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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)

ISSUE OF CONVERTIBLE BONDS AND RESUMPTION OF TRADING

ISSUE OF CONVERTIBLE BONDS

On 19 January 2012, the Company entered into the TPG Subscription Agreement and GIC Subscription Agreement with TPG and the GIC Investor, respectively, in relation to the issuance of the Convertible Bonds in an aggregate principal amount of RMB750,000,000 (RMB561,000,000 under the TPG Subscription Agreement and RMB189,000,000 under the GIC Subscription Agreement), respectively.

The Convertible Bonds will bear interest at the rate of 4% per annum and will be due on the fifth anniversary of the date of issue of the Convertible Bonds. The Convertible Bonds are convertible into Conversion Shares at an initial Conversion Price of HK\$7.74 per Share.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 13 May 2011, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 13 May 2011, i.e. 1,053,534,669 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate. As at the date of this announcement, the Company is entitled to issue up to 210,706,933 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

The Convertible Bonds and the Conversion Shares will be issued pursuant to authority conferred upon the Directors under the General Mandate granted on 13 May 2011.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 January 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 January 2012.

On 19 January 2012, the Company entered into the TPG Subscription Agreement and GIC Subscription Agreement with TPG and the GIC Investor, respectively, in relation to the issuance of the Convertible Bonds in an aggregate principal amount of RMB750,000,000 (RMB561,000,000 under the TPG Subscription Agreement and RMB189,000,000 under the GIC Subscription Agreement), with a term of 5 years, at an initial Conversion Price of HK\$7.74 per Share.

The TPG Subscription Agreement and the GIC Subscription Agreement contain the same principal terms and conditions except for the principal amount. In addition, the TPG Subscription Agreement contains provisions regarding corporate governance measures as outlined below.

Details of the terms of the Subscription Agreements and the Convertible Bonds are summarized below.

TPG SUBSCRIPTION AGREEMENT

Date: 19 January 2012

Issuer: the Company

Subscriber: TPG or its Affiliates

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, TPG and its ultimate beneficial owner are independent of and not connected to the directors, chief executives and substantial shareholders of the Company and its subsidiaries and their respective associates. TPG is a company incorporated in the Cayman Islands and is a leading global private investment firm.

Principal Amount: RMB561,000,000

Corporate Governance Measures: On and from Completion and for such time as TPG (together with its Affiliates) holds, directly or indirectly, the Shareholding Proportion, the Company agrees and undertakes that, TPG shall have the right from time to time to:

- (a) nominate in aggregate two persons as non-executive Directors (together, the "Investor Directors", each such person being an "Investor Director"), provided that such persons fulfill the requirements under the applicable laws, regulations, the Listing Rules and Takeovers Code to be appointed as a director; and
- (b) nominate (1) an Investor Director or the Additional INED (as defined below) as a member of the audit committee, nomination committee and the remuneration committee of the Company and (2) the Investor Directors as members of the executive committee of the Company by giving notice in writing to the Company (any such Investor Director being an "Investor Committee Member"),

and the Company shall use its reasonable endeavours to procure such representative be appointed as an Investor Director or an Investor Committee Member, as the case may be, subject to the decisions of the Board or the Company's nomination committee as a whole (as the case may be).

TPG shall have the right to cause any person appointed pursuant to the provisions described above to resign, upon which (or if such person is otherwise removed from office). TPG shall have the right to immediately nominate such person as it may determine from time to time (other than a person who has previously been terminated by the Company for cause) as an Investor Director or an Investor Committee Member by repeating the procedures specified by the provisions described above. Such conditions as apply to the original appointment as set out in the provisions described above shall apply equally with respect to such subsequent appointment.

In order to comply with the Listing Rules relating to the proportion of independent non-executive directors in the Board, an additional independent non-executive Director (the “Additional INED”) will be appointed to the Board after Completion at such time as the Company and TPG may agree.

Upon TPG exercises any of its rights described above by way of a written notice to the Company and for such time as TPG (together with its Affiliates) holds, directly or indirectly, the Shareholding Proportion, the Company shall take all necessary steps and actions and otherwise use its best endeavours to ensure that:

- (a) matters that are subject to approval from the executive committee of the Company shall be approved by all members of the executive committee of the Company; if no unanimous consent can be obtained, the executive committee of the Company shall refer the subject matter to the Board for a decision;
- (b) each of the audit committee, nomination committee and the remuneration committee of the Company shall comprise of three (3) members only; and
- (c) the executive committee of the Company shall comprise of four (4) members only, namely, the chairman of the Company, as chairman of the executive committee, and the chief executive officer of the Company, and the Investor Directors as members.

The terms of reference of the executive committee of the Company will be amended to the satisfaction of TPG, subject to approval of the Board.

The Company shall, to the fullest extent permitted by law and the Listing Rules, take all necessary steps and actions and otherwise use its reasonable endeavours to promptly facilitate and give effect to the governance measures referred to above.

If TPG (together with its Affiliates) ceases to hold the Shareholding Proportion, TPG shall cease to have the right to require the Company to put in place the Corporate Governance Measures referred to above and TPG shall (unless the Company and TPG otherwise agree) procure that any Investor Director promptly resigns as Director and resigns from any position held as an Investor Committee Member.

GIC SUBSCRIPTION AGREEMENT

Date: 19 January 2012

Issuer: the Company

Subscriber: the GIC Investor

The GIC Investor is a company incorporated in Singapore and is principally engaged in the business of investment holding.

