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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)**

### **(1) SUPPLEMENTAL AGREEMENTS IN RELATION TO THE MAJOR AND CONNECTED TRANSACTION AND POSSIBLE CONTINUING CONNECTED TRANSACTION; AND (2) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**

Reference is made to the announcement of the Company dated 9 August 2016. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

#### **SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF MEGA CONVENTION GROUP LIMITED**

On 29 September 2016 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the Supplemental Acquisition Agreement, pursuant to which the parties agreed to amend and supplement the Acquisition Agreement with respect to the acquisition of the Sale Shares.

#### **SUPPLEMENTAL AGREEMENT IN RELATION TO THE POSSIBLE CONTINUING CONNECTED TRANSACTION**

On 29 September 2016 (after trading hours of the Stock Exchange), the OPCo and Binhai Car City entered into the Supplemental Strategic Cooperative Agreement, pursuant to which the parties agreed to amend and supplement the Strategic Cooperative Agreement with respect to the supply of Parallel Imported Cars from Binhai Car City to the OPCo.

## **PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**

For the purpose of fulfillment of one of the conditions of the Acquisition Agreement, an ordinary resolution will be proposed at the SGM to consider and approve the appointment of Mr. Tong Xin, being a personnel nominated by the Vendor, as an executive Director.

**Shareholders and potential investors should note that completion of the Acquisition is subject to the conditions precedent under the paragraph headed “Conditions Precedent of the Acquisition” in the Announcement, which may or may not be fulfilled. The Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.**

Reference is made to the announcement of Lisi Group (Holdings) Limited (the “Company”) dated 9 August 2016 (the “Announcement”). Capitalized terms used in this announcement shall have the same meanings as defined in the Announcement unless the context requires otherwise.

## **SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF MEGA CONVENTION GROUP LIMITED**

On 29 September 2016 (after trading hours of the Stock Exchange), the Company and the Vendor entered into a supplemental agreement to the Acquisition Agreement (the “Supplemental Acquisition Agreement”), pursuant to which the parties agreed to amend and supplement the Acquisition Agreement with respect to the acquisition of the Sale Shares.

The principal terms of the Supplemental Acquisition Agreement are set out as follows:

### ***Maximum number of the Consideration Shares***

Notwithstanding any other terms under the Acquisition Agreement, the maximum amount of the Consideration Shares is 3.455 billion and in the event that the actual number of Consideration Shares to be issued by the Company as determined with the actual Agreed Exchange Rate exceeds 3.455 billion Consideration Shares, the Company will only be obligated to allot and issue such number of Consideration Shares not exceeding 3.455 billion to the Vendor or its designated party.

### ***Completion of the Acquisition***

Pursuant to the Supplemental Acquisition Agreement, the Vendor undertakes to the Company that it will procure Ms. Cheng Weihong, the beneficial owner of World Vast, to fund World Vast by way of capital contribution at or before Completion, in order for World Vast to settle the outstanding acquisition consideration in the amount of RMB100 million in cash, being the amount currently due from World Vast to the then shareholder of the OPCo.

### ***Target Audited Net Profit***

Pursuant to the Supplemental Acquisition Agreement, the target audited after-tax net profits shall be derived from the Target Group's operating business which shall only include, for the avoidance of doubt, such profits as generated from the Target Group's operating business and relevant income derived therefrom), and prepared in accordance with all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The Target Audited Net profit for the years ending 31 December 2016 and 2017 remain unchanged.

### ***Maintenance of minimum public float requirement***

In the event that the Company fails to meet the minimum public float requirement under Rule 8.08 of the Listing Rules as a result of the allotment and issue of Tranche C Consideration Shares to the Vendor, in relation to the number of Tranche C Consideration Shares to be allotted and issued to the Vendor which exceeds the minimum public float requirement, the Vendor is obligated pursuant to the Supplemental Acquisition Agreement to dispose of its corresponding shareholding prior to the relevant Tranche C Consideration Shares is being allotted and issued to the Vendor, to ensure the minimum public float requirement of 25% for the Company is maintained at all times.

