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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)**

### **HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 3 October 2017.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

This announcement is made by Lisi Group (Holdings) Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 3 October 2017.

### **HIGH CONCENTRATION OF SHAREHOLDING**

The Company noted that an announcement has been published by the Securities and Futures Commission (“**SFC**”) on 18 October 2017 (the “**Announcement**”). As disclosed in the Announcement, SFC has recently completed an enquiry into the shareholding of the Company. SFC’s findings suggested that as at 3 October 2017, 17 shareholders held an aggregate of 833,396,077 Shares, representing 14.68% of the issued Shares. Such shareholding, together with 4,292,355,073 Shares (representing 75.59% of the issued Shares) held by three substantial shareholders of the Company, represented 90.27% of the issued Shares as at 3 October 2017. Therefore, only 552,287,421 Shares (representing 9.73% of the issued Shares) were held by other shareholders.

As set out in the Announcement, the shareholding structure of the Company as at 3 October 2017 was as follows:

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Mr. Li Lixin ( <i>Note 1</i> )	2,832,373,680	49.88
Ms. Cheng Wei Hong ( <i>Note 2</i> )	1,029,119,393	18.12
Pacific Sun Advisors Limited ( <i>Note 3</i> )	430,862,000	7.59
A group of 17 shareholders	833,396,077	14.68
Other shareholders	552,287,421	9.73
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Total	<u>5,678,038,571</u>	<u>100.00</u>

*Note 1:* Mr. Li Lixin is the Chairman and Executive Director of the Company. The 2,832,373,680 Shares consist of (i) 1,482,412,666 Shares held by Shi Hui Holdings Limited; (ii) 1,332,139,014 Shares held by Big-Max Manufacturing Co., Limited; and (iii) 17,822,000 Shares held by Mr. Li Lixin personally. Shi Hui Holdings Limited is wholly-owned by Mr. Li Lixin. Big-Max Manufacturing Co., Limited is owned as to 90% by Mr. Li Lixin.

*Note 2:* The 1,029,119,393 Shares consist of (i) 841,970,422 Shares held by Mighty Mark Investments Limited; and (ii) 187,148,971 Shares held by Hopeful Glad Limited. Mighty Mark Investments Limited and Hopeful Glad Limited are wholly-owned by Ms. Cheng Wei Hong.

*Note 3:* Pacific Sun Advisors Limited is licensed by the SFC to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Pacific Sun Advisors Limited held the Shares in the capacity of investment manager.

As stated in the Announcement:

- (a) The closing price of the Shares increased by 144.4% from HK\$0.63 on 4 September 2017 to HK\$1.54 on 21 September 2017, and then eased slightly to HK\$1.32 on 3 October 2017.
- (b) During the above period, the Company published the following announcements:-
  - On 10 September 2017, the Company announced that it had commenced preliminary negotiation with certain independent third parties relating to a possible acquisition of an interest in a company (its subsidiaries are engaged in provision of motor vehicles supply chain services and other motor vehicle related services).

- On 17 September 2017, the Company announced an acquisition of 51% equity interests in Dawn Brilliant Limited (“Target Company”) at a consideration of HK\$1.4 billion from an independent third party. The Target Company’s subsidiary is engaged in provision of motor vehicles supply chain services and other motor vehicle related services. The consideration shall be satisfied by the issue of 1,135,607,714 new Shares (at an issue price of \$1 per Share) and a promissory note by the Company to the vendor.
  - On 21 September 2017, the Company announced that the Target Company entered into a strategic cooperation agreement with Taobao (China) Software Co., Ltd in relation to the proposed cooperation in establishing and promoting a large-scale integrated platform for sale and purchase of motor vehicles and other motor vehicle related services.
- (c) As at 17 October 2017, the Shares closed at HK\$1.26, which was 100% higher than the closing price of HK\$0.63 on 4 September 2017.

The information above is extracted from the Announcement and the Company has not independently verified such information other than (i) the shareholding held by Mr. Li Lixin; and (ii) the information set out in paragraphs (a) to (c) above. Please refer to the Announcement for more information.

## **PUBLIC FLOAT**

Based on the information available and to the best knowledge of the board of directors of the Company (the “Board”) after making all reasonable enquiries of its connected persons, the Company confirms that not less than 25% of the Company’s issued Shares were/are in the hands of the public as at 3 October 2017 and the date of this announcement and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

By Order of the Board  
**LISI GROUP (HOLDINGS) LIMITED**  
**Li Lixin**  
*Chairman*

Hong Kong, 18 October 2017

*As at the date of this announcement, the Board comprises 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.*