Principal Amount: RMB189,000,000

COMMON TERMS OF THE SUBSCRIPTION AGREEMENTS

Conditions Precedent: Completion is conditional on:

- (a) the warranties under the relevant Subscription Agreement remaining true, accurate and correct in all material aspects;
- (b) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and save for (i) any temporary suspension of not more than ten consecutive trading days (ii) any suspension pending clearance of any announcement in connection with any announcement required to be made under the Listing Rules (in each case, excluding any suspension in the trading of the Shares on the Stock Exchange pending the clearance or release of any announcement or circular relating to the transactions contemplated under the relevant Subscription Agreement), the Stock Exchange not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be expected to raise such objection;
- (c) the approval from the Board in relation to the transactions contemplated under the relevant Subscription Agreement;
- (d) listing of, and permission to deal in, all of the Conversion Shares upon conversion of the Convertible Bonds having been granted by the Listing Committee of the Stock Exchange (either unconditionally or if subject to conditions, such conditions being reasonably acceptable to the relevant Subscriber and if required by the Stock Exchange for it to be fulfilled before Completion, such conditions being fulfilled or satisfied before Completion) and such listing and permission remaining in full force and effect and not subsequently being revoked;
- (e) there being no event existing or having occurred and no condition being in existence which would (had any Convertible Bonds already been issued) constitute an Event of Default;

- (f) there being no injunction, restraining order or order of similar nature by a governmental authority issued as of the Completion Date that could prevent or materially interfere with the consummation of the transactions contemplated under the relevant Subscription Agreement;
- (g) clearance of any and all announcement(s) and circulars (if any) by the Stock Exchange (if required) to be issued by the Company in accordance with the Listing Rules or the Takeovers Code in respect of the relevant Subscription Agreement and the transactions contemplated by the relevant Subscription Agreement;
- (h) the relevant Subscriber in its sole and absolute determination being satisfied with its due diligence investigation in respect of the Group which includes, but is not limited to, an inspection and investigation as to:
 - (1) the financial, contractual, taxation and trading position of the Group
 - (2) the title of the Group to the premises and its assets; and
 - (3) the material contracts of the Group;
- (i) there having been delivered to the relevant Subscriber a legal opinion, in form and substance reasonably satisfactory to the relevant Subscriber, dated the Completion Date, of the Company's counsel addressed to the relevant Subscriber as to the law under the Cayman Islands; and
- (j) any other waivers, consents, authorizations, clearances and approvals which are required from the relevant courts, governmental or regulatory authorities in Hong Kong and the Cayman Islands, including, but not limited to, anti-trust clearance in the PRC, for the relevant Subscription Agreement and the transactions contemplated therein having been granted, fulfilled or given (as applicable).

The relevant Subscriber may at any time waive in writing any or all of the Conditions Precedent (save and except for (j) above, if as a result of such waiver the Company would be in breach of the Listing Rules, the Takeovers Code or the rules or regulations of any relevant governmental, statutory or regulatory authority) either in whole or in part and conditionally or unconditionally by giving notice in writing to the Company. In the event that all the Conditions referred to above have not been satisfied or waived by the relevant Subscriber on or before 8 February 2012 or such other date as the parties to the relevant Subscription Agreement may agree, the relevant Subscription Agreement shall lapse (save for certain provisions) and become null and void and no party shall have or make any claim against the other in respect hereof save for liabilities for any antecedent breach.

Information and Reporting:

Subject to any legal or regulatory restrictions (including the Listing Rules) applicable to the Company and for as long as the relevant Subscriber (together with its Affiliates) holds, directly or indirectly, the Shareholding Proportion, the relevant Subscriber shall be entitled to receive any information held by the Company which the relevant Subscriber reasonably requires to keep it informed about the business and affairs of the Group and generally to protect its interests as a Bondholder in such form as the Board reasonably determines and the relevant Subscriber shall not deal with such information, to the extent that it constitutes unpublished price-sensitive information or “relevant information” under the SFO, in such a manner that will breach any applicable laws or cause the Company or members of the Group to breach any applicable laws, the Listing Rules or the Guide on Disclosure of Price-Sensitive Information or the directions and guidelines issued from time to time by the Stock Exchange or the SFC.

Without prejudice to the generality of the above and for as long as the relevant Subscriber (together with its Affiliates) holds, directly or indirectly, the Shareholding Proportion, the Company shall (a) supply the relevant Subscriber with a copy of unaudited interim consolidated accounts in respect of the first six months and audited consolidated accounts of the Group in respect of each financial year at the same time as the same is made available to the Shareholders; (b) supply the relevant Subscriber with a copy of all documents despatched by it to its Shareholders generally at the same time as they are despatched; (c) supply each Investor Director (in respect of TPG) or the Subscriber (in respect of the GIC Investor) a copy of the finalised monthly management accounts of the Group, which shall comprise a consolidated profit and loss account, balance sheet and cash flow statement and information relating to operating key performance indicators and (d) supply each Investor Director (in respect of TPG) or the Subscriber (in respect of the GIC Investor) a copy of the information relating to operating key performance indicators on a quarterly basis.

Completion:

Subject to the fulfilment or waiver of the Conditions Precedent, Completion shall take place on the Completion Date at such place and time to be agreed in writing between the Company and the relevant Subscriber.

Lock-Up:

No disposition of any Convertible Bonds, or Conversion Shares by the relevant Subscriber shall be permitted within 6 months from the Completion Date (“Lock-up Period”) without the prior written consent of the Company except that the relevant Subscriber shall be entitled to dispose of any Convertible Bonds or Conversion Shares to its Affiliates without the prior written consent of the Company (provided that the relevant Subscriber has provided evidence to the Company that the transferee is its Affiliate).

