

---

## SHARE CAPITAL

---

### SHARE CAPITAL

Assuming the total number of Shares in issue remains unchanged from the Latest Practicable Date to the date of this document and without taking into account any Shares to be issued upon exercise of any options granted under the Share Option Scheme or the conversion of the Earn-out Convertible Bonds, or any Shares which may be allotted and issued or repurchased pursuant to the Issue Mandate and Repurchase Mandate, the share capital of our Company immediately upon the [REDACTED] will be as follows:

#### Authorised share capital

Number of Shares	Description of Shares	Total nominal value of the Shares
20,000,000,000	Ordinary Shares of HK\$0.05 each	HK\$1,000,000,000.00
<u>6,000,000,000</u>	Preference Shares of HK\$0.01 each	<u>HK\$60,000,000.00</u>
<u>26,000,000,000</u>	Total Shares	<u>HK\$1,060,000,000.00</u>

#### Issued share capital

Number of Shares	Description of Shares	Total nominal value of the Shares
[REDACTED]	Ordinary Shares of HK\$0.05 each	[REDACTED]
<u>[REDACTED]</u>	Preference Shares of HK\$0.01 each	<u>[REDACTED]</u>
<u>[REDACTED]</u>	Total Shares	<u>[REDACTED]</u>

### MINIMUM PUBLIC FLOAT

The minimum level of public float to be maintained by our Company at all times after the [REDACTED] under the Main Board Listing Rules is 25% of its share capital in issue from time to time. Our Directors confirm that from the GEM Listing up to the Latest Practicable Date, we have maintained the minimum level of public float required under the GEM Listing Rules and is expected to comply with the requirements under Rule 8.08 of the Main Board Listing Rules following the [REDACTED].

---

## SHARE CAPITAL

---

### RANKING

The Shares in issue are ordinary shares in the share capital of our Company and rank *pari passu* in all respects with each other. The Shares will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date following the [REDACTED].

### SHARE OPTION SCHEME

We have adopted the Share Option Scheme on 18 January 2021 which will remain in force for a period of 10 years commencing thereon. The Share Option Scheme will remain valid and effective following the [REDACTED] and will be implemented in full compliance with Chapter 17 of the Main Board Listing Rules.

As at the Latest Practicable Date, 229,330,333 share options granted to our Directors and certain employees remained outstanding in relation to the subscription of a total of 229,330,333 Shares (representing 2.31% of the enlarged issued share capital of our Company upon exercise of the outstanding share options in full) at the exercise price of HK\$0.670 per Share in respect of 216,034,333 share options and the exercise price of HK\$1.30 per Share in respect of 13,296,000 share options. Please refer to the paragraph headed “Statutory and General Information – D. Share Option Scheme” in Appendix V to this document for details of the principal terms of the Share Option Scheme and the outstanding share options.

### EARN-OUT CONVERTIBLE BONDS

Pursuant to a sale and purchase agreement dated 12 October 2012 entered into between our Company (as purchaser) and Victory Mind and Dragon City (as vendors) (the “Vendors”) for the acquisition of certain shares in Li Ning Co and the deed dated 30 August 2013 entered into by the above parties, our Company issued the Earn-out Convertible Bonds in the principal amount of HK\$780,000,000 in total to the Vendors (as the original holders) which are convertible into 2,400,000,000 Shares at an initial conversion price of HK\$0.325 per Share subject to certain undertaking under which a portion of the Earn-out Convertible Bonds may be returned to our Company in the event that certain performance targets of Li Ning Co are not met. On 10 April 2017, the condition for releasing the undertaking has been met and our Company had released all the Earn-out Convertible Bonds held by the Vendors.

As at the Latest Practicable Date, the outstanding principal amount of the Earn-out Convertible Bonds is HK\$555,100,000 which is convertible into 1,708,000,000 Shares (representing 15.00% of the enlarged issued share capital of our Company) at the initial conversion price of HK\$0.325 per Share. For further details of the terms of the Earn-out Convertible Bonds, please refer to the circular of our Company dated 17 October 2013 and the announcement of our Company dated 10 April 2017.

