal value</b>	<b>:</b>	<b>HK\$0.10 per Share</b>
<b>Stock code</b>	<b>:</b>	<b>2331</b>

*Global Coordinator, Bookrunner, Lead Manager and Sponsor*



**The Listing is sponsored by and the Share Offer is managed by DBS Asia.**

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue, the Offer Shares, Shares issued or issuable pursuant to the exercise of the Over-allotment Option and the exercise of the options which have been granted and may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme. Dealings in the Shares on the Main Board are expected to commence on Monday, 28 June, 2004. Applications for the Shares will only be considered on the basis of the terms and conditions set forth in the Prospectus and in the **WHITE** or **YELLOW** Application Forms. It should be noted that multiple applications or suspected multiple applications or any application for more than 12,326,000 Shares, being 50% of the Hong Kong Offer Shares initially comprised in the Hong Kong Public Offer, will be rejected. Only one application on a **WHITE** or **YELLOW** Application Form or by way of giving **electronic application instructions** to HKSCC may be made for the benefit of any person. Applicants for any Hong Kong Offer Shares are required to undertake and confirm that they or the relevant beneficial owner(s) have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, the International Placing Shares. Subject to the granting of the listing of, and permission to deal in, the Shares on the Main Board as well as compliance with the stock admission requirements of HKSCC, the 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 Shares on the Main Board or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Share Offer comprises the Hong Kong Public Offer of initially 24,652,000 Hong Kong Offer Shares and the International Placing of initially 221,864,000 International Placing Shares subject, in each case, to reallocation on the basis described in the section headed "Structure and conditions of the Share Offer" in the Prospectus.

In connection with the International Placing, the Company has granted to DBS Asia the Over-allotment Option exercisable by DBS Asia at any time and from time to time within 30 days after the last day for lodging applications under the Hong Kong Public Offer, subject to the terms of the Underwriting Agreement, to require the Company to allot and issue, at the Offer Price, up to an additional 36,976,000 new Shares, representing approximately 15% of the number of the Offer Shares initially being offered under the Share Offer, to cover over-allocations in the International Placing and/or the obligations of DBS Asia to return the securities borrowed under the Stock Borrowing Agreement. **In the event that the Over-allotment Option is exercised, the Company will issue a separate announcement.**

Acceptance of all applications for the Shares pursuant to the Hong Kong Public Offer is conditional on the conditions as stated in the section headed "Structure and conditions of the Share Offer" in the Prospectus. The Offer Price is expected to be fixed by agreement between the Global Coordinator, on behalf of the Underwriters, the Vendors and the Company on or before Monday, 21 June, 2004 and, in any event, not later than Friday, 25 June, 2004. Investors applying for Shares under the Hong Kong Public Offer must pay, on application, the maximum offer price of HK\$2.23 for each Share together with a brokerage of 1%, SFC transaction levy of 0.005%, investor compensation levy imposed by the SFC of 0.002% and Stock Exchange trading fee of 0.005% on each Share. The Global Coordinator, on behalf of the Underwriters, may with the consent of the Company, reduce the indicative offer price range below that stated in the Prospectus (which is HK\$1.76 to HK\$2.23 per Share) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, notices of the reduction in the indicative offer price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications pursuant to the Hong Kong Public Offer have been submitted prior to the day which is the last day for lodging

applications under the Hong Kong Public Offer, then even if the indicative offer price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Offer Price is not agreed between the Company, the Vendors and the Global Coordinator (on behalf of the Underwriters), the Share Offer will not proceed.

