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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)**

**UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited. The board of directors of the Company (the “Board”) has noted today’s decrease in the price and increase in trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such movements, save as stated below.

The Company (together with its subsidiaries, the “Group”) recently released the conclusion of LI-NING Brand Products Trade Fair for the second quarter of the financial year 2011. The total order value, based on tagged retail prices, was of the approximate level as that of last year. The average retail prices for both apparel and footwear products increased by more than 8% but the order volumes for these two categories of products declined by more than 7% and 8% respectively. Taking into account the impact by the Group’s adjustment in wholesale discounts given to distributors, the total order value in sell-in terms declined by about 6% compared with that of the same period last year.

The Group has been adopting a pre-emptive approach to deal with these challenges. Earlier it has initiated reform measures for its distribution channels which include consolidation of low-efficiency sub-distributors, optimization of retail channel structure, enhancement of product lifecycle management and offering more wholesale discounts to distributors. These are aimed at addressing the challenges faced with at the retail level in an effort to bring about improvements in the overall retail efficiency, enhancements in same-store sales growth and less aggressive discounting at the retail level, thereby constituting a healthier retail environment as a whole. The management of the Company believes that while the orders for the LI-NING brand in the next two trade fairs may come under pressure, these measures will contribute positively to the Group’s stable and healthy development for the long term.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the board  
**Li Ning Company Limited**  
**Li Ning**  
*Chairman*

Hong Kong, 20 December 2010

*As at the date of this announcement, the executive directors of the Company are Mr. Li Ning, Mr. Zhang Zhi Yong and Mr. Chong Yik Kay. The non-executive directors are Mr. Lim Meng Ann, Mr. Chu Wah Hui and Mr. James Chun-Hsien Wei. The independent non-executive directors are Mr. Koo Fook Sun, Louis, Ms. Wang Ya Fei and Mr. Chan Chung Bun, Bunny.*