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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)

LATEST TRADE FAIR ORDERS AND OPERATIONAL UPDATE

This announcement is made on a voluntary basis by the board of directors (the “**Board**”) of Li Ning Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the following operational update on the Group’s business.

TRADE FAIR RESULTS

Trade fair orders, in terms of tag price, for LI-NING brand products (exclude LI-NING YOUNG) from franchised distributors registered year-on-year growth for sixteen consecutive quarters. The orders from the latest trade fair, which are for the second quarter of 2018, held in September this year registered a low-teens growth on a year-on-year basis.

SAME-STORE-SALES (SSS)

For the quarter ended 30 September 2017, in respect of LI-NING Point-of-Sales (POS) which have been in operation since the beginning of the same quarter last year, the SSS for the overall platform registered a low-single-digit decrease on a year-on-year basis. In terms of channels, both retail (direct operation) and wholesale (franchised distributors) registered a mid-single-digit decrease, while the e-commerce virtual stores business registered a low-thirties growth.

RETAIL SELL-THROUGH

For the quarter ended 30 September 2017, the retail sell-through of LI-NING POS (exclude LI-NING YOUNG) for the overall platform increased by low-single-digit on a year-on-year basis. In terms of channels, offline channel (include retail and wholesale) registered a low-single-digit decrease, with retail increased by low-single-digit and wholesale decreased by low-single-digit; the e-commerce virtual stores business registered a low-thirties growth.

The SSS and retail sell-through were affected by the timing of Mid-Autumn Festival weekend (In October this year versus September last year). Excluding negative impact of the Mid-Autumn Festival, offline channel retail sell-through of the third quarter of 2017 increased by low-single-digit. Meanwhile, with the extra holiday from Mid-Autumn Festival, retail sell-through growth of offline channel during the National Holiday (from October 1 to 8) is up in the high-teens.

POS NUMBERS

As at 30 September 2017, excluding LI-NING YOUNG POS, the total number of LI-NING POS in China amounted to 6,346, a net increase of 37 POS since the end of previous quarter and a net decrease of 94 POS since the beginning of this year. Among the net decrease of 94 POS, direct retail and wholesale accounts for 70 and 24 POS respectively. As at 30 September 2017, LI-NING YOUNG business newly opened 87 POS.

The Company's shareholders and potential investors should note that this announcement is based on unaudited operational data of the Group and this data has not been audited or reviewed by Group's auditors. The data does not constitute, represent or indicate the full picture of the Group's total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Li Ning Company Limited
Li Ning
Executive Chairman
and Interim Chief Executive Officer

Hong Kong, 23 October 2017

As at the date of this announcement, the executive director of the Company is Mr. Li Ning. The non-executive directors of the Company are Mr. Chen Yue, Scott and Mr. Wu, Jesse Jen-Wei. The independent non-executive directors of the Company are Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei, Dr. Chan Chung Bun, Bunny and Mr. Su Jing Shyh, Samuel.