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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)**

- (1) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION;**  
**(2) PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME AND TERMINATION OF THE 2014 SHARE OPTION SCHEME; AND**  
**(3) PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME**

### **INTRODUCTION**

This announcement is made by the Company (1) pursuant to Rule 13.51(1) of the Listing Rules in relation to the proposed amendments to the Existing Memorandum and Articles; (2) in relation to the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; and (3) in relation to the proposed adoption of the 2023 Share Award Scheme.

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board wishes to announce the proposal to make certain amendments to the Existing Memorandum and Articles and the adoption of the Amended and Restated Memorandum and Articles consolidating the Proposed Amendments (as defined below).

The Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles are subject to the approval of the Shareholders by way of special resolution at the forthcoming AGM.

## **PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME AND TERMINATION OF THE 2014 SHARE OPTION SCHEME**

The 2014 Share Option Scheme was adopted by the Company on 30 May 2014 and is valid for a period of ten years commencing on 30 May 2014. Since the 2014 Share Option Scheme is near the end of its scheme period, and in light of the Amended Rules (as defined below), the Board proposes to recommend to the Shareholders at the EGM to terminate the 2014 Share Option Scheme and adopt the 2023 Share Option Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules.

The 2023 Share Option Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

Adoption of the 2023 Share Option Scheme is conditional upon (i) the approval of the 2023 Share Option Scheme by the Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options granted under the 2023 Share Option Scheme.

## **PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME**

The Board proposes to recommend to the Shareholders at the EGM to adopt the 2023 Share Award Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules. In addition to the 2014 Share Option Scheme (which if approved by the Shareholders, will be replaced by the 2023 Share Option Scheme), the Company has also adopted the 2016 Restricted Share Award Scheme, which is funded by existing Shares. The proposed adoption of the 2023 Share Award Scheme will involve grant of new Shares, and can provide an alternative channel for the Company to provide competitive and attractive remuneration package to incentivize selected participants in contributing to the Group.

The 2023 Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Award Scheme will be subject to, among others, the Shareholders' approval at the EGM.

Adoption of the 2023 Share Award Scheme is conditional upon (i) the approval of the 2023 Share Award Scheme by the Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued in respect of the awards granted under the 2023 Share Award Scheme.

## GENERAL

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles and the notice of convening the AGM will be despatched to the Shareholders in due course.

A separate circular containing among other matters, (i) details of the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; (ii) details of the proposed adoption of the 2023 Share Award Scheme; and (iii) the notice convening the EGM will also be despatched to the Shareholders in due course.

**As at the date of this announcement, (1) the proposed amendments to the Existing Memorandum and Articles; (2) the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; and (3) the proposed adoption of the 2023 Share Award Scheme are all remain subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.**

## INTRODUCTION

This announcement is made by the Company (1) pursuant to Rule 13.51(1) of the Listing Rules in relation to the proposed amendments to the Existing Memorandum and Articles; (2) in relation to the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; and (3) in relation to the proposed adoption of the 2023 Share Award Scheme.

## **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board wishes to announce the proposal to make certain amendments to the Existing Memorandum and Articles and the adoption of the Amended and Restated Memorandum and Articles consolidating the Proposed Amendments, in order to, inter alia, (i) bring the Existing Memorandum and Articles in alignment with the Core Shareholder Protection Standards set out in Appendix 3 to the Listing Rules; (ii) allow the Company to conduct general meetings in the form of electronic or hybrid meetings; and (iii) incorporate certain housekeeping changes (collectively, the “**Proposed Amendments**”). In light of the extent of the Proposed Amendments, the Board proposes to adopt the Amended and Restated Memorandum and Articles in substitution for, and to the exclusion of the Existing Memorandum and Articles.

The Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles are subject to the approval of the Shareholders by way of special resolution at the forthcoming AGM.

## **PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME AND TERMINATION OF THE 2014 SHARE OPTION SCHEME**

With effect from 1 January 2023, Chapter 17 of the Listing Rules has been amended and it applies to both share option schemes as well as share award schemes involving issue of new shares (the “**Amended Rules**”).

