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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)

DISCLOSEABLE TRANSACTION

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

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The Board announces that, (i) on 11 January 2021, Li Ning (Hubei), an indirect wholly-owned subsidiary of the Company, subscribed for BOC Structured Deposits in the amount of RMB500 million; (ii) on 12 January 2021, Li Ning (China) and Shanghai Shao Hao, both of which are indirect wholly-owned subsidiaries of the Company, subscribed for CMB Structured Deposits in the aggregate amount of RMB500 million; and (iii) on 12 January 2021, Li Ning (Hubei) subscribed for CCB Structured Deposits in the amount of RMB200 million.

IMPLICATION UNDER THE LISTING RULES

Each of the First Subscription, Second Subscription and Third Subscription on a standalone basis does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, as the First Subscription, Second Subscription and the Third Subscription were conducted within 12 months, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio (as defined under the Listing Rules) in respect of the Subscriptions exceeds 5% but is less than 25%, the Subscriptions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements.

THE SUBSCRIPTIONS

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The major terms of the Subscriptions are set out as follows:

(a) The First Subscription

Date of subscription:	11 January 2021
Name of product:	Structured deposits
Issuer:	BOC
Subscriber:	Li Ning (Hubei)
Subscription amount:	RMB500 million
Term of product:	169 days
Product risk level (internal risk rating given by BOC):	Low to medium risk
Expected annual return rate:	3.15%

(b) The Second Subscription

Date of subscription:	12 January 2021
Name of product:	Structured deposits
Issuer:	CMB
Subscribers:	(a) Li Ning (China); and (b) Shanghai Shao Hao
Subscription amount:	(a) RMB300 million by Li Ning (China); and (b) RMB200 million by Shanghai Shao Hao
Term of product:	90 days
Product risk level (internal risk rating given by CMB):	Low to medium risk
Expected annual return rate:	3.06%

(c) The Third Subscription

Date of subscription:	12 January 2021
Name of product:	Structured deposits
Issuer:	CCB
Subscriber:	Li Ning (Hubei)
Subscription amount:	RMB200 million
Term of product:	120 days
Product risk level (internal risk rating given by CCB):	Low to medium risk
Expected annual return rate:	3.2%

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The funds for the Subscriptions are the Group's internal funds that are not required immediately for operation or capital expenditure purposes. The Subscriptions are considered to be part of the Group's treasury management to improve the utilization of its idle funds and to bring higher return on capital. In addition, the Company has fully considered fund needs for daily operations and capital expenditure when purchasing the Wealth Management Products and determining the respective subscription amount. The Subscriptions will not affect the daily fund requirements of the Company.

The Board (including its independent non-executive Directors) are of the view that the respective terms of the Subscriptions are on normal commercial terms which are fair and reasonable. The Subscriptions are in the interests of the Group and the Shareholders as a whole.

INFORMATION ON LI NING (HUBEI), LI NING (CHINA), SHANGHAI SHAO HAO AND THE GROUP

Li Ning (Hubei), Li Ning (China) and Shanghai Shao Hao are companies incorporated in the PRC with limited liability and are indirect wholly-owned subsidiaries of the Company.

The Group is one of the leading sports brand enterprises in the PRC mainly providing professional and leisure sporting goods including footwear, apparel, equipment and accessories primarily under the LI-NING brand.

INFORMATION ON THE BANKS

BOC is a licensed bank incorporated under the laws of the PRC and is engaged in, amongst others, the provision of corporate and retail banking services, investment banking, asset management and wealth management business.

CMB is a licensed bank incorporated under the laws of the PRC and is engaged in, amongst others, the provision of corporate and retail banking services, asset management, trust, financial leasing, insurance and other financial services.

CCB is a licensed bank incorporated under the laws of the PRC and is engaged in, amongst others, the provision of corporate and retail banking services, asset management, financial leasing, trust, insurance, investment banking and other financial services.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Banks and their ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

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

“Banks”	collectively the BOC, CMB and CCB
“Board”	the board of Directors
“BOC”	Bank of China Limited* (中國銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“BOC Structured Deposits”	the RMB denominated wealth management product in the amount of RMB500 million subscribed by Li Ning (Hubei) with BOC on 11 January 2021
“CCB”	China Construction Bank Corporation* (中國建設銀行股份有限公司), a licensed bank incorporated in the PRC
“CCB Structured Deposits”	the RMB denominated wealth management products in the amount of RMB200 million subscribed by Li Ning (Hubei) with CCB on 12 January 2021
“CMB”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a licensed bank incorporated in the PRC

“CMB Structured Deposits”	the RMB denominated wealth management products in the respective amounts of RMB300 million and RMB200 million subscribed by Li Ning (China) and Shanghai Shao Hao with CMB on 12 January 2021
“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
“First Subscription”	the subscription of BOC Structured Deposits
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties who are independent of, and not connected with the Company or any of its connected persons
“Li Ning (China)”	Li Ning (China) Sports Goods Co., Ltd.* (李寧(中國)體育用品有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Li Ning (Hubei)”	Li Ning (Hubei) Sports Goods Co., Ltd.* (李寧(湖北)體育用品有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Second Subscription”	the subscriptions of CMB Structured Deposits
“Shanghai Shao Hao”	Shanghai Shao Hao Sports Goods Co., Ltd.* (上海少昊體育用品有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively the First Subscription, Second Subscription and Third Subscription
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Third Subscription”	the subscription of CCB Structured Deposits
“Wealth Management Products”	collectively BOC Structured Deposits, CMB Structured Deposits and CCB Structured Deposits
“%”	per cent

By order of the Board
Li Ning Company Limited
Li Ning

Executive Chairman and Joint Chief Executive Officer

Hong Kong, 12 January 2021

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*