

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LISI GROUP (HOLDINGS) LIMITED

利時集團（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of LiSi Group (Holdings) Limited (the “**Company**”) dated 29 August 2014 in relation to the continuing connected transactions as contemplated under the New Procurement and Sales Agreement. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to clarify certain terms of the New Procurement and Sales Agreement as disclosed in the Announcement.

As disclosed in the Announcement, the parties shall determine and adjust the prices of the Commodities with reference to the change of prices of raw materials, production costs and supply and demand relationship.

The Company would like to clarify that the determination and adjustment mechanism of the prices of the Commodities should be as follows: in determining and adjusting the prices of the Commodities, the