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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)

VOLUNTARY ANNOUNCEMENT ENTERING INTO OF A TRANSFER AGREEMENT

This announcement is made by the Company on a voluntary basis to keep the Shareholders and potential investors informed of the Group's latest business development.

THE TRANSFER AGREEMENT

The Board is pleased to announce that on 31 December 2020 (after trading hours), the Purchaser (being a direct wholly-owned subsidiary of the Company) and Li Ning Shenzhen (being an indirect wholly-owned subsidiary of the Company), entered into the Transfer Agreement with the Vendor and BOCIAM, pursuant to which (i) the Purchaser has conditionally agreed to acquire from the Vendor its entire share capital in the Target Company and the Vendor's rights in the loan extended to the Target Company and (ii) Li Ning Shenzhen has conditionally agreed to acquire from BOCIAM the rights of BOCIAM in the loan extended to the Project Company.

The consideration of the Acquisition was determined after arm's length negotiation among the parties to the Transfer Agreement on normal commercial terms. The consideration will be satisfied in cash from the Group's internal resources. The Directors are of the view that the terms of the Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, BOCIAM and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Upon completion of the Acquisition, the Target Company and the Project Company will become indirect wholly-owned subsidiaries of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE TRANSFER AGREEMENT

The Target Company is an investment holding company and its principal asset is the entire equity interest in the Project Company. The principal assets of the Project Company are interests in properties located in the Greater Bay Area of the PRC.

The Directors believe that the development potential of the Greater Bay Area is huge and further expansion of the Group's business in the Greater Bay Area has important strategic significance. The Group plans to use certain properties held by the Project Company as the Group's operation center in the Greater Bay Area which will be an important measure for the Group to strengthen its business development in that area. Therefore, the Directors believe that the Acquisition may provide a good opportunity for the Group to capture the business opportunities brought by the Greater Bay Area and enhance the diversification of its investment portfolio.

GENERAL

As all of the applicable percentage ratios as set out under Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, therefore the entering into of the Transfer Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Since the completion of the Acquisition is subject to fulfilment and/or waiver (as the case may be) of the conditions precedent under the Transfer Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition (i) by the Purchaser from the Vendor the entire share capital in the Target Company and the Vendor's rights in the loan extended to Target Company and (ii) by Li Ning Shenzhen from BOCIAM the rights of BOCIAM in the loan extended to the Project Company, pursuant to the Transfer Agreement
“Board”	the board of Directors
“BOCIAM”	中銀投資資產管理有限公司 (Bank of China Investment Asset Management Company Limited*), a company incorporated in the PRC with limited liability

“Company”	Li Ning Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Li Ning Shenzhen”	李寧體育(深圳)有限公司 (Li Ning Sports (Shenzhen) Company Limited*), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	RealSports Pte Ltd., a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project Company”	松日高科電子(深圳)有限公司 (Matsunichi High-tech Electronic (Shenzhen) Company Limited*), a company incorporated in the PRC and a direct wholly-owned subsidiary of the Target Company
“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
“Target Company”	Matsunichi Communications (Hong Kong) Limited 松日資訊(香港)有限公司, a company incorporated under the laws of Hong Kong with limited liability

“Transfer Agreement” the equity and creditor’s rights transfer agreement entered into among the Vendor, BOCIAM, the Purchaser and Li Ning Shenzhen on 31 December 2020 in relation to the Acquisition

“Vendor” Blooming Target Investments Ltd., a company incorporated in the British Virgin Islands with limited liability, being the sole shareholder of the Target Company as at the date of the Transfer Agreement

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

Hong Kong, 31 December 2020

As at the date of this announcement, the executive directors of the Company are Mr. Li Ning, Mr. Kosaka Takeshi and Mr. Li Qilin. 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.

* *For identification purpose only*