## **SHARE CAPITAL**

---

### **GENERAL MANDATE TO ISSUE SHARES**

The Directors have been granted a general mandate to allot and issue Shares pursuant to the ordinary resolution passed at the annual general meeting of our Company held on 15 June 2022, details of which are set out in the circular of our Company dated 18 March 2022.

Such general mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of our Company; (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles, or any other applicable law of the Cayman Islands to be held; and (c) the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying such authority given to our Directors.

### **GENERAL MANDATE TO REPURCHASE SHARES**

The Directors have been granted a general mandate to repurchase Shares pursuant to the ordinary resolution passed at the annual general meeting of our Company held on 15 June 2022. Details of which are set out in the circular of our Company dated 18 March 2022 and in the paragraph headed “Statutory and General Information – A. Further information about our Group – 4. Repurchase of our own securities” in Appendix V to this document.

### **CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED**

Our Company may by ordinary resolution (i) increase its share capital by the creation of new shares; (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (iii) divide its shares into several classes; (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; (v) sub-divide its shares or any of them into shares of smaller amount; and (vi) change the currency of denomination of its share capital. In addition, our Company may by special resolution reduce its share capital or undistributable reserve subject to any conditions prescribed by the Cayman Companies Act.

If at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Act, be varied or abrogated only with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

For further details, please refer to the paragraph headed “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix IV of this document.

---

## SHARE CAPITAL

---

### SHAREHOLDING DISTRIBUTION

Our Company has engaged a search agent, which is an Independent Third Party, to conduct a shareholding search of our Company with record date as at 1 March 2023 (“**Shareholding Report**”). To the best knowledge of our Directors having made reasonable enquires, including review of the Shareholding Report and the publicly available information, our Company had at least 300 Shareholders and the shareholding structure of our Company as at the Latest Practicable Date was as follows:-

	Number of Shares held <i>(Note 1)</i>	Approximate percentage of shareholding to our Company’s issued share capital
<b>Controlling Shareholders</b> <i>(Note 2)</i>	[REDACTED]	[REDACTED]
<b>Top 25 Shareholders (including our Controlling Shareholders)</b>		
– Top 1 to 3 Shareholders <i>(Note 3)</i>	[REDACTED]	[REDACTED]
– Top 4 Shareholder <i>(Note 4)</i>	[REDACTED]	[REDACTED]
– Top 5 Shareholder <i>(Note 5)</i>	[REDACTED]	[REDACTED]
– Top 6 to 10 Shareholders <i>(Notes 4 and 6)</i>	[REDACTED]	[REDACTED]
– Top 11 to 15 Shareholders <i>(Note 4)</i>	[REDACTED]	[REDACTED]
– Top 16 to 20 Shareholders <i>(Notes 4 and 7)</i>	[REDACTED]	[REDACTED]
– Top 21 to 25 Shareholders <i>(Notes 4 and 8)</i>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>Sub-total:</b>	[REDACTED]	[REDACTED]
<b>Other Shareholders</b>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
<b>Total</b>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

## **SHARE CAPITAL**

---

*Notes:*

1. In calculating the number of Shareholders, (i) Shareholders with the same names; (ii) Shareholders who share the same address or (iii) Shareholders who holds Shares through multiple brokerage accounts via different brokerage firms would be deemed as one single beneficial Shareholder and the respective shareholdings will be aggregated in our shareholding distribution analysis.
2. Save for the interests disclosed in this document, our Controlling Shareholders are not and were not interested in any Shares through any person, entity, custodian, nominee and brokerage firm. On the other hand, our Controlling Shareholders do not and did not hold any Shares on behalf of any person, entity, custodian, nominee and brokerage firm.
3. Lead Ahead, Dragon City and Victory Mind, being our Controlling Shareholders, are our top 3 Shareholders.
4. To the best knowledge of our Directors and having made all reasonable enquiries, save as otherwise specified in the notes to this sub-section, these Shareholders are all Independent Third Parties.
5. Our top 5 Shareholder is a director of our subsidiary.
6. Our top 6 to 10 Shareholders include one director of our subsidiary.
7. Our top 16 to 20 Shareholders include Mr. Li Chun, being the brother of Mr. Li Ning who is one of our Controlling Shareholders and our executive Director.
8. Our top 21 to 25 Shareholders include one director of our subsidiary.