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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)

GRANT OF SHARE OPTIONS AND AWARD OF RESTRICTED SHARES

Li Ning Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that the board of directors (the “**Board**”) has resolved to make grants of share options under its share option scheme adopted on 30 May 2014 (the “**2014 Share Option Scheme**”) and restricted shares under its restricted share award scheme adopted on 14 July 2016 (the “**RS Scheme**”) on 20 December 2017. The grants aim to provide incentives to the core management team to devote to the future continuous growth of the Company so as to achieve better performance and lead the Company into a new stage of development and to reinforce the management team’s commitment to long term services for the Company.

GRANT OF SHARE OPTIONS

This section of the announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

On 20 December 2017 (the “**Grant Date**”), the Board granted an aggregate of 53,425,800 options (the “**Options**”) to senior management of the Company (the “**Grantees**”), subject to their acceptance, to subscribe for a total of 53,425,800 ordinary shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) pursuant to the 2014 Share Option Scheme.

Each Option shall entitle the holder of the Option to subscribe for one Share at an exercise price of HK\$6.12 per Share, which is the highest of: (a) the closing price of HK\$6.12 per Share as stated in the Stock Exchange’s daily quotations sheets on the Grant Date; (b) the average closing price of HK\$6.11 per Share as stated in the Stock Exchange’s daily quotations sheets for the five business

days immediately preceding the Grant Date; and (c) the nominal value of HK\$0.10 per Share. Options granted are valid for a period from the Grant Date to 31 December 2022. All Options are performance based.

None of the Grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them.

AWARD OF RESTRICTED SHARES

On 20 December 2017, the Board awarded 19,317,500 shares (the “**Awarded Shares**”) to certain selected participants under the Company’s RS Scheme. The Awarded Shares represents approximately 0.89% of the issued share capital of the Company as at the date of the announcement. The selected participants include directors of the Company, senior management, managers of departments and other employees of the Group, who contributed directly to the overall business performance and will contribute to the sustainable development of the Group.

Among the Awarded Shares mentioned above, 7,870,100 Awarded Shares were granted to Mr. Li Ning, the Executive Chairman and Interim Chief Executive Officer of the Company. The grant of Awarded Shares to a director forms part of the remuneration package of the director under his service contract with the Company and accordingly, is exempt from the reporting, announcement and independent shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

The Company will transfer an appropriate amount of funds to the trustee of the RS Scheme to procure the purchase of the relevant number of Shares from the market. The Awarded Shares will be held by the trustee of the RS Scheme in accordance with the rules of the RS Scheme and the relevant trust deed. The Awarded Shares are subject to a vesting scale in three tranches on 1 September 2019 (20%), 1 September 2020 (40%) and 1 September 2021 (40%). All the Awarded Shares are performance based. When the selected participants concerned have satisfied all the vesting conditions specified at the time of grant, the trustee shall transfer the relevant vested Shares to the relevant selected participant at no cost.

The Board of the Company considers that the award of the Awarded Shares is fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

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

Hong Kong, 20 December 2017

As at the date of this announcement, the executive director of the Company is Mr. Li Ning. The non-executive directors of the Company are Mr. Chen Yue, Scott, Mr. Wu, Jesse Jen-Wei 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.