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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 31 August 2010 in relation to, among others, the Existing Transactions under the Existing Master Agreement. The Existing Master Agreement has expired on 31 December 2012. On 4 January 2013 (after trading hours), the Company entered into the Renewed Master Agreement relating to the renewal of the Existing Master Agreement with Viva China.

As at the date of this announcement, Viva China, who indirectly holds approximately 25.23% shares in the Company, is a substantial Shareholder and thus a connected person of the Company. Therefore, the Renewed Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in the Listing Rules in respect of Renewed Transactions are less than 5%, the Renewed Transactions are subject to the reporting, announcement and annual review requirements and are exempt from approval by the independent Shareholders under the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 31 August 2010 in relation to, among others, the Existing Transactions under the Existing Master Agreement. The Existing Master Agreement has expired on 31 December 2012.

RENEWED MASTER AGREEMENT

On 4 January 2013 (after trading hours), the Company entered into the Renewed Master Agreement relating to the renewal of the Existing Master Agreement with Viva China, pursuant to which the Viva China Group may provide to the Group services in relation to (i) brand or product endorsement; (ii) sponsorship; and (iii) event management.

Pursuant to the Renewed Master Agreement, the Company and Viva China shall procure that the terms of the Renewed Transactions (including but not limited to the fees and charges payable by the Group to the Viva China Group under the Renewed Transactions and the payment terms) would be on normal commercial terms (or on terms no less favourable to the Company than terms available from independent third parties) and with reference to the terms under which similar services are offered in the market and to other factors specific to each individual transaction.

Term

The Renewed Master Agreement would take effect from 4 January 2013 to 31 December 2015 or the day on which Viva China ceases to be a connected person of the Company (whichever is earlier).

Historical figures

The Group and the Viva China Group did not have any transaction under the Existing Master Agreement during the period from 27 October 2010 (being the effective date of the Existing Master Agreement) to 31 December 2010. The historical figures for the service fees paid by the Group in respect of the Existing Master Agreement for the financial years ended 31 December 2011 and 31 December 2012 are approximately RMB1,600,000 and RMB200,000, respectively.

Annual Caps

It is expected that the Group will engage the Viva China Group to provide a much larger scale of services under the Renewed Master Agreement as compared with the historical figures for the three years ended 31 December 2012. This is because the Company would like to further leverage on Viva China Group's experience and expertise in the provision of sports-related management and marketing services as well as for the Group to benefit further from the synergies and crossover created from other sports resources of the Viva China Group. The Annual Caps (as set out below) are determined with reference to: (i) the historical figures of the Existing Transactions; (ii) the estimated increase in marketing expenses of the Group in the future; (iii) certain marketing plan of the Group that may require a much larger scale of services offered by the Viva China Group; (iv) a much larger scale of

services that may be offered by the Viva China Group in the future and the expected level of service fees; (v) service fee for similar services in the PRC; and (vi) the marketing plans proposed to the Group by the Viva China Group.

	Year ending 31 December		
	2013	2014	2015
Annual Caps (RMB)	60,000,000	90,000,000	90,000,000

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWED MASTER AGREEMENT

The Viva China Group is experienced in providing sports-related management and marketing services. Through its cooperation with the Group in the past three years, the Viva China Group has secured a better understanding of the Group's operations. By utilising the services of the Viva China Group, the Group will have better access to certain sports sponsorship resources and events promotion, which is conducive to the long term stability of the Group's sports sponsorship resources. The Group will also be able to benefit from the synergies and crossover created from other sports resources of the Viva China Group.

The Directors (including independent non-executive Directors) other than Mr. Li Ning (who has a material interest in the transactions contemplated under the Renewed Master Agreement and therefore abstained from voting on the Board's resolution approving, among other things, the Renewed Master Agreement) confirm that the Renewed Master Agreement has been entered into (and the transactions contemplated under the Renewed Master Agreement would be entered into) in the ordinary and usual course of business of the Group, on normal commercial terms, and consider that the terms of the Renewed Master Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Viva China, who indirectly holds approximately 25.23% interests in the Company, is a substantial Shareholder and thus a connected person of the Company. Therefore, the Renewed Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in the Listing Rules in respect of Renewed Transactions are less than 5%, the Renewed Transactions are subject to the reporting, announcement and annual review requirements and are exempt from approval by the independent Shareholders under the Listing Rules.

GENERAL

The Company

The Company is one of the leading sports brand companies in the PRC, mainly providing sporting goods including footwear, apparel, equipment and accessories for professional and leisure purposes primarily under the LI-NING brand.

Viva China Group

The Viva China Group is principally engaged in, inter alia, (i) sports talent management and competition/event production and management and provision of sports consultancy service; and (ii) sports-themed community development.

DEFINITIONS

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

“Annual Caps”	the expected maximum service fees under the Renewed Transactions for the three financial years ending 31 December 2013, 2014 and 2015
“Board”	the board of Directors
“Company”	Li Ning Company Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Master Agreement”	the agreement dated 31 August 2010 entered into between the Company and Viva China (formerly known as Coolpoint Energy Limited), details of which are found in the Company’s announcement dated 31 August 2010
“Existing Transactions”	the continuing connected transactions of the Group with the Viva China Group as contemplated under the Existing Master Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Renewed Master Agreement”	the agreement dated 4 January 2013 entered into between the Company and Viva China relating to the Renewed Transactions
“Renewed Transactions”	the continuing connected transactions of the Group with the Viva China Group as contemplated under the Renewed Master Agreement
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Viva China”	Viva China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM and a substantial Shareholder
“Viva China Group”	Viva China and its subsidiaries
“%”	per cent

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

Hong Kong, 4 January 2013

As at the date of this announcement, the executive directors of the Company are Mr. Li Ning, Mr. Jin-Goon Kim and Mr. Zhang Zhi Yong. The non-executive directors are Mr. James Chun-Hsien Wei and Mr. Chen Yue, Scott. The independent non-executive directors are Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei, Mr. Chan Chung Bun, Bunny and Mr. Su Jing Shyh, Samuel.