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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)

CONNECTED TRANSACTION

The Board announces that on 30 April 2025, as the Old Lease Agreement will expire on 31 May 2025, the New Lease Agreement was entered into between Lisi Household, a wholly owned subsidiary of the Company, as lessee and Lisi Electrical as lessor regarding the renewal of the leasing of the Property for a period of three years commencing from 1 June 2025 to 31 May 2028 at a monthly rental of RMB684,041 (the Old Lease Agreement: RMB635,100).

Pursuant to HKFRS 16, the Property leased under the New Lease Agreement will be recognised as right-of-use assets with the aggregate consideration of approximately RMB22.9 million, and the transaction contemplated under the New Lease Agreement will be recognised as the acquisition of right-of-use assets which will constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future.

Lisi Electrical is a connected person of the Company. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated under the New Lease Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the New Lease Agreement is subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE NEW LEASE AGREEMENT

The Board announces that on 30 April 2025, as the Old Lease Agreement will expire on 31 May 2025, the New Lease Agreement was entered into between Lisi Household, a wholly owned subsidiary of the Company, as lessee and Lisi Electrical as lessor regarding the renewal of the leasing of the Property for a period of three years commencing from 1 June 2025 and expiring on 31 May 2028 as detailed below:

Date

30 April 2025

Parties

- (i) 寧波利時電器制造有限公司 (“Lisi Electrical”) (Ningbo Lisi Electrical Appliances Manufacturing Company Limited*) as the lessor; and
- (ii) 寧波利時日用品有限公司 (“Lisi Household”) (Ningbo Lisi Household Products Company Limited*) as the lessee.

Lisi Electrical is indirectly wholly owned by Lisi Plastics. Lisi Plastics is owned as to 75% by Lisi Group. Lisi Group in turn is ultimately beneficially owned as to 98.15% by Mr Li Lixin, the Chairman, the Company’s executive Director and substantial Shareholder, and his son. Therefore Lisi Electrical is considered to be a connected person of the Company under Chapter 14A of the Listing Rules.

Subject Matter

Lisi Electrical shall lease the Property to Lisi Household pursuant to the terms and conditions of the New Lease Agreement.

Details of Property

Description	Approximate gross area
Workshop #1	19,790 sq.m.
Workshop #2 (1st Floor)	12,364 sq.m.
Workshop #2 (2nd Floor)	12,364 sq.m.
Equipment room	240 sq.m.
Security room	50 sq.m.
248 units of workers quarters	–

Term

The New Lease Agreement is for the period of three years commencing from 1 June 2025 to 31 May 2028.

Consideration

The monthly rental for the Property under the New Lease Agreement shall be RMB684,041 (the Old Lease Agreement: RMB635,100) and is expected to be financed by internal resources of the Group. The monthly rental, which increases to 7.7% as the monthly rental under the Old Lease Agreement, is comparable to the market rental charge for adjacent lands and buildings in the local property market. A security deposit equivalent to one month's rental will be paid to Lisi Electrical within 30 days from the effective date of the New Lease Agreement. The rental shall be payable monthly in advance.

REASONS FOR AND BENEFITS OF THE NEW LEASE AGREEMENT

The Group is principally engaged in (i) manufacturing and trading of household products; (ii) operation of supermarkets and property rental services; (iii) wholesale of wine and electrical appliances; and (iv) investments holding.

The New Lease Agreement will enable Lisi Household to continue to make use of the Property as its factory and quarters, which will enhance the operation and management capacity of the Group and facilitate the continuing smooth operation of Lisi Household's businesses. The New Lease Agreement is a renewal of the Old Lease Agreement which will expire on 31 May 2025.

Lisi Electrical is principally engaged in home appliance manufacturing and processing.

The Property has been leased by Lisi Household from Lisi Electrical since 2012 for the Group's manufacturing base for production of household products. As the Old Lease Agreement will expire on 31 May 2025, Lisi Household and Lisi Electrical have entered into the New Lease Agreement in relation to the leasing of the Property, the monthly rental, which increases to 7.7% as the Old Lease Agreement.

The Directors, including the independent non-executive Directors, are of the view that the terms of the New Lease Agreement are on normal commercial terms and are fair and reasonable and the entering into of the New Lease Agreement is in the interests of the Company and the Shareholders as a whole.

The Board has approved the New Lease Agreement and the transaction contemplated thereunder. Since each of Mr. Li Lixin, Mr. Cheng Jianhe and Ms. Jin Yaxue have their respective interests in Lisi Electrical, Mr. Li Lixin, Mr. Cheng Jianhe and Ms. Jin Yaxue have abstained from voting on the relevant resolutions of the Board to approve the New Lease Agreement.

LISTING RULES IMPLICATIONS

Lisi Electrical is indirectly wholly owned by Lisi Plastics. Lisi Plastics is owned as to 75% by Lisi Group. Lisi Group in turn is ultimately beneficially owned as to 98.15% by Mr Li Lixin, the Chairman, the Company's executive Director and substantial Shareholder, and his son. Therefore Lisi Electrical is considered to be a connected person of the Company under Chapter 14A of the Listing Rules. The HKFRS applicable to the Group includes HKFRS 16 "Leases". Pursuant to HKFRS 16, the Property leased under the New Lease Agreement will be recognised as right-of-use assets with the aggregate consideration of approximately RMB22.9 million and the transaction contemplated under the New Lease Agreement will be recognised as the acquisition of right-of-use assets which will constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future. Since the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the New Lease Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the New Leasing Agreement is subject to reporting and announcement requirements but is exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

"Board"	the board of Directors of the Company
"Company"	Lisi Group (Holdings) Limited (stock code: 526), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Lisi Electrical"	寧波利時電器制造有限公司 (Ningbo Lisi Electrical Appliances Manufacturing Company Limited*), a sino-foreign enterprise established in the PRC
"Lisi Group"	利時集團股份有限公司 (Lisi Group Co., Ltd*), a company established in the PRC
"Lisi Household"	寧波利時日用品有限公司 (Ningbo Lisi Household Products Company Limited*), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of the Company

“Lisi Plastics”	寧波利時塑膠有限公司 (Ningbo Lisi Plastics Company Limited*), a company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease Agreement”	the lease agreement dated 30 April 2025 entered into between Lisi Electrical (as lessor) and Lisi Household (as lessee) relating to the leasing of the Property
“Old Lease Agreement”	the lease agreement dated 2 April 2024 entered into between Lisi Electrical (as lessor) and Lisi Household (as lessee) relating to the leasing of the Property
“PRC”	The People’s Republic of China, which for the purpose of this announcement and unless context suggests otherwise, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	the properties including the factory and quarter situated at 518 Cheng Xin Lu, Yinzhou Investment & Venture Centre, Yinzhou, Ningbo, PRC* which is the subject matter of the New Lease Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“sq.m”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
LISI GROUP (HOLDINGS) LIMITED
Cheng Jianhe
Executive Director

Hong Kong, 30 April 2025

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

* *for identification purpose only*