The 2014 Share Option Scheme was adopted by the Company on 30 May 2014 and is valid for a period of ten years commencing on 30 May 2014. Since the 2014 Share Option Scheme is near the end of its term, and in light of the Amended Rules, the Board proposes to recommend to the Shareholders at the EGM to terminate the 2014 Share Option Scheme and adopt the 2023 Share Option Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules. The proposal allows the Company to continue to provide incentives to eligible participants to contribute to the Group and to enable the Group to recruit high-calibre employees and attract human resources that are valuable to the Group.

The key terms of the 2023 Share Option Scheme are set out below.

- Purpose** : The purpose of the 2023 Share Option Scheme is to provide incentives to Eligible Participants to contribute to the Company and to enable the Company to recruit high-calibre employees and attract human resources that are valuable to the Group.
- Duration** : The 2023 Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period, no further options shall be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect for the purpose of giving effect to the acceptance of granted options, the exercise of such outstanding vested or unvested options or otherwise as may be required in accordance with the 2023 Share Option Scheme.
- Participants** : Eligible Participants under the 2023 Share Option Scheme include any Employee Participant or Related Entity Participant who in the absolute discretion of the Board have contributed to the Group.

- Subscription price** : The Board will determine the subscription price and will notify the grantee such subscription price in the letter of grant. The Board will comply with such basis of determination of the price for exercising any option as set out in the Listing Rules unless otherwise approved or permitted by the Stock Exchange, such exercise price, pursuant to the Listing Rules as at the Adoption Date, shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the options; and (iii) the nominal value of a Share.
- Maximum number of Shares available for subscription** : The total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share scheme(s) (including the 2023 Share Award Scheme) must not exceed 10% of the number of Shares in issue as at the Adoption Date.
- Maximum entitlement of each Eligible Participant** : No option shall be granted to any Eligible Participant if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all options or awards under the 2023 Share Option Scheme and any other share scheme(s) (including the 2023 Share Award Scheme) to the relevant Eligible Participant in the 12-month period immediately preceding the date of grant of the relevant option would exceed 1% of the number of Shares in issue at such time.
- Time of exercise of options** : An Option may be exercised at any time during a period to be determined and notified by the Board to the grantee as set out in the letter of grant, which period shall cannot be longer than 10 years from the date of grant.
- Vesting period** : The minimum vesting period for all options is twelve months, subject to a shorter vesting period at the discretion of the Board or the Remuneration Committee (as the case may be) under the circumstances specified in the 2023 Share Option Scheme.

Further details of the 2023 Share Option Scheme will be set out in the circular to be despatched to the Shareholders.

## Conditions Precedent

The 2023 Share Option Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

Adoption of the 2023 Share Option Scheme is conditional upon (i) the approval of the 2023 Share Option Scheme by the Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options granted under the 2023 Share Option Scheme.

## PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME

The Board also proposes to recommend to the Shareholders at the EGM to adopt the 2023 Share Award Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules. In addition to the 2014 Share Option Scheme (which if approved by the Shareholders, will be replaced by the 2023 Share Option Scheme), the Company has also adopted the 2016 Restricted Share Award Scheme, which is funded by existing Shares. The proposed adoption of the 2023 Share Award Scheme will involve grant of new Shares, and can provide an alternative channel for the Company to provide competitive and attractive remuneration package to incentivize selected participants in contributing to the Group.

The key terms of the 2023 Share Award Scheme are set out below.

- Purpose** : The purpose of the 2023 Share Award Scheme is to provide the Selected Participants with an opportunity to obtain a proprietary interest in the Company, to provide incentives to Selected Participants to contribute to the Company and to enable the Company to recruit high-calibre employees and attract human resources that are valuable to the Group.
- Duration** : The 2023 Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period, no further awards shall be granted but the provisions of the 2023 Share Award Scheme shall remain in full force and effect for the purpose of giving effect to the acceptance of granted awards, the vesting of awarded Shares or otherwise as may be required in accordance with the 2023 Share Award Scheme.

