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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)

MAJOR TRANSACTION AND DISCLOSEABLE TRANSACTION

Major Transaction

On 12 September 2013, 16 January 2014 and 5 June 2014, New JoySun entered into three separate Trust Agreements with National Trust pursuant to which New JoySun has entrusted National Trust to manage cash funds in the principal amount of RMB150 million, RMB100 million and RMB200 million respectively for and on behalf of New JoySun.

Based on the relevant percentage ratios calculated pursuant to the Listing Rules, the Trust Agreements constituted a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since no Shareholder is required to abstain from voting if a general meeting was convened to approve the Trust Agreements, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Chapter 14 of the Listing Rules. Big-Max, being the controlling shareholder of the Company holding 3,028,981,014 Shares, representing approximately 72.5% of the total issued share capital of the Company, has given a written approval to the Trust Agreements. Accordingly, no special general meeting of the Company will be convened for the purpose of approving the Trust Agreements.

A circular containing, among other things, details of the Trust Agreements will be despatched to the Shareholders for their information only on or before 30 September 2014 so as to allow sufficient time to prepare information for inclusion in the circular.

Discloseable Transaction

On 9 July 2014, New JoySun entered into a Wealth Management Agreement with Yinzhou Bank to subscribe for a wealth management product in the principal amount of RMB100 million from Yinzhou Bank.

Based on the relevant percentage ratios calculated pursuant to the Listing Rules, the Wealth Management Agreement constituted a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

MAJOR TRANSACTION

On 12 September 2013, 16 January 2014 and 5 June 2014, New JoySun entered into three separate Trust Agreements with National Trust pursuant to which New JoySun has entrusted National Trust to manage cash funds in the principal amount of RMB150 million, RMB100 million and RMB200 million respectively for and on behalf of New JoySun.

THE TRUST AGREEMENTS**(1) Trust Agreement A**

Date: 12 September 2013

Parties:

1. 寧波新江廈股份有限公司 (New JoySun Corp.) as the principal and beneficiary; and
2. 國民信託有限公司 (The National Trust Limited) as the trustee.

Trust arrangement

Pursuant to the Trust Agreement A, New JoySun has entrusted National Trust to manage a cash fund in the principal amount of RMB150 million for and on behalf of New JoySun. National Trust will invest the fund at its discretion according to the investment scope under the Trust Agreement A, which include government bonds, financial bonds, notes of central bank, bank deposits, cash, wealth management products of banks, trust products and other tools of the currency market. Duration of the trust arrangement is 1 year commencing from the establishment of the trust. National Trust is entitled to a service fee of 0.1% on the trust fund.

(2) Trust Agreement B

Date: 16 January 2014

Parties:

1. 寧波新江廈股份有限公司 (New JoySun Corp.) as the principal and beneficiary; and
2. 國民信託有限公司 (The National Trust Limited) as the trustee.

Trust arrangement

Pursuant to the Trust Agreement B, New JoySun has entrusted National Trust to manage a cash fund in the principal amount of RMB100 million for and on behalf of New JoySun. National Trust will invest the fund at its discretion according to the investment scope under the Trust Agreement B, which include government bonds, financial bonds, notes of central bank, bank deposits, cash, wealth management products of banks, trust products, other tools of the currency market and other currency or interest products approved by New JoySun. Duration of the trust arrangement is 1 year commencing from the establishment of the trust. National Trust is entitled to a service fee of 0.1% on the trust fund.

(3) Trust Agreement C

Date: 5 June 2014

Parties:

1. 寧波新江廈股份有限公司 (New JoySun Corp.) as the principal and beneficiary; and
2. 國民信託有限公司 (The National Trust Limited) as the trustee.

Trust arrangement

Pursuant to the Trust Agreement C, New JoySun has entrusted National Trust to manage a cash fund in the principal amount of RMB200 million for and on behalf of New JoySun. National Trust will invest the fund at its discretion according to the investment scope under the Trust Agreement C, which include government bonds, financial bonds, notes of central bank, bank deposits, cash, wealth management products of banks, trust products, other tools of the currency market and other currency or interest products approved by New JoySun. Duration of the trust arrangement is from 5 June 2014 to 6 June 2015. National Trust is entitled to a service fee of 0.1% on the trust fund.