Save for the above, all other terms and conditions of the Acquisition Agreement shall remain unchanged and continue in full force and effect.

### ***Reasons for the Supplemental Acquisition Agreement***

The Board considers that the Supplemental Acquisition Agreement will enable the Company to proceed with the intended Acquisition as the Company deems appropriate and in accordance with the Listing Rules. The Board considers that the terms of the Supplemental Acquisition Agreement are fair and reasonable and the entering into of the Supplemental Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

## **SUPPLEMENTAL AGREEMENT IN RELATION TO THE POSSIBLE CONTINUING CONNECTED TRANSACTION**

On 29 September 2016 (after trading hours of the Stock Exchange), the OPCo and Binhai Car City entered into a supplemental agreement to the Strategic Cooperative Agreement (the "Supplemental Strategic Cooperative Agreement"), pursuant to which the parties agreed to amend and supplement the Strategic Cooperative Agreement with respect to the supply of Parallel Imported Cars from Binhai Car City to OPCo.

### ***Right of renewal***

Pursuant to the Supplement Strategic Cooperative Agreement, the OPCo is given the unilateral right to renew the Strategic Cooperative Agreement for another term of 3 years, subject to the compliance of all relevant requirements of the Listing Rules and other applicable law and regulations.

Save for the above, all other terms and conditions of the Strategic Cooperative Agreement shall remain unchanged and continue in full force and effect.

### ***Reasons for the Supplemental Strategic Cooperative Agreement***

The Board considers that the Supplemental Strategic Cooperative Agreement will assist the Company to secure a reliable supply of Parallel Imported Cars from Binhai Car City thereby enabling the OPCo to better meet the expected increase in demand for Parallel Imported Cars beyond 1 January 2019.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Strategic Cooperative Agreement are fair and reasonable and the entering into of the Supplemental Strategic Cooperative Agreement is in the interests of the Company and the Independent Shareholders as a whole.

### **PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**

For the purpose of fulfillment of one of the conditions of the Acquisition Agreement, an ordinary resolution will be proposed at the SGM to consider and approve the appointment of Mr. Tong Xin, being a personnel nominated by the Vendor, as an executive Director subject to Completion and with effect from the Completion Date.

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). Save as disclosed above, so far as the Directors are aware, Mr. Tong has not held any directorships in any listed public companies in the last three years. As at the date of this announcement, Mr. Tong does not hold any positions in the Company and/or its subsidiaries.

Mr. Tong possesses a wealth of work experience and an extensive business network in the area of Parallel Import of cars in Tianjin. He has good, effective channels for communicating with the government on affairs relating to the business of Parallel Import of cars. His strategic vision enables him to navigate the OPCo’s business to devise business development directions and model in compliance with the government’s guidance. Also, having acted as the investment and corporate planning director and the representative for securities affairs of Tianjin Binhai Teda Logistics (Group) Corporation Limited, he possesses extensive business experience and global vision in international trade and financial and logistics services.

Mr. Tong can establish good government-enterprise relations and communication channels with the competent authorities of the Chinese government in relation to the business of Parallel Import of cars through assuming his position with the Company. He can offer numerous strategic framework designs and business model designs for the business of Parallel Import of cars and offer strong support to the business by leveraging on his relevant experience in international trade and international financial and logistics services, thereby creating sound benefits for the Company.

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. Subject to the approval by the Shareholders of his appointment as an executive Director at the SGM, Mr. Tong will enter into a service contract with the Company for a term of three years as Director, subject to re-election at a general meeting of the Company. Mr. Tong will not be entitled a director's fee for his directorship in the Company. Save as disclosed above, there are no other matters relating to Mr. Tong that need to be brought to the attention of the Shareholders nor is there any information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**Shareholders and potential investors should note that completion of the Acquisition is subject to the conditions precedent under the paragraph headed "Conditions Precedent of the Acquisition" in the Announcement, which may or may not be fulfilled. The Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.**

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

Hong Kong, 29 September 2016

*As at the date of this announcement, the Board comprises of Mr Li Lixin (chairman), Mr Cheng Jianhe and Ms Jin Yaxue 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.*