



LI NING COMPANY LIMITED
(李寧有限公司)

(Incorporated in the Cayman Islands with limited liability)

[For Immediate Release]

**Li Ning Announces Opening of
Hong Kong Design & R&D Centre**

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Applying international design concepts to develop professional product

(8 November 2004 – Hong Kong) – **Li Ning Company Limited** (the ‘Company’; stock code: 2331), one of the leading sports brand enterprises in China, is pleased to announce today the opening of its Hong Kong design, and research and development centre, **Li Ning Sports Technology Development (HK) Co., Ltd.** (“the design and R&D centre”).

Celebrities from the business communities of mainland China and Hong Kong, together with some famous Olympians were invited to join the celebration. Mr. Mike Rowse, Director-General of Investment Promotion, InvestHK, Athens 2004 Olympics Men’s 10m Air Pistol gold medallist Mr. Wang Yifu and Women’s Synchronised 3m Springboard Diving gold medallist Ms. Wu Minxia were the guests of honour for the cocktail reception, which mark the opening of the centre.

Li Ning Sports Technology Development (HK) Co., Ltd. is the design and R&D centre set up in Hong Kong by Li Ning Company Limited. Locating in Cheung Sha Wan’s Tins Enterprises Centre, the design and R&D centre will focus on strengthening the product characteristics, designs and manufacturing technology of the LI-NING brand. Apart from the design ideas and strategies, the centre will work on products with high-end functions and style. At present, the centre is planning to cooperate with professional organisations and universities in Hong Kong and overseas, including the Department of Sports Science and Physical Education of The Chinese University of Hong Kong.

Chairman of the Company, Mr. Li Ning expressed his excitement in the opening ceremony, “We always recognize innovation as the driving force in brand development. Enhancement in innovation and technology has become vital to maintain the competitiveness of an industry. The setting up of the design and R&D centre in Hong Kong is our strategy to attract world class designers and research experts so as to thoroughly understand and capitalize on international trends and ideas. Through communicating with Mainland research staff, we can raise the calibre of Mainland designers, broaden their horizon and set up a platform for collaborating with international R&D and design firms.”

Director-General of Invest Hong Kong, Mr Rowse said: “LI-NING is a leading sports brand in China and the Company implements stringent requirement for product development and design. With the provision of professionals and sound supplementary facilities in Hong Kong, I believe the Company can further improve its product combination. Setting up the design and R&D centre in Hong Kong, an international financial centre, will further strengthen the Company’s research and development arm, enabling and establishing a solid platform for the Company to extend its reach to the international market.”

The Company will continue to sponsor the four national teams with the most gold medallists (gymnastic, table tennis, diving and shooting) till the end of 2008. Through effect promotion and image lifting, LI-NING will seize the growth opportunity brings by the 2008 Olympic Games and solidify its connection with Chinese sports. In the future, the Company will invest 3% of total turnover in product research and development with the view of enhancing the style of product design and the application of colours. Meanwhile, the Company will study the design strategy and the source of inspiration of its competitors, so as to keep its products in par with international brands in terms of design and technological level.

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Company Background

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Li Ning Company Limited is one of the leading sports brand enterprises in the PRC. We have our own branding, research, design, manufacturing, distribution and retail capabilities. Our products include sports footwear, apparel and accessories for sport and leisure use primarily sold under the LI-NING brand, which is owned by us, and the KAPPA brand, which is exclusively licenced to us for use in the PRC and Macau. We have established an extensive distributorship and retail network in the PRC market.

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