Where the transferee ceases to be the relevant Subscriber’s Affiliate, the Subscriber shall ensure such assignee shall forthwith transfer the Convertible Bonds or Conversion Shares (as the case may be) to the relevant Subscriber or another Affiliate of the relevant Subscriber. The above provision shall only apply to the Conversion Bonds and Conversion Shares and shall not apply to Shares currently held or subsequently acquired by the relevant Subscriber or its Affiliates.

After the expiry of the Lock-up Period the relevant Subscriber is free from any restriction to dispose of any Convertible Bonds or Conversion Shares save only that the relevant Subscriber shall not knowingly dispose of any Convertible Bonds or the Conversion Shares to any person who is a competitor of the Company in respect of its core businesses without the prior consent of the Board. Nothing in the provisions described above shall restrict the relevant Subscriber from disposing of any Convertible Bonds or Conversion Shares on the Stock Exchange or through a block-trade.

Termination:

If an effect or circumstance that carries a Material Adverse Effect occurs prior to the Completion, the relevant Subscriber may, without liability to the Company, elect not to proceed to the Completion by giving notice in writing to the Company at any time prior to 5:00 p.m. (Hong Kong time) on the Completion Date.

Upon serving of such notice, the relevant Subscription Agreement (save for certain provisions of the relevant Subscription Agreement) will lapse and become null and void and the Company and the relevant Subscriber will be released from all obligations under the relevant Subscription Agreement, save for liabilities for any antecedent breaches of the relevant Subscription Agreement.

Indemnification:

Following the date of the relevant Subscription Agreement, the Company agrees to indemnify and hold harmless the relevant Subscriber and its Affiliates, and its respective officers, directors, partners, shareholders, counsel, employees and agents, to the fullest extent lawful, from and against any losses, claims, costs, damages, liabilities and expenses (or actions in respect thereof), as reasonably incurred by, related to or arising out of or in connection with, whether direct or indirect:

- (a) actions taken or omitted to be taken by any of the Company or its respective subsidiaries, officers, directors or employees or agents in breach or violation of their respective representations, warranties, covenants and agreements set forth in the relevant Subscription Agreement; or
- (b) any breach by the Company of its representations, warranties, covenants and agreements set forth in the relevant Subscription Agreement;

provided that the Company shall not be liable for such loss to the extent that such loss has arisen solely and directly as a result of the wilful default, gross negligence or fraud on the part of the relevant Subscriber and, subject to the provisions of the relevant Subscription Agreement, will reimburse the relevant Subscriber for all reasonable expenses (including, without limitation, fees and expenses of counsel) as they are incurred in connection with investigating, preparing, defending or settling any such action or claim, whether or not in connection with litigation in which the relevant Subscriber is a named party. This indemnity will be in addition to any liability that the Company may otherwise have to the relevant Subscriber.

Other Undertakings:

The Company undertakes with the relevant Subscriber that, between the date of the respective Subscription Agreements and the date of the upcoming annual general meeting of the Company (both dates inclusive), except for the Convertible Bonds, neither the Company nor any person acting on its behalf will take, directly or indirectly, any action which might cause or result in the issue by the Company of any securities or any outstanding securities convertible into or exchangeable for Shares, or warrants, rights or options to purchase Shares from the Company, nor are there other or similar arrangements approved by the Board (excluding the grant of options or rights, an issue of Shares by the Company to the eligible persons upon the exercise of the subscription right attached to the share options granted or to be granted under the Share Option Scheme).

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Issuer:	the Company
Terms:	5 years
Denomination:	RMB100,000 each
Interest Rate:	4.0 per cent per annum payable semi-annually in arrears

Interest in respect of a Convertible Bond shall be calculated and paid in US Dollar as the US Dollar Equivalent of the amount calculated by applying the rate of interest to the RMB Principal Amount of such Convertible Bond.

Without prejudice to the provisions referred to above, if the amount of RMB interest which accrued on Convertible Bonds in any financial year (applying the rate of 4 per cent per annum to the RMB Principal Amount) (the “Aggregate Interest”) is less than the aggregate amount of dividends attributable to the relevant financial year which would have been paid (based on the aggregate dividends which the Company has declared) in respect of the number of Shares into which outstanding Convertible Bonds would convert as at the record date for each dividend declaration for the relevant financial year converted into RMB at the Prevailing Rate (the aggregate of such dividends being “Aggregate Dividend”), the Company shall pay to the Bondholder in accordance with the Conditions the US Dollar Equivalent of the Additional Interests. For the purpose of the Conditions, the “Additional Interest” means an amount equal to Aggregate Dividend minus the Aggregate Interest.

Any Additional Interest payable by the Company in respect of a particular financial year shall be paid pro rata for each Convertible Bond as soon as reasonably practicable, and in any event within five (5) Business Days, following the payment of any final dividend for the relevant financial year.

If the Company fails to pay any sum in respect of the Convertible Bonds when the same becomes due and payable under the Conditions, interest shall accrue on the overdue sum at the rate of 6.0 per cent. per annum (being the interest rate of 4.0 per cent. per annum plus a default interest at a rate of 2.0 per cent. per annum) from the due date and ending on the date on which full payment is made to the Bondholders in accordance with the Conditions.

Status of the Convertible Bonds:

The Convertible Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves and with all existing and future unsubordinated and unsecured obligations.

Transfer of the Convertible Bonds:

(1) Subject to, among others, (2) to (3) below, a Convertible Bond may be transferred at any time by delivery of the Certificate issued in respect of that Convertible Bond, with the endorsed form of transfer duly completed and signed by the registered Bondholder or his attorney duly authorised in writing, to the Company at the Designated Office together with such evidence as the Company may reasonably require to prove the authority of the individuals who have executed the form of transfer.

