

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.

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

Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the prospectus issued by Li Ning Company Limited (the "Company") dated 15 June, 2004 (the "Prospectus").



LI NING COMPANY LIMITED
(李寧有限公司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2331)

ANNOUNCEMENT

EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company would like to announce that the Over-allotment Option referred to in the Prospectus in respect of the Over-allotment Shares of 36,976,000 additional new Shares at the Offer Price of HK\$2.15 per Share to cover the over-allocations in the International Placing and/or to return the relevant Shares pursuant to the Stock Borrowing Agreement was exercised in full by DBS Asia (in its capacity as lead manager) on 8 July, 2004.

EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company would like to announce that the Over-allotment Option referred to in the Prospectus in respect of the Over-allotment Shares of 36,976,000 additional new Shares (representing 15% of the number of Shares initially offered under the Share Offer) at the Offer Price of HK\$2.15 per Share to cover the over-allocations in the International Placing and/or to return the relevant Shares pursuant to the Stock Borrowing Agreement was exercised in full by DBS Asia (in its capacity as lead manager) on 8 July, 2004. The Listing Committee of the Stock Exchange has already granted the listing of and permission to deal in the Over-allotment Shares.

The shareholding structures of the Company immediately before and after the issue of the Over-allotment Shares are as follows:

	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
Shareholders				
Victory Mind Assets	220,174,000 <i>(Note)</i>	22.329%	220,174,000	21.522%
Champion Link	150,000,000	15.212%	150,000,000	14.662%
Double Essence	51,060,000	5.178%	51,060,000	4.991%
Alpha Talent	35,250,000	3.575%	35,250,000	3.446%
Other Founding Shareholders	98,382,000	9.977%	98,382,000	9.617%
Tetrad	149,737,500	15.185%	149,737,500	14.636%
CDH	34,942,500	3.544%	34,942,500	3.415%
Public	246,516,000	25.000%	283,492,000	27.711%
	<u>986,062,000</u>	<u>100.000%</u>	<u>1,023,038,000</u>	<u>100.000%</u>

Note: The 220,174,000 Shares include 36,976,000 Shares lent by Victory Mind Assets to DBS Asia pursuant to the Stock Borrowing Agreement entered into between Victory Mind Assets and DBS Asia.

The Company will receive additional net proceeds of approximately HK\$77.5 million from the issue of the Over-allotment Shares and will use such additional net proceeds as general working capital.

By order of the Board
Li Ning Company Limited
Li Ning
Chairman

Hong Kong, 8 July, 2004

As at the date of this announcement, the executive Directors are Mr. LI Ning, Mr. ZHANG Zhi Yong, Mr. TAN Wee Seng and Mr. CHEN Yi Hong. The non-executive Directors are Mr. LIM Meng Ann, Mr. Stuart SCHONBERGER and Mr. FONG Ching, Eddy. The independent non-executive Directors are Mr. KOO Fook Sun, Louis, Ms. WANG Ya Fei and Mr. CHAN Chung Bun, Bunny.