If the Share Offer does not become unconditional, all application monies received from applicants under the Hong Kong Public Offer will be refunded, without interest, on the terms set forth under the paragraph headed “Refund of application monies” in the section headed “How to apply for the Hong Kong Offer Shares” in the Prospectus. Refund will be made in respect of wholly or partially successful applications in the event that the Offer Price is less than the offer price per Share initially paid and in respect of wholly or partially unsuccessful applications. Applicants for 1,000,000 Hong Kong Offer Shares or more who have elected to collect their (where relevant) refund cheques and/or (where relevant) Share certificates in person may do so from the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 25 June, 2004. Applicants being individuals must not authorise any other person to make collection on their behalf. You must show identification documents (which must be acceptable to Computershare Hong Kong Investor Services Limited) to collect your (where relevant) refund cheque(s) and/or (where relevant) Share certificate(s). Applicants being corporations must attend by their authorised representatives each bearing a letter of authorisation from such corporation stamped with the corporation’s chop. Both individuals and authorised representatives (if applicable) must produce at the time of collection evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. Uncollected Share certificates and/or refund cheques will be despatched promptly thereafter by ordinary post at the applicants’ own risk to the addresses specified in the relevant Application Forms. Share certificates will only become valid certificates of title at 6:00 p.m. on Sunday, 27 June, 2004 provided that the Hong Kong Public Offer has become unconditional in all respects and the right of termination described in the section headed “Underwriting” in the Prospectus has not been exercised.

In relation to applicants who have applied for less than 1,000,000 Hong Kong Offer Shares, or applicants who have applied for 1,000,000 or more Hong Kong Offer Shares and have not elected to collect their (where relevant) refund cheque(s) and/or (where relevant) Share certificate(s), their refund cheque(s) and/or Share certificate(s) will be sent by ordinary post at the applicants’ own risk to the addresses specified in the relevant Application Forms on or around Friday, 25 June, 2004.

If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you with that CCASS Participant. If you are applying as a CCASS Investor Participant, you should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 25 June, 2004 or such other date as shall be determined by HKSCC or HKSCC Nominees. If you are applying as a CCASS Investor Participant by giving **electronic application instructions** to HKSCC, you can also check the result of your application and the amount of refund monies payable to you via the CCASS Phone System and the CCASS Internet System on Friday, 25 June, 2004. For arrangement of deposit of share certificates into CCASS and refund of application monies, please refer to the section headed “How to apply for the Hong Kong Offer Shares” in the Prospectus.

Applicants who would like to be allotted Hong Kong Offer Shares in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have the allotted Shares issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, copies of which, together with the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Tuesday,

15 June, 2004 until 12:00 noon on Friday, 18 June, 2004 at the Depository Counter of HKSCC at 2/F, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong or the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during business hours in the same period from:

1. DBS Asia Capital Limited, 16th Floor, Man Yee Building, 68 Des Voeux Road Central, Hong Kong;
2. Daiwa Securities SMBC Hong Kong Limited, Level 26, One Pacific Place, 88 Queensway, Hong Kong;
3. Barits Securities (Hong Kong) Limited, Room 3406, 34th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong;
4. CCB International Capital Limited, 5th Floor, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong;
5. CITIC Capital Markets Limited, 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong;
6. G. K. Goh Securities (H. K.) Limited, Suite 1808, Alexandra House, 16-20 Chater Road, Central, Hong Kong;
7. Guotai Junan Securities (Hong Kong) Limited, 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong;
8. Phillip Securities (HK) Ltd, 11th Floor, United Centre, 95 Queensway, Hong Kong;
9. Tai Fook Securities Company Limited, 25th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong;
10. VC Capital Limited, 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong;
11. or any of the following branches of **Bank of China (Hong Kong) Limited**:

*Hong Kong Island:*

**Bank of China Tower Branch**, 3/F, 1 Garden Road, Central  
**Central District (Wing On House) Branch**, 71 Des Voeux Road Central  
**409 Hennessy Road Branch**, 409-415 Hennessy Road, Wan Chai  
**North Point (Kiu Fai Mansion) Branch**, 413-415 King's Road, North Point  
**Taikoo Shing Branch**, Shop G1012, Yiu Sing Mansion, Taikoo Shing