No transfer of title to a Convertible Bond will be valid unless and until entered on the Register of Bondholders.

- (2) A Convertible Bond may only be transferred if:
- (a) such transfer shall be in compliance with the terms and conditions of the relevant Subscription Agreement and such transferee takes the Convertible Bond with the benefit and subject to the restrictions in these Conditions; and
 - (b) such transfer shall be further subject to (where applicable) the conditions, approvals, requirements and any other provisions of or under: (i) the Listing Rules; (ii) the Takeovers Code; and (iii) all applicable laws and regulations.
- (3) No Bondholder may require the transfer of any Convertible Bond to be registered (i) during the period of seven (7) Business Days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice has been delivered with respect to such Convertible Bond; or (iii) during the period of seven (7) Business Days ending on (and including) any Interest Payment Date in respect of any payment of interest on the Convertible Bond.

Redemption and Cancellation:

Unless previously redeemed, converted or cancelled, the Company will redeem each Convertible Bond on the Maturity Date at a price equivalent to the then outstanding RMB Principal Amount together with accrued interest and all other amounts accrued or outstanding under the Convertible Bond which remain unpaid.

Neither the Company nor the Bondholder may redeem the Convertible Bonds at its option prior to the Maturity Date without prejudice to the other provisions of the Conditions in relation to Events of Default.

Conversion Price:

The number of Shares to be issued upon conversion of a Convertible Bond will be determined by dividing the RMB Principal Amount of the Convertible Bond to be converted (translated into Hong Kong dollars at the fixed exchange rate of RMB1.00 = HK\$1.23) by HK\$7.74 per Share (but will be subject to adjustment in the manner provided in the Conditions as described below) in effect at the Conversion Date. If more than one Convertible Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate RMB Principal Amount of the Convertible Bonds to be converted.

The initial Conversion Price of HK\$7.74 represents:

- (i) a premium of approximately 15.2% to the closing price of HK\$6.72 per Share as quoted on the Stock Exchange on 17 January 2012, being the last Trading Day prior to the suspension of trading of the Shares pending release of this announcement;
- (ii) a premium of approximately 11.2% to the average closing price of the Shares of approximately HK\$6.96 per Share as quoted on the Stock Exchange over the last five Trading Days up to and including 17 January 2012; and
- (iii) a premium of approximately 14.3% to the average closing price of the Shares of approximately HK\$6.77 per Share as quoted on the Stock Exchange over the last ten Trading Days up to and including 17 January 2012.

The Conversion Price was determined after arms length negotiations between the Company and the Subscribers having regard to the prevailing market price of the Shares prior to the date of this announcement and the business performance of the Group under the prevailing market conditions.

Conversion:

Subject to, and upon compliance with, the provisions of the Conditions, the Conversion Right attaching to any Convertible Bond may be exercised, during the Conversion Period.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be converted into approximately 119,186,045 Shares, representing approximately 11.3% of the existing issued share capital of the Company and approximately 10.1% of the issued share capital of the Company as enlarged by the conversion.

Adjustments to Conversion Price:

Conversion Price will be subject to adjustment in certain events, including: consolidation, subdivision or reclassification, capitalisation of profits or reserves, capital distribution, rights issues of Shares or options over Shares (at less than 95% of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant), rights issues of other securities; issues of Shares at less than 95% of the Current Market Price; other issues of securities at less than 95% of the current market price; modification of rights of conversion etc..

Events of Default:

For so long as any Convertible Bond remains outstanding, the holders of Convertible Bonds at their discretion may, give notice to the Company that the Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable without further formality at an amount equal to the Redemption Amount, if any of the following Event of Default occurs:

- (a) there is any failure by the Company to pay any principal, premium, interest or any other amount due in respect of the Convertible Bonds (except where failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of its due date);
- (b) there is any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Convertible Bonds;
- (c) there is a material breach of any representation, warranty, undertaking or obligation of the Company under the relevant Subscription Agreement (in respect of TPG, including, the undertakings and obligations of the Company in respect of the corporate governance measures) and/or the Convertible Bonds, provided that no Event of Default under the Conditions will occur if the breach is capable of remedy and is remedied within fourteen (14) days of a Bondholder giving notice to the Company or the Company becoming aware of the breach;
- (d) there is any breach of any applicable law, regulation or Listing Rules by the Company or any of its material subsidiaries which will result in a Material Adverse Effect;
- (e) there is any change made to the memorandum and articles of association of the Company and any of the relevant Subscription Agreement which adversely affects a Bondholder's rights and interest under the relevant Subscription Agreement;
- (f) the Company engages in or conducts any business which materially differs from the core business of the Group;
- (g) (i) any other present or future indebtedness (whether actual or contingent) of the Company for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), (ii) any such indebtedness is not paid when due or (if a grace period is applicable) within any applicable grace period, or (iii) the Company or any of its material subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above equals or exceeds US\$5,000,000 or its equivalent in any currency or currencies and such failure is not remedied within fourteen (14) days after written notice of such failure shall have been given by the Bondholder to the Company;

- (h) the Shares (as a class) cease to be listed or admitted to trading on the Stock Exchange or any alternative stock exchange acceptable to the Bondholders or suspension of the trading of Shares on the Stock Exchange or such alternative stock exchange (other than for a temporary suspension of trading for not more than fifteen (15) consecutive trading days) save and except consented by the Bondholders, whose consent shall not be unreasonably withheld;
- (i) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company or any of its material subsidiaries which will result in a Material Adverse Effect;
- (j) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its material subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement will result in a Material Adverse Effect;
- (k) the Company or any of its material subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Company or any of its material subsidiaries;
- (l) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its material subsidiaries, (i) on terms approved by the Bondholders, or (ii) in the case of a material subsidiary, whereby the undertaking and assets of such material subsidiary are transferred to or otherwise vested in the Company or another of its material subsidiaries;
- (m) an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Company or any of its material subsidiaries (as the case may be) and is not discharged in fourteen (14) days;
- (n) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its material subsidiaries;

- (o) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Convertible Bonds admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done;
- (p) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Convertible Bonds; or
- (q) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the relevant provision of the conditions.

