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LI NING COMPANY LIMITED

(李寧有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2331)

JOINT VENTURE WITH AIGLE INTERNATIONAL S.A.

Hong Kong Li Ning and Aigle agreed that each of them will hold 50% shares in a Hong Kong company which is to set up a WFOE in the PRC. Aigle will grant the WFOE the exclusive right to manufacture, market, distribute and sell in the PRC for 50 years garment and footwear products for outdoor leisure activities and extreme sports that bear trademarks filed or registered by Aigle. The Board believes that such long-term strategic joint venture will enhance the Company's market competitiveness and benefit the shareholders as a whole.

JOINT VENTURE WITH AIGLE

Hong Kong Li Ning and Aigle executed a shareholders' agreement on 30 June 2005, pursuant to which the two parties agreed that each of them will hold 50% shares in a Hong Kong company. The primary purpose of the Hong Kong company is to set up, and hold 100% equity interest in, a WFOE in the PRC. Pursuant to the shareholders' agreement, the authorised capital of the Hong Kong company will be the amount in HK\$ equivalent to RMB50,000,000 (approximately HK\$46,948,400), being the intended total investment amount of the WFOE. Each of Hong Kong Li Ning and Aigle will pay up the authorised capital of the Hong Kong company in the proportion of 50:50 in stages upon decision of the board of directors of such company. Hong Kong Li Ning's interest in the Hong Kong company and the WFOE will be accounted in the Company's consolidated financial statements as jointly controlled companies. Accordingly, 50% of the financial results and performance figures of such two companies will be consolidated in the Company's financial statements.

Upon the establishment of the WFOE, Aigle will grant the WFOE the exclusive right to manufacture, market, distribute and sell in the PRC for 50 years garment and footwear products for outdoor leisure activities and extreme sports that bear trademarks filed or registered by Aigle subject to the payment by the WFOE to Aigle of a royalty fee based on net sales of the WFOE. The transaction under the shareholders' agreement does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. This announcement is made by the Company pursuant to Rule 13.09 of the Hong Kong Listing Rules. If the business arrangements under the shareholders' agreement should expand in future to the extent that it will become a notifiable transaction, the Company will comply with the corresponding requirements under Chapter 14 of the Hong Kong Listing Rules.

Aigle develops and sells garment, footwear products and related accessories for outdoor leisure activities and extreme sports (such as hiking, trekking, walking, mountaineering, skiing, fishing and other nautical sports, hunting, shooting) under its own brand name and trademarks throughout the world. The Board believes that such long-term strategic joint venture as described above is in line with the Company's multi-brands business objective and will enhance the Company's market competitiveness and benefit the shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Aigle and its ultimate controlling shareholder(s) are third parties independent of the Company and connected persons (as defined in the Hong Kong Listing Rules) of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

Term	Meaning
“Aigle”	Aigle International S.A., a corporation organized under the laws of France
“Board”	the board of Directors
“Company”	Li Ning Company Limited whose shares are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Li Ning”	Li Ning Sports (Hong Kong) Company Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China which, for this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“WFOE”	wholly foreign owned enterprise to be established in the PRC

Translation of RMB into HK\$ is made in this announcement, for illustration purpose only, at the rate of HK\$1.00 = RMB1.065.

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; and the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Ms. WANG Ya Fei and Mr. CHAN Chung Bun, Bunny.

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

Hong Kong, 30 June 2005

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.