To the best knowledge of the Directors having made reasonable enquiries, National Trust is a third party independent of and not connected with the Company and its connected persons. National Trust is a financial institution established in the PRC and is licensed by the China Banking Regulatory Commission to carry on trust business.

REASONS FOR THE TRUST AGREEMENTS

The Group is principally engaged in manufacturing and trading of plastic and metal household products, operation of department stores and supermarkets, and wholesale of alcohol, wine, beverages and electrical appliances.

The Trust Agreements were intended to be part of the Group's treasury management activities for the purpose of generating better returns for its idle cash.

The Directors are of the view that the terms and conditions of the Trust Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in Rule 14 of the Listing Rules) for the Trust Agreements exceeded 25%, the Trust Agreements constituted a major transaction for the Company and were subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since no Shareholder is required to abstain from voting if a general meeting was convened to approve the Trust Agreements, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Chapter 14 of the Listing Rules. Big-Max, being the controlling shareholder of the Company holding 3,028,981,014 Shares, representing approximately 72.5% of the total issued share capital of the Company, has given a written approval to the Trust Agreements. Accordingly, no special general meeting of the Company will be convened for the purpose of approving the Trust Agreements.

GENERAL

A circular containing, among other things, details of the Trust Agreements will be despatched to the Shareholders for their information only on or before 30 September 2014 so as to allow sufficient time to prepare information for inclusion in the circular.

DISCLOSEABLE TRANSACTION

On 9 July 2014, New JoySun entered into a Wealth Management Agreement with Yinzhou Bank to subscribe for a wealth management product in the principal amount of RMB100 million from Yinzhou Bank.

THE WEALTH MANAGEMENT AGREEMENT

Date: 9 July 2014

Parties:

1. 寧波新江廈股份有限公司 (New JoySun Corp.); and
2. 寧波鄞州農村合作銀行 (Ningbo Yinzhou Rural Cooperative Bank).

Wealth management product

Principal amount: RMB100 million

Maturity date: 9 July 2015

Maximum expected return: 6.5% per annum

To the best knowledge of the Directors having made reasonable enquiries, Yinzhou Bank is a third party independent of and not connected with the Company and its connected persons. Yinzhou Bank is a rural cooperative bank established in the PRC.

REASONS FOR THE WEALTH MANAGEMENT AGREEMENT

The Wealth Management Agreement was intended to be part of the Group's treasury management activities for the purpose of generating better returns for its idle cash.

The Directors are of the view that the terms and conditions of the Wealth Management Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in Rule 14 of the Listing Rules) for the Wealth Management Agreement exceeded 5% but below 25%, the Wealth Management Agreement constituted a discloseable transaction for the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DELAY IN REPORTING

The Company should have promptly reported the Trust Agreements and Wealth Management Agreement at the material time but failed to do so because the Company considered that the Trust Agreements and Wealth Management Agreement were part of the Company's treasury management activities and were exempt under Rule 19.04(1)(g) of the Listing Rules. However the Stock Exchange considered otherwise. The Company shall comply with the Listing Rules requirements in respect of similar transactions in the future.

DEFINITIONS

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

“Big-Max”	Big-Max Manufacturing Co., Limited
“Board”	the board of directors of the Company
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Company”	Lisi Group (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“National Trust”	國民信託有限公司 (The National Trust Limited)
“New JoySun”	寧波新江廈股份有限公司 (New JoySun Corp.), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“PRC”	The People’s Republic of China
“Wealth Management Agreement”	the wealth management agreement dated 9 July 2014 made between New JoySun and Yinzhou Bank in relation to the subscription of a wealth management product
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Trust Agreements”	collectively Trust Agreement A, Trust Agreement B and Trust Agreement C
“Trust Agreement A”	the trust agreement dated 12 September 2013 made between New JoySun and National Trust
“Trust Agreement B”	the trust agreement dated 16 January 2014 made between New JoySun and National Trust
“Trust Agreement C”	the trust agreement dated 5 June 2014 made between New JoySun and National Trust as amended by a supplemental agreement of the same date
“Yinzhou Bank”	寧波鄞州農村合作銀行 (Ningbo Yinzhou Rural Cooperative Bank)

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

Hong Kong, 15 August 2014

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.