Voting:

The Bondholders are not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of Convertible Bonds.

Listing:

The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Shares to be issued pursuant to the General Mandate upon the exercise of the conversion rights attached to the Convertible Bonds.

General Covenants:

So long as there are outstanding Convertible Bonds, the Company will not, and will procure its material subsidiary(ies) not to, amongst other things:

- (a) create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any substantial part of its undertaking, assets or revenues, present or future;
- (b) consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation; except where, amongst other things, the Bondholders are notified and the corporation formed by such merger or the person that acquires such properties and assets expressly assume all obligations of the Company under the Convertible Bonds;
- (c) for any Relevant Period, except with the prior written consent of each of the Bondholders (“Bondholders’ Consent”), enter into (i) any of capital raising activities, acquisitions or disposals, in each case, involving US\$30,000,000 or more (or its equivalent in any other currency), or (ii) any connected transactions (as defined in the Listing Rules) involving US\$10,000,000 or more (or its equivalent in any other currency);

- (d) except with the Bondholders' Consent, change (i) the rights attaching to the Shares or the Conversion Shares, or (ii) the nature or scope of the core business of the Group in any material way or the financial year end of the Company;
- (e) except with the prior consent of the non-executive Directors who are members of the executive committee of the Company, commence or settle any litigation, arbitration or other proceedings which are material in the context of the Company's business;
- (f) unless so required by the Stock Exchange, the Listing Rules, applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, close the register of Shareholders of the Company, take any action which would prevent the transfer of the Shares;
- (g) except with the prior consent of the Bondholders, directly or indirectly, engage in trading in shares, derivatives, options or other securities (save for in respect of hedging arrangements ordinarily entered into for the purposes of hedging interest rate or currency exposure);
- (h) breach its obligations under the relevant Subscription Agreement; and
- (i) allow the ratio of aggregate borrowings of the Group from time to time to EBITDA for the Relevant Period to exceed 3:1, unless prior Bondholders' Consent has been obtained.

In addition, each Bondholder will have a pre-emptive right to purchase, subscribe for or obtain its pro-rata share of all equity securities that the Company may, from time to time, propose to issue or grant after the date of the Certificate, and the Company will give Bondholders written notice if it proposes to issue or grant any equity securities.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors and the Company, the shareholding structure of the Company as at the date of this announcement and immediately after conversion in full of the Convertible Bonds (assuming that no other Shares will be issued) is as follows:

Name of shareholder	Number of Shares held immediately before the conversion in full of the Convertible Bonds	Percentage of shareholding immediately before conversion in full of the Convertible Bonds	Number of Shares immediately after conversion in full of the Convertible Bonds	Percentage of shareholding immediately after conversion in full of the Convertible Bonds
Li Ning ¹	325,181,850	30.803	325,181,850	27.678
Li Chun ²	323,374,000	30.632	323,374,000	27.524
Victory Mind Assets Limited ^{1&2}	173,374,000	16.423	173,374,000	14.757
Dragon City Management (PTC) Limited ^{1&2}	150,000,000	14.209	150,000,000	12.767
Zhang Zhi Yong ³	6,739,400	0.638	6,739,400	0.574
Chong Yik Kay ⁴	70,000	0.007	70,000	0.006
Lim Meng Ann ⁵	215,246	0.020	215,246	0.018
Chu Wah Hui ⁶	253,113	0.024	253,113	0.022
James Chun-Hsien Wei ⁷	34,300	0.003	34,300	0.003
Koo Fook Sun, Louis ⁸	230,300	0.022	230,300	0.020
Wang Ya Fei ⁹	230,300	0.022	230,300	0.020
Chan Chung Bun, Bunny ¹⁰	126,300	0.012	126,300	0.011
Public Shareholders				
–TPG	0	0	89,151,162	7.588
–Minister for Finance Inc. ¹¹	63,014,252	5.97	93,049,135	7.920
–GIC ¹¹	63,014,252	5.97	93,049,135	7.920
–GIC Special Investments Pte. Ltd. ¹¹	39,157,000	3.71	69,191,883	5.890
–Government of Singapore Investment Corporation (Ventures) Pte. Ltd. ¹¹	39,157,000	3.71	69,191,883	5.890
–GIC Investor ¹¹	39,157,000	3.71	69,191,883	5.890
–Other Existing Public Shareholders	659,588,568	62.480	659,588,568	56.141
Total	1,055,683,629		1,174,869,674	

Note:

1 Mr. Li Ning is deemed to be interested in an aggregate of 325,181,850 Shares held by Victory Mind Assets Limited (“Victory Mind”), Dragon City Management (PTC) Limited (“Dragon City”) and Alpha Talent Management Limited (“Alpha Talent”), respectively, under the SFO as follows:

