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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 OF END OF
STABILISATION PERIOD**

- The Company would like to announce that the stabilisation period in connection with the Share Offer has ended on 18 July, 2004.
- The stabilising actions taken by DBS Asia during the stabilisation period included: (i) the borrowing of an aggregate of 36,976,000 Shares from Victory Mind Assets to cover the over-allocations in the International Placing; and (ii) the exercise in full by DBS Asia on 8 July, 2004 of the Over-allotment Option referred to in the Prospectus in respect of 36,976,000 additional new Shares at the Offer Price of HK\$2.15 per Share. The Over-allotment Shares were issued and allotted on 13 July, 2004 and were used for the purposes of returning to Victory Mind Assets the 36,976,000 Shares borrowed pursuant to the Stock Borrowing Agreement.

END OF STABILISATION PERIOD

The Company would like to announce that the stabilisation period in connection with the Share Offer has ended on 18 July, 2004.

The stabilising actions taken by DBS Asia during the stabilisation period included: (i) the borrowing of an aggregate of 36,976,000 Shares from Victory Mind Assets to cover the over-allocations in the International Placing; and (ii) the exercise in full by DBS Asia on 8 July, 2004 of the Over-allotment Option referred to in the Prospectus in respect of 36,976,000 additional new Shares at the Offer Price of HK\$2.15 per Share. The Over-allotment Shares were issued and allotted on 13 July, 2004 and were used for the purposes of returning to Victory Mind Assets the 36,976,000 Shares borrowed pursuant to the Stock Borrowing Agreement. Details of the exercise of the Over-allotment Option have been more particularly described in the Company's announcement dated 8 July, 2004.

Apart from borrowing the Shares from Victory Mind Assets and the exercise of the Over-allotment Option as stated above, no other stabilising action was taken by DBS Asia during the stabilisation period.

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

Hong Kong, 19 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.