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LISI GROUP (HOLDINGS) LIMITED

利時集團（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

COMPLETION OF THE MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF MEGA CONVENTION GROUP LIMITED, ISSUE OF TRANCHE A CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that the conditions precedent set out in the Acquisition Agreement have been fulfilled and the Acquisition was completed on 7 February 2017.

Reference is made to the announcements of the Company dated 25 September 2015, 9 August 2016, 29 September 2016, 27 October 2016, and 3 January 2017 and the circular of the Company dated 30 September 2016 (the “**Circular**”) in relation to, among other things, the Acquisition Agreement and the allotment and issue of the Consideration Shares pursuant to the Specific Mandate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that the conditions precedent set out in the Acquisition Agreement have been fulfilled and the Acquisition was completed on 7 February 2017 (the “**Completion Date**”) in accordance with the terms and conditions of the Acquisition Agreement.

The Consideration for the Sale Shares shall be up to RMB916,000,000, and shall be satisfied by the allotment and issue of the Consideration Shares to the Vendor and/or its designated parties credited as fully paid in three tranches at the Issue Price of HK\$0.3712 per Consideration Share pursuant to the terms and conditions of the Acquisition Agreement.

The first tranche of the Consideration was paid by the Company by way of allotment and issue of a total 838,477,319 Tranche A Consideration Shares to the Vendor (as to 657,662,650 Shares) and two designated parties of the Vendor (as to 144,651,735 Shares and 36,162,934 Shares, respectively) on 7 February 2017. Immediately before the allotment and issue of the Tranche A Consideration Shares, the two designated parties are Independent Third Parties.

Upon Completion, the Target Company became a direct wholly-owned subsidiary of the Company.

EFFECTS ON SHREHOLDING STRUCTURE OF THE COMPANY

Set out below for illustrative purposes is the shareholding structure of the Company (i) immediately before the Completion Date; and (ii) immediately after the Completion Date and upon the allotment and issue of the Tranche A Consideration Shares:

	Immediately before the Completion Date		Immediately after the Completion Date and upon the allotment and issue of the Tranche A Consideration Shares	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Shareholders				
Mr. Li Lixin and his associates (<i>Note 1</i>)	2,843,631,680	62.07%	2,843,631,680	52.46%
The Vendor and its designated parties	–	–	838,477,319	15.47%
Public Shareholders	<u>1,738,000,255</u>	<u>37.93%</u>	<u>1,738,000,255</u>	<u>32.07%</u>
Total:	<u><u>4,581,631,935</u></u>	<u><u>100%</u></u>	<u><u>5,420,109,254</u></u>	<u><u>100%</u></u>

Note 1: Mr. Li Lixin's interests in 2,843,631,680 Shares is held as to 9,822,000 Shares personally, 19,258,000 Shares through his spouse Ms. Jin Yaer, 1,332,139,014 Shares through Big-Max Manufacturing Co., Limited and 1,482,412,666 Shares through Shi Hui Holdings Limited, which is wholly-owned by Big- Max Manufacturing Co., Limited. The issued share capital of Big-Max Manufacturing Co., Limited is beneficially owned as to 90% by Mr. Li Lixin and as to 10% by his spouse, Ms. Jin Yaer.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that pursuant to the Acquisition Agreement, Mr. Tong Xin (“**Mr. Tong**”) has been appointed as an executive director with effect from the Completion Date (i.e. 7 February 2017).

Biographical details of Mr. Tong are set out as follows:

Tong Xin (同心) (“**Mr. Tong**”), aged 36, obtained a bachelor’s degree in law from Tianjin Normal University* (天津師範大學) and a master’s degree in law from Université de Savoie. Mr. Tong served in the senior management of various companies listed in the PRC and in Hong Kong. He had served as a supervisor in Tianjin Binhai Teda Logistics (Group) Corporation Limited* (天津濱海泰達物流集團股份有限公司), a company listed on the GEM board of the Stock Exchange (stock code: 8348). In the past three years, Mr. Tong served as a supervisor in Vantone Group (萬通地產), a company listed on the Shanghai Stock Exchange (stock code: 600246). He presently acts as a supervisor in Tianjin Teda Company, a company listed on the Shenzhen Stock Exchange (stock code: 652).

Mr. Tong is the son of the brother of Ms. Cheng Weihong’s husband. Save as disclosed above, Mr. Tong does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, nor does he have any interests in the shares of the Company within the meaning of Part XV of the SFO as at the date of this announcement.

Mr. Tong’s appointment is for a fixed term of three years starting from 7 February 2017, and he will not receive any director’s fee for his directorship in the Company. He will hold the office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

As at the date of this announcement, save as disclosed above, (i) Mr. Tong does not, nor did he in the past three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas; (ii) he does not have any relationships with any directors or senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; and (iii) he does not hold other positions in the Company or its subsidiaries.

Save as disclosed above, the Board is not aware of any information relating to Mr. Tong’s appointment which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, or other matters that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its warmest welcome to Mr. Tong for joining the Board.

By Order of the Board
Lisi Group (Holdings) Limited
Li Lixin
Chairman

Hong Kong, 7 February 2017

As at the date of this announcement, the Board comprises of Mr. Li Lixin (chairman), Mr. Cheng Jianhe, Ms Jin Yaxue and Mr. Tong Xin being executive directors, Mr. Lau Kin Hon being non-executive director, Mr. He Chengying, Mr. Cheung Kiu Cho Vincent and Mr. Shin Yick Fabian being independent non-executive directors.