- (a) 173,374,000 Shares are held by Victory Mind in which 57% is owned by Ace Leader Holdings Limited (“Ace Leader”) and 38% is owned by Jumbo Top Group Limited (“Jumbo Top”). All shares of Ace Leader are held by TMF (Cayman) Ltd. in its capacity as trustee of the Jun Tai Trust, the beneficiaries of which include the respective family members of Mr. Li Ning. Mr. Li Ning is the settlor of the Jun Tai Trust and is therefore deemed to be interested in the 173,374,000 Shares held by Victory Mind under the SFO. Mr. Li Ning is a beneficiary of the Jun Tai Trust and a director of each of Victory Mind and Ace Leader;

- (b) 150,000,000 Shares are held by Dragon City in its capacity as trustee of the Three-River Unit Trust, which is a unit trust, the units of which are owned as to 60% by Cititrust (Cayman) Limited as trustee of the Palm 2008 Trust and as to 40% by Cititrust (Cayman) Limited as trustee of the Gingko 2008 Trust. Both of the Palm 2008 Trust and the Gingko 2008 Trust are revocable family trusts, the beneficiaries of which include the respective family members of Mr. Li Ning and his brother, Mr. Li Chun. Mr. Li Ning is the 60% shareholder of Dragon City and is therefore deemed to be interested in the 150,000,000 Shares held by Dragon City under the SFO. Mr. Li Ning is a director of Dragon City; and
- (c) 1,807,850 Shares are held by Alpha Talent, which is solely owned by Mr. Li Ning. Mr. Li Ning is therefore deemed to be interested in the 1,807,850 Shares held by Alpha Talent under the SFO. Mr. Li Ning is a director of Alpha Talent.
- 2 Mr. Li Chun is taken to be interested in an aggregate of 323,374,000 Shares held by Victory Mind and Dragon City under the SFO, respectively, as follows:
- (a) 173,374,000 Shares are held by Victory Mind in which 57% is owned by Ace Leader and 38% is owned by Jumbo Top. All shares of Jumbo Top are held by TMF (Cayman) Ltd. in its capacity as trustee of the Yuan Chang Trust, the beneficiaries of which include the respective family members of Mr. Li Chun. Mr. Li Chun is the settlor of the Yuan Chang Trust and therefore is taken to be interested in the 173,374,000 Shares held by Victory Mind under the SFO. Mr. Li Chun is a beneficiary of the Yuan Chang Trust and is also a director of each of Victory Mind and Jumbo Top; and
- (b) 150,000,000 Shares are held by Dragon City in its capacity as trustee of the Three-River Unit Trust, which is a unit trust, the units of which are owned as to 60% by Cititrust (Cayman) Limited as trustee of the Palm 2008 Trust and as to 40% by Cititrust (Cayman) Limited as trustee of the Gingko 2008 Trust. Both of the Palm 2008 Trust and the Gingko 2008 Trust are revocable family trusts, the beneficiaries of which include the respective family members of Mr. Li Chun and his brother, Mr. Li Ning. Mr. Li Chun is the 40% shareholder of Dragon City and therefore is taken to be interested in the 150,000,000 Shares held by Dragon City under the SFO. Mr. Li Chun is also a director of Dragon City.
- 3 Zhang Zhi Yong is the Chief Executive Officer and an executive director of the Company.
- 4 Chong Yik Kay is the Chief Financial Officer and an executive director of the Company.
- 5 Lim Meng Ann is a non-executive director of the Company.
- 6 Chu Wah Hui is a non-executive director of the Company.
- 7 James Chun-Hsien Wei is a non-executive director of the Company.
- 8 Koo Fook Sun, Louis is an independent non-executive director of the Company.
- 9 Wang Ya Fei is an independent non-executive director of the Company.
- 10 Chan Chung Bun, Bunny is an independent non-executive director of the Company.
- 11 The GIC Investor is a direct holder of 39,157,000 Shares, and GIC is the direct holder of 23,857,252 Shares. The GIC Investor is wholly owned by Government of Singapore Investment Corporation (Ventures) Pte. Ltd.. GIC Special Investments Pte. Ltd. manages the investments of the GIC Investor and is wholly owned by GIC. GIC manages the foreign reserves of Singapore and is wholly owned by Minister for Finance Inc..

Pursuant to the SFO, the interests of each of the GIC entities in the Company is as follows:

- (a) The GIC Investor has direct interest in 39,157,000 Shares;
- (b) Government of Singapore Investment Corporation (Ventures) Pte. Ltd and GIC Special Investments Pte. Ltd. each has deemed interests in the 39,157,000 Shares held by the GIC Investor;

- (c) GIC has a total interest in 63,014,252 Shares, comprising direct interest in 23,857,252 shares and deemed interest in the 39,157,000 shares held by the GIC Investor; and
- (d) Minister for Finance Inc. has deemed interests in the 63,014,252 shares that GIC has an interest in.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 13 May 2011, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 13 May 2011, i.e. 1,053,534,669 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate. As at the date of this announcement, the Company is entitled to issue up to 210,706,933 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

USE OF PROCEEDS

The estimated net proceeds of the Convertible Bonds issue, after deduction of expenses, are expected to amount to approximately HK\$921 million, and are currently intended to be used by the Company to continue its investment in the business development of the LI-NING brand, including branding, securing sport sponsorships, roll-out of the sixth-generation stores as well as product design and research and development and used as general working capital of the Company.

The net price to the Company of each of the Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the total number of the Conversion Shares based on the initial Conversation Price, is approximately HK\$7.73.