- Participants** : Selected Participant under the 2023 Share Award Scheme include any Employee Participant or Related Entity Participant who in the absolute discretion of the Board have contributed to the Group, but shall not include any Excluded Participant.
- Maximum number of Shares available for subscription** : The total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Award Scheme and any other share scheme(s) (including the 2023 Share Option Scheme) must not exceed 10% of the number of Shares in issue as at the Adoption Date.
- Maximum entitlement of each Participant** : No award shall be granted to any Selected Participant if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all options or awards under the 2023 Share Award Scheme and any other share scheme(s) (including the 2023 Share Option Scheme) to the relevant Selected Participant in the 12-month period immediately preceding the date of grant of the relevant option would exceed 1% of the number of Shares in issue at such time.
- Vesting of awards** : The respective awarded Shares shall vest on the Selected Participant in accordance with the applicable vesting schedule as set out in the letter of grant when all the vesting conditions set out therein have been satisfied and/or waived. The Company shall then allot and issue to such Selected Participant such number of new awarded Shares and the subscription money for the new awarded Shares, representing the nominal value of the new awarded Shares multiplied by the number of new awarded Shares to be issued, shall be paid from the Company's resources.
- Vesting period** : The minimum vesting period for all awarded Shares is twelve months, subject to a shorter vesting period at the discretion of the Board or the Remuneration Committee (as the case may be) under the circumstances specified in the 2023 Share Award Scheme.

Further details of the 2023 Share Award Scheme will be set out in the circular to be despatched to the Shareholders.

## **Conditions Precedent**

The 2023 Share Award Scheme will constitute a share scheme under Chapter 17 of the Listing Rules. Pursuant to the Listing Rules, share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Award Scheme will be subject to, among others, the Shareholders' approval at the EGM.

Adoption of the 2023 Share Award Scheme is conditional upon (i) the approval of the 2023 Share Award Scheme by the Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued in respect of the awards granted under the 2023 Share Award Scheme.

## **GENERAL**

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles and the notice of convening the AGM will be despatched to the Shareholders in due course.

A separate circular containing among other matters, (i) details of the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; (ii) details of the proposed adoption of the 2023 Share Award Scheme; and (iii) the notice convening the EGM will also be despatched to the Shareholders in due course.

As at the date of this announcement, (1) the proposed amendments to the Existing Memorandum and Articles; (2) the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme; and (3) the proposed adoption of the 2023 Share Award Scheme are all remain subject to the approval of the Shareholders. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

## **DEFINITIONS**

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

“2014 Share Option Scheme”	the share option scheme adopted by the Company on 30 May 2014
“2016 Restricted Share Award Scheme”	the restricted share award scheme adopted by the Company on 14 July 2016
“2023 Share Award Scheme”	the Company's share award scheme proposed to be approved and adopted by the Shareholders, the principal terms of which are set out in this announcement

“2023 Share Option Scheme”	the Company’s share option scheme proposed to be approved and adopted by the Shareholders, the principal terms of which are set out in this announcement
“Adoption Date”	the date on which the 2023 Share Option Scheme and/or the 2023 Share Award Scheme is approved by the Shareholders at the EGM
“AGM”	the annual general meeting of the Company
“Amended and Restated Memorandum and Articles”	the amended and restated memorandum and articles of association of the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to consider and, if thought fit, approve, among other things, (1) the proposed adoption of the 2023 Share Option Scheme and termination of the 2014 Share Option Scheme and (2) the proposed adoption of the 2023 Share Award Scheme
“Eligible Participant(s)”	the individuals or entities who or which may participate in the 2023 Share Option Scheme or the 2023 Share Award Scheme (as the case may be), who could be (i) an Employee Participant; or (ii) a Related Entity Participant
“Employee Participant(s)”	director(s) and employee(s) of the Company or any of its subsidiaries, including persons who are granted options and/or awards as an inducement to enter into employment contracts with these companies but excluding an employee or director who has submitted his/her resignation or whose contract of employment has been terminated (summarily dismissed or otherwise)

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an award and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2023 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board, compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Existing Memorandum and Articles”	the existing memorandum and articles of association of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Related Entity Participant(s)”	any director or employee of any holding company, fellow subsidiary or associated company of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Selected Participant(s)”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of awards under the 2023 Share Award Scheme
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 March 2023

*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 Ms. Wang Yajuan.*