*Kowloon:*

**Mong Kok Branch**, 589 Nathan Road, Mong Kok  
**2 Carnarvon Road Branch**, 2-2A Carnarvon Road, Tsim Sha Tsui  
**Stage 6 Mei Foo Branch**, Shop N47-49 Mount Sterling Mall, Mei Foo Sun Chuen  
**Hoi Yuen Road Branch**, 55 Hoi Yuen Road, Kwun Tong  
**Canton Road Branch**, 60 Canton Road, Tsim Sha Tsui

*New Territories:*

**Castle Peak Road (Tsuen Wan) Branch**, 167 Castle Peak Road, Tsuen Wan  
**Lucky Plaza Branch**, G/F., Lucky Plaza, Wang Pok Street, Shatin

Both **WHITE** and **YELLOW** Application Forms completed in all respects (to which one cheque or banker's cashier order should be securely stapled) should be deposited in the special collection boxes provided at any of the branches of **Bank of China (Hong Kong) Limited** referred to above at the following times on the following dates:

<b>Tuesday, 15 June, 2004</b>	–	<b>9:00 a.m. to 4:00 p.m.</b>
<b>Wednesday, 16 June, 2004</b>	–	<b>9:00 a.m. to 4:00 p.m.</b>
<b>Thursday, 17 June, 2004</b>	–	<b>9:00 a.m. to 4:00 p.m.</b>
<b>Friday, 18 June, 2004</b>	–	<b>9:00 a.m. to 12:00 noon</b>

Applications by giving **electronic application instructions** to HKSCC

Investors can apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC as follows:

1. CCASS Investor Participants can give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** on behalf of CCASS Investor Participants if they go to the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong and complete an input request form. Prospectuses are also available at the Customer Service Centre of HKSCC; and
2. those who are not CCASS Investor Participants can instruct their brokers or custodians who are CCASS Broker Participants or CCASS Custodian Participants to **give electronic application instructions** to HKSCC via CCASS terminals to apply for Hong Kong Offer Shares on their behalf.

CCASS Participants can input **electronic application instructions** at the following times on the following dates:

<b>Tuesday, 15 June, 2004</b>	–	<b>9:00 a.m. to 7:00 p.m.<sup>(1)</sup></b>
<b>Wednesday, 16 June, 2004</b>	–	<b>9:00 a.m. to 7:00 p.m.<sup>(1)</sup></b>
<b>Thursday, 17 June, 2004</b>	–	<b>9:00 a.m. to 7:00 p.m.<sup>(1)</sup></b>
<b>Friday, 18 June, 2004</b>	–	<b>9:00 a.m. to 12:00 noon</b>

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Participants.

Subject to the terms and conditions set forth in the Prospectus and the Application Forms relating thereto, applications must be received no later than 12:00 noon on Friday, 18 June, 2004 (or if the application lists are not open on that day, then by 12:00 noon on the next business day the lists are open). Please see the section headed "How to apply for the Hong Kong Offer Shares" in the Prospectus for further details. No temporary documents or evidence of title will be issued. No receipt will be issued for application monies.

The total number of Shares available under the Hong Kong Public Offer (after taking account of any reallocation to and from the International Placing, if any) will be divided equally into two pools for allocation purposes: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate price of HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation levy imposed by the SFC and Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate price of more than HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation levy imposed by the SFC and Stock Exchange trading fee payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Shares in one (but not both) of the pools are under subscribed, the surplus Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Shares from either pool A or pool B but not from both pools.

It is expected that the level of indication of interest in the International Placing, the Offer Price, the level of applications and the basis of allocation of Hong Kong Offer Shares will be published on or before Friday, 25 June, 2004 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Li Ning, Mr. Zhang Zhi Yong, Mr. Tan Wee Seng and Mr. Chen Yi Hong, three non-executive Directors, namely Mr. Lim Meng Ann, Mr. Stuart Schonberger and Mr. Eddy Fong, and three independent non-executive Directors, namely Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei and Mr. Chan Chung Bun, Bunny.

By order of the Board

**Li Ning**

*Chairman*

Hong Kong, 15 June, 2004