REASONS FOR AND BENEFITS OF THE CONVERTIBLE BOND ISSUE

The Company, TPG and GIC share the view that the Chinese sporting goods industry has huge potentials in its long-term prospects while TPG and GIC acknowledge that the Company is a domestic leading, high-valued brand and possesses rich and professional experience in the industry.

The Board is of the view that the new funding will not only bring the Company with more room to carry out its development strategies, but will also enable the Company to benefit from TPG's and GIC's experience in branding, retailing and products, which is more important for the Company to tap its growth potential. TPG and GIC have extensive experience in and a very successful track record of investing in the apparels and footwear products industry in the PRC and around the world, and can support the business development strategies and executions of the Company in many ways, such as brand enhancement, product design and research and development, retail management and supply chain management. TPG will nominate new members to the Board to facilitate the further enhancement of corporate governance and strategic change, as well as providing support and assistance to optimise the Company's organisational structure and operational efficiency.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There was no fund raising activities of the Company by way of issue of equity securities in the past 12 months.

INFORMATION ON TPG

TPG Group is a leading global private investment firm founded in 1992 with \$48 billion of assets under management and offices in San Francisco, Beijing, Shanghai, Chongqing, Hong Kong, Fort Worth, Houston, New York, São Paulo, London, Paris, Luxembourg, Melbourne, Moscow, Mumbai, Singapore and Tokyo. TPG Group has extensive experience with public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings. TPG Group's investments span a variety of industries including consumer, retail, financial services, travel and entertainment, technology, energy, industrials, real estate, media and communications,

and healthcare. TPG Group has a long history of investing and adding value to leading businesses in China for 17 years, as well as consumer and retail companies globally, through its significant resources including a dedicated team of operating professionals.

INFORMATION ON GIC

GIC is a global investment management company established in 1981 to manage Singapore's foreign reserves. With a network of offices in nine cities worldwide and headquartered in Singapore, GIC invests internationally in equities, fixed income, natural resources, treasury and currencies, real estate, private equity and infrastructure. Since its inception, GIC has grown from managing a few billion dollars, to well above US\$100 billion today. With a portfolio this size, GIC is amongst the world's largest fund management companies. GIC strives to achieve good long-term returns on assets under its management, to preserve and enhance Singapore's reserves.

INFORMATION ON THE COMPANY

The Company is one of the leading sports brand enterprises in the PRC. It has its own branding, research and development, design, manufacturing, distribution and retail capabilities. The Group's products include footwear, apparel, equipment and accessories for sport and leisure use which are primarily sold under its own LI-NING brand.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 January 2012 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 January 2012.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Additional INED”	has the meaning given to it under paragraph headed “Common Terms of the Subscription Agreements” of this announcement;
“Additional Interest”	has the meaning given to it under paragraph headed “Principal Terms of the Convertible Bonds” of this announcement;
“Affiliates”	means, (i) in relation to a natural person, any trust managed by such person, or any trust in which such person is beneficially interested in, or an associate (as defined in the Listing Rules) of such person, (ii) in relation to a body corporate, any subsidiary or holding company of such body corporate, any subsidiary of any such holding company for the time being and (iii) in relation to any partnership or other fund structure, any other person which through share ownership or through any other arrangement directly or indirectly controlling or controlled by or under direct or indirect common control with, such partnership or other fund structure;
“Aggregate Dividend”	has the meaning given to it under paragraph headed “Principal Terms of the Convertible Bonds” of this announcement;
“Aggregate Interest”	has the meaning given to it under paragraph headed “Principal Terms of the Convertible Bonds” of this announcement;

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	means the board of directors of the Company from time to time;
“Bond Consideration”	means RMB561,000,000 in respect of the TPG Subscription Agreement, and RMB189,000,000 in respect of the GIC Subscription Agreement;
“Bondholder(s)”	means the person(s)/entity(ies) in whose name a Bond is registered in the Register of Bondholders;
“Bondholders’ Consent”	has the meaning given to it under paragraph headed “Principal Terms of the Convertible Bonds” of this announcement;
“Business Day(s)”	means a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Singapore (in respect of the GIC Investor only) or Hong Kong (in respect of both TPG and the GIC Investor) throughout their normal business hours;
“Certificate”	means the certificate, substantially in the form set out in the relevant Subscription Agreement, to be issued in respect of the convertible Bonds, together with the Conditions;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“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 Hong Kong Stock Exchange;
“Completion”	means completion of the transactions contemplated in the relevant Subscription Agreement;
“Completion Date”	means 8 February 2012 or an earlier date upon which the last of the Conditions Precedent of the relevant Subscription Agreement to be satisfied shall have been satisfied or waived or such later time and/or date as the parties of the relevant Subscription Agreement may agree in writing;
“Conditions”	means the terms and conditions to the Convertible Bonds to be attached to the Certificates substantially in the form set out in the relevant Subscription Agreement;
“Conditions Precedent”	means the conditions precedent set out in relevant Subscription Agreement;
“Conversion Date”	means the conversion date in respect of a Convertible Bond;
“Conversion Notice”	means a notice of conversion the Bondholder completes, executes and deposits at its own expense during normal business hours at the Designated Office to exercise the Conversion Right attaching to any Convertible Bond;

