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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) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

(2) APPOINTMENT OF VICE CHAIRLADY OF THE BOARD AND EXECUTIVE DIRECTOR

(1) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

On 15 September 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 800,000,000 Subscription Shares at the Subscription Price of HK\$0.076 per Subscription Share under the General Mandate.

The Subscription Shares in aggregate represent (i) approximately 9.95% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.05% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the Subscription Shares.

(2) APPOINTMENT OF VICE CHAIRLADY OF THE BOARD AND EXECUTIVE DIRECTOR

Subject to the completion of the Subscription Agreement, Ms. Li Jialu will be appointed the vice chairlady of the Board and an executive Director with effect from 15 November 2024.

Completion of the Subscription is subject to fulfilment of the Conditions Precedent under the Subscription Agreement as stated in this announcement. As such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

(1) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

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PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date: 15 September 2024

Parties to the Subscription Agreement: The Company as issuer

Agreement:

Manukura (CMCI) Limited as subscriber

Subscription Shares:

Pursuant to Subscription Agreement, the Company has conditionally agreed to allot and issue, and Subscriber has conditionally agreed to subscribe for, 800,000,000 Subscription Shares at the Subscription Price.

As at the date of this announcement, the Company has a total of 8,044,020,391 Shares in issue. Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the Completion Date, save for the allotment and issue of the Subscription Shares, the Subscription Shares in aggregate represent:

- (i) approximately 9.95% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 9.05% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares.

The Subscription Shares have an aggregate nominal value of HK\$8,000,000.

Subscription Price:

The Subscription Price of HK\$0.076 per Subscription Share represents:

- (i) a premium of approximately 1.33% over the closing price of HK\$0.075 per Share as quoted on the Stock Exchange on 13 September 2024, being the last trading day immediately preceding the date of the Subscription Agreement;
- (ii) a premium of approximately 1.06% over the closing price of HK\$0.0752 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including 13 September 2024, being the last trading day immediately before the date of the Subscription Agreement; and
- (iii) a premium of approximately 0.66% over the closing price of HK\$0.0755 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including 13 September 2024, being the last trading day immediately before the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber after taking into account the prevailing market price and trading volume of the Shares as well as the current market conditions. The Directors consider that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Subscription Price shall be payable by the Subscriber in cash upon Completion.

Ranking:

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

Conditions Precedent:

Completion of the Subscription Agreement is conditional upon:

- (a) the Listing Approval having been granted and not having been subsequently revoked prior to or on the Completion Date;
- (b) the warranties given by the Company under the Subscription Agreement remaining true and accurate in all respects and not misleading in any material respect as of the date of the Subscription Agreement and the Completion Date by reference to the facts and circumstances subsisting as at the date of the Subscription Agreement and the Completion Date respectively; and
- (c) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse change on (i) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of the Company or of the subsidiaries, or (ii) the ability of the Company to perform or observe any of its obligations, undertakings or covenants under the Subscription Agreement.

The Subscriber may, at its absolute discretion, waive the Conditions Precedent set out in paragraph (b) and (c) above, and no other Conditions Precedent may be waived by the Subscriber.

As at the date of this announcement, the Conditions Precedent has not yet been fulfilled. If the Conditions Precedent are not satisfied on or before the Long Stop Date (other than Condition Precedent set out in paragraph (b) above which shall be satisfied simultaneously at Completion), the Subscription Agreement shall be automatically terminated with immediate effect.

Completion of the Subscription:

Completion of the Subscription will take place on the tenth Business Day following the day on which the Conditions Precedent had been fulfilled (or such other date as may be agreed between the Company and the Subscriber in writing).

Listing Application:

An application shall be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

General Mandate:

Pursuant to the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 30 August 2024, the Directors may exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding 1,608,804,078 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting.

As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. Accordingly, the General Mandate is sufficient for the issue of the Subscription Shares. As a result, the issue of the Subscription Shares is not subject to separate Shareholders' approval.

INFORMATION ON THE SUBSCRIBER

The Subscriber is Manukura (CMCI) Limited which is wholly owned by Mrs. Alexia David. The Subscriber is a private trust company acting as trustee for an irrevocable and discretionary trust of Mrs. Alexia David and her children. Mrs. Alexia David is the daughter of the late Andrew A. David, the founder and former chairman of Coca-Cola Hellenic Bottling Company AG (LSE: CCH). Coca-Cola Hellenic Bottling Company is the third largest bottler of Coca-Cola worldwide and is listed on the London Stock Exchange as a component of the FTSE 100.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

INFORMATION OF THE GROUP

The principal activities of the Group are (i) manufacturing and trading of household products; (ii) operation of supermarkets and property rental services; (iii) wholesales of alcohol, wine, beverages and electrical appliances; and (iv) investment holding.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be HK\$60,800,000. After deducting related professional fees and all related expenses for the Subscription, the net proceeds of the Subscription will amount to approximately HK\$60,450,000, representing a net subscription price of approximately HK\$0.07556 per Subscription Share. The Company intends to apply the net proceeds for general working capital of the Group and for funding investment opportunities as may be identified from time to time.

