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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)**

### **DISCLOSABLE TRANSACTION SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

#### **SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

The Board announces that, (i) on 6 January 2021, Li Ning (Hubei) and Li Ning (Guangxi), both of which are indirect wholly-owned subsidiaries of the Company, subscribed for BOC Structured Deposits and ICBC Structured Deposits, respectively, in the amount of RMB500 million and RMB125 million; (ii) on 8 January 2021, Li Ning (China) and Li Ning (Shenzhen), both of which are indirect wholly-owned subsidiaries of the Company, subscribed for Ping An Structured Deposits in the aggregate amount of RMB900 million; and (iii) on 8 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 Fourth Subscription on a standalone basis does not constitute a disclosable transaction of the Company under chapter 14 of the Listing Rules. The First Subscription and the Second Subscription on an aggregate basis also do not constitute a disclosable transaction of the Company under chapter 14 of the Listing Rules. However, since the Subscriptions were all conducted within a period of 12 months, the First Subscription, the Second Subscription and the Fourth Subscription were required to be aggregated with the Third Subscription 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 relation to the Third Subscription (on a standalone basis) and the aggregated Subscriptions exceeds 5% but is less than 25%, the Third Subscription (on a standalone basis) and the Subscriptions respectively constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE SUBSCRIPTIONS

The Board announces that, (i) on 6 January 2021, Li Ning (Hubei) and Li Ning (Guangxi), both of which are indirect wholly-owned subsidiaries of the Company, subscribed for BOC Structured Deposits and ICBC Structured Deposits, respectively, in the amount of RMB500 million and RMB125 million; (ii) on 8 January 2021, Li Ning (China) and Li Ning (Shenzhen), both of which are indirect wholly-owned subsidiaries of the Company, subscribed for Ping An Structured Deposits in the aggregate amount of RMB900 million; and (iii) on 8 January 2021, Li Ning (Hubei) subscribed for CCB Structured Deposits in the amount of RMB200 million.

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

### (a) The First Subscription

<b>Date of subscription:</b>	6 January 2021
<b>Name of product:</b>	Structured deposits
<b>Issuer:</b>	BOC
<b>Subscriber:</b>	Li Ning (Hubei)
<b>Subscription amount:</b>	RMB500 million
<b>Term of product:</b>	174 days
<b>Product risk level (internal risk rating given by BOC):</b>	Low to medium risk
<b>Expected annual return rate:</b>	3.15%

### (b) The Second Subscription

<b>Date of subscription:</b>	6 January 2021
<b>Name of product:</b>	Structured Deposits
<b>Issuer:</b>	ICBC
<b>Subscriber:</b>	Li Ning (Guangxi)
<b>Subscription amount:</b>	RMB125 million
<b>Term of product:</b>	62 days

**Product risk level (internal risk rating given by ICBC):** Low to medium risk

**Expected annual return rate:** 2.1%

**(c) The Third Subscription**

**Date of subscription:** 8 January 2021

**Name of product:** Structured deposits

**Issuer:** Ping An Bank

**Subscribers:** (a) Li Ning (China); and  
(b) Li Ning (Shenzhen)

**Subscription amount:** (a) RMB200 million by Li Ning (China); and  
(b) RMB700 million by Li Ning (Shenzhen)

**Term of product:** (a) 90 days for RMB300 million subscribed by Li Ning (Shenzhen);  
(b) 172 days for RMB400 million subscribed by Li Ning (Shenzhen); and  
(c) 172 days for RMB200 million subscribed by Li Ning (China)

**Product risk level (internal risk rating given by Ping An Bank):** Low risk

**Expected annual return rate:** 3.3%

**(d) The Fourth Subscription**

**Date of subscription:** 8 January 2021

**Name of product:** Structured deposits

**Issuer:** CCB

**Subscriber:** Li Ning (Hubei)

**Subscription amount:** RMB200 million

**Term of product:** 91 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 (CHINA), LI NING (HUBEI), LI NING (GUANGXI), LI NING (SHENZHEN) AND THE GROUP**

Li Ning (China), Li Ning (Hubei), Li Ning (Guangxi) and Li Ning (Shenzhen) 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. Headquartered in Beijing, the Group has brand marketing, research and development, design, manufacturing, distribution and retail capabilities. In addition to its core LI-NING brand, the Group also manufactures, develops, markets, distributes and/or sells various sports products which are self-owned by or licensed to the Group.

## **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.

ICBC 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, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services.

Ping An Bank is a licensed bank incorporated under the laws of the PRC and is engaged in, amongst others, provision of corporate and retail banking services, investment banking, asset management 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**

Each of the First Subscription, Second Subscription and Fourth Subscription on a standalone basis does not constitute a disclosable transaction of the Company under chapter 14 of the Listing Rules. The First Subscription and the Second Subscription on an aggregate basis also do not constitute a disclosable transaction of the Company under chapter 14 of the Listing Rules.

However, since the Subscriptions were all conducted within a period of 12 months, the First Subscription, the Second Subscriptions and the Fourth Subscription were required to be aggregated with the Third Subscription 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 relation to the Third Subscription (on a standalone basis) and the aggregated Subscriptions exceeds 5% but is less than 25%, the Third Subscription (on a standalone basis) and the Subscriptions respectively constitute disclosable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Banks”	Collectively the BOC, ICBC, Ping An Bank and CCB
“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
“Board”	the board of Directors
“BOC Structured Deposits”	the RMB denominated wealth management product in the amount of RMB500 million subscribed by Li Ning (Hubei) with BOC on 6 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 product in the amount of RMB200 million subscribed by Li Ning (Hubei) with CCB on 8 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
“Fourth Subscription”	the subscription of CCB Structured Deposits
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial & Commercial Bank of China Limited (中國工商銀行股份有限公司), a bank licensed and incorporated under the laws of the PRC
“ICBC Structured Deposits”	the RMB denominated wealth management product in the amount of RMB125 million subscribed by Li Ning (Guangxi) with ICBC on 6 January 2021
“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 (Guangxi)”	Li Ning Sports (Guangxi) Co., Ltd.* (李寧體育(廣西)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
“Li Ning (Shenzhen)”	Li Ning Sports (Shenzhen) Co., Ltd.* (李寧體育(深圳)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
“Ping An Bank”	Ping An Bank Co., Ltd.* (平安銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“Ping An Structured Deposits”	the RMB denominated wealth management products in the respective amounts of RMB200 million and RMB700 million subscribed by Li Ning (China) and Li Ning (Shenzhen) with Ping An Bank on 8 January 2021
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Second Subscription”	the subscription of ICBC Structured Deposits
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively the First Subscription, the Second Subscription, the Third Subscription and the Fourth Subscription
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Third Subscription”	the subscriptions of Ping An Structured Deposits
“Wealth Management Products”	collectively the BOC Structured Deposits, ICBC Structured Deposits, Ping An Structured Deposits and CCB Structured Deposits
“%”	per cent

By the order of the Board  
**Li Ning Company Limited**  
**Li Ning**

*Executive Chairman and Joint Chief Executive Officer*

Hong Kong, 8 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