“Conversion Period”	means any time following the Issue Date up to the Maturity Date (both days inclusive) but, except in cases of revival and/or survival after default, in no event thereafter;
“Conversion Price”	means the price at which Shares will be issued upon conversion;
“Conversion Right”	means the right of each Bondholder to convert any Convertible Bond held by it into Shares;
“Conversion Share(s)”	means the Share(s) to be issued by the Company upon conversion of the Convertible Bonds;
“Convertible Bond(s)”	means the convertible bonds due 2017 in the principal amount of RMB750,000,000 (equivalent to HK\$922,500,000) having a denomination of RMB100,000 each, constituted by the Certificate and to be issued by the Company on the Completion Date pursuant to the relevant Subscription Agreement with the benefit of and subject to the Conditions;
“Current Market Price”	means in respect of the Shares on a particular date, the average closing price per Share quoted on the daily quotation sheets of the Stock Exchange for the five (5) Trading Days immediately preceding such date;
“Designated Office”	means the Company’s principal place of business in Hong Kong from time to time;
“Directors”	means Directors of the Company;
“Event(s) of Default”	means the events of default of the Convertible Bonds as stipulated under the Conditions;
“General Mandate”	means the general mandate granted to the Directors to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 13 May 2011, by a resolution of the Shareholders passed at the annual general meeting of the Company held on 13 May 2011;
“GIC”	Government of Singapore Investment Corporation Pte Ltd.;
“GIC Investor”	Tetrad Ventures Pte Ltd, an investment vehicle managed by GIC Special Investments Pte. Ltd., the private equity investment arm of GIC;
“GIC Subscription Agreement”	means the subscription agreement entered into between the Company and the GIC Investor on 19 January 2012 in relation to the issue of the Convertible Bonds, as varied, amended, modified, varied or supplemented in writing by the parties thereto from time to time;
“Group”	means the Company and its Subsidiaries from time to time and “members of the Group” shall be construed accordingly;
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong;
“Interest Payment Date”	means the date on which interest on the Convertible Bonds is to be paid;

“Investor Committee Member”	has the meaning given to it under paragraph headed “Common Terms of the Subscription Agreements” of this announcement;
“Investor Director”	has the meaning given to it under paragraph headed “Common Terms of the Subscription Agreements” of this announcement;
“Issue Date”	means the issue date on the Convertible Bonds;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-up Period”	has the meaning given to it under paragraph headed “Common Terms of the Subscription Agreements” of this announcement;
“Material Adverse Effect”	means an event or circumstance, occurrence or any combination thereof arising or occurring, the effect of which is reasonably likely to have a material adverse effect on the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group as a whole, or the ability of the Company to perform its obligations under relevant Subscription Agreement, provided that (a) any change that generally affects the industries or markets in which the Group operates, (b) any change in the financial markets or general economic or political conditions, (c) any change in law or any accounting principle applicable to the Group shall not be taken as a Material Adverse Effect;
“Maturity Date”	means the date falling on the fifth anniversary of the Completion Date;
“PRC”	means the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong, Macao and Taiwan;
“Prevailing Rate”	means a rate for exchanging Hong Kong dollars and Renminbi; the “Prevailing Rate” applicable to any Trading Day shall be Bloomberg composite (NY) bid rate, expressed as the amount of Renminbi per one Hong Kong dollar, which appears on the Bloomberg screen <HKDCNY CURRENCY GIT> (or the equivalent screen of any successor service) at 9:00 a.m. on the relevant Trading Day; the Prevailing Rate in effect for the last preceding Trading Day shall be deemed to be the Prevailing Rate for such Trading Day;
“RMB” or “Renminbi”	means Renminbi, the lawful currency of the PRC;
“RMB Principal Amount”	means in respect of a Convertible Bond, the principal amount thereof, expressed in Renminbi;
“Redemption Amount”	means 130 per cent. of the outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under the Bond;
“Register of Bondholders”	means the register of the Convertible Bonds to be kept maintained by the Company’s its principal share registrar and transfer office in the Cayman Islands;

“Relevant Period”	means the full financial year ended immediately prior to the relevant date when the relevant ratio is being calculated;
“SFC”	means the Securities and Futures Commission in Hong Kong and where the context so admits shall mean the Executive Director of the Corporate Finance Division of the Securities and Futures Commission;
“SFO”	means the Securities and Futures Ordinance;
“Shares”	means the shares of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	means holder(s) of the Shares;
“Shareholding Proportion”	means an interest in such number of Shares, whether directly or indirectly interested in the Shares, convertible securities or any other derivative interests thereof, as is equal to or more than 5.0 per cent. of the issued and outstanding share capital of the Company;
“Share Option Scheme”	means the share option scheme adopted by the Company on 5 June 2004 and amended on 15 May 2009;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscriber(s)”	means TPG and/or the GIC Investor as the context may require;
“Subscription Agreement(s)”	means the TPG Subscription Agreement and/or the GIC Subscription Agreement as the context may require;
“Subsidiaries”	means the subsidiaries of the Company as at the date of the relevant Subscription Agreement;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers and Share Repurchases;
“Tax”	means (a) any form of tax whenever created or imposed and whether of Hong Kong, the Cayman Islands or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing and including an amount equal to any deprivation of any relief from taxation; and (b) all charges, interests, penalties and fines, incidental or relating to any taxation falling within (a) above;
“TPG”	TPG ASIA, Inc.;
“TPG Group”	TPG and its Affiliates;

“TPG Subscription Agreement”	means the subscription agreement entered into between the Company and TPG on 19 January 2012 in relation to the issue of the Convertible Bonds, as varied, amended, modified, varied or supplemented in writing by the parties thereto from time to time;
“Trading Day”	means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time;
“United States or US”	means the United States of America;
“US\$” or “US Dollar”	means United States Dollars, the lawful currency from time to time of the United States; and
“US Dollar Equivalent”	means in respect of a Renminbi-denominated amount converted into US dollars using the spot rate for the relevant Rate Calculation Date.

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

Hong Kong, 19 January 2012

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.