The Subscription would enhance the Company's financial strength and financing capabilities, and provide the Company with an opportunity to broaden its shareholder base and capital base. Mrs. Alexia David is a successful entrepreneur and investor, with a global investment portfolio spanning various sectors, including food and beverages, technology, finance, real estate, and trading. Her long-term investment strategy focuses on building strong partnerships with market-leading companies, with the aim of building deeper cooperation across such holdings both in terms of business development and technology. Mrs. Alexia David also has a particular interest in Hong Kong and China. Mrs. Alexia David has expressed that she is particularly optimistic with regards to the future development of the Company and the future growth of Hong Kong as a strong business environment. By introducing the Subscriber as new Shareholder, the Company believes that the Subscription reflects the confidence of the Subscriber towards the long term and sustainable development of the Company. The Company may explore potential cooperation and investment opportunities with the Subscriber to enhance the competitiveness of the Company and to enhance the value of the Company to its Shareholders.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of all the Subscription Shares (assuming there are no other changes to the issued share capital of the Company between the date of this announcement and the Completion Date save for the allotment and issue of the Subscription Shares and the Subscriber will not hold any other Shares save for the Subscription Shares on the Completion Date):

	As at the date of this announcement		Immediately following the Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Directors				
Li Lixin <i>(Note 1)</i>	2,755,137,680	34.25	2,755,137,680	31.15
Cheng Weihong <i>(Note 2)</i>	1,849,407,702	22.99	1,849,407,702	20.91
Substantial Shareholder				
Greater Bay Area Homeland Development Fund (GP) Limited <i>(Note 3)</i>	933,000,000	11.60	933,000,000	10.55
Subscriber				
Subscriber	-	-	800,000,000	9.05
Other Public Shareholders	2,506,475,009	31.16	2,506,475,009	28.34
	<u>8,044,020,391</u>	<u>100</u>	<u>8,044,020,391</u>	<u>100</u>

Notes:

- (1) Mr. Li holds 17,822,000 Shares. 2,737,315,680 Shares are held by Lisi Manufacturing Co., Limited, the entire issued share capital of which is indirectly owned by Mr. Li.
- (2) 956,407,702 Shares are held by Mighty Mark Investments Limited, the entire issued share capital of which is owned by Ms. Cheng; and 893,000,000 Shares are held by Hopeful Glad Limited, the entire issued share capital of which is owned by Ms. Cheng.
- (3) Greater Bay Area Homeland Development Fund (GP) Limited is the general partner of Greater Bay Area Homeland Development Fund LP which owns the entire issued share capital of Poly Platinum Enterprises Limited. Poly Platinum Enterprises Limited holds 933,000,000 Shares.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund-raising activities in the past 12 months from the date of this announcement.

(2) APPOINTMENT OF VICE CHAIRLADY OF THE BOARD AND EXECUTIVE DIRECTOR

Subject to the completion of the Subscription Agreement, the Board has approved the appointment of Ms. Li Jialu (“**Ms. Li**”) as the vice chairlady of the Board and an executive Director with effect from 15 November 2024. Subject to the consent of the Company, her date of commencement may be an earlier date. In such circumstances, separate announcement will be published by the Company. The biographical details of Ms. Li are set out as follows:

Ms. Li, aged 46, has over 20 years’ experience in investment banking. She has served as the Managing Director and the Head of Corporate Advisory Team of CCB International Capital Limited. Ms. Li completed her studies in London, earning an LLM in Banking and Finance Law and an MSc in International Business.

Ms. Li will be appointed for a term of three years and is subject to retirement by rotation and re-election pursuant to the bye-laws of the Company. Ms. Li has not yet entered into a service agreement with the Company for the time being. The remuneration of Ms. Li will be determined by the Board with recommendation of the remuneration committee of the Company after considering a range of factors including the prevailing market conditions, her duties and responsibilities in the Group and performance and results of the Group.

As at the date of this announcement, save as disclosed above, (i) Ms. Li does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management or substantial or controlling shareholders of the Company; (ii) Ms. Li has not held any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years or other major appointments and professional qualifications; (iii) Ms. Li does not have any interests in any Shares of the Company which are required to be disclosed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). There are no other matters relating to Ms. Li’s appointment that need to be brought to the attention of the Shareholders and any other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

GENERAL

Completion of the Subscription is subject to fulfilment of the Conditions Precedent under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Business Day”	any day (excluding Saturday and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Company”	Lisi Group (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription Agreement
“Completion Date”	the tenth Business Day after the date on which the Conditions Precedent has been fulfilled, or such other date as the Company and the Subscriber may agree in writing
“Conditions Precedent”	the conditions precedent set out in the section headed “Principal terms of the Subscription Agreement – Conditions Precedent” in this announcement
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 30 August 2024 to the Directors to allot, issue and otherwise deal with Shares not exceeding 1,608,804,078 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Approval”	the approval (either unconditionally or subject to allotment and matters ancillary thereto) to be granted by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	6 October 2024 or such other date as the Company and the Subscriber may agree in writing
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Manukura (CMCI) Limited
“Subscription”	the subscription by the Subscriber for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 15 September 2024 entered into between the Company and the Subscriber
“Subscription Price”	HK\$0.076 per Subscription Share

“Subscription Share(s)” an aggregate of 800,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement

“%” per cent

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

Hong Kong, 15 September 2024

As at the date of this announcement, the Board comprises Mr Li Lixin, Mr Cheng Jianhe and Ms Jin Yaxue being the executive Directors, Mr He Chengying, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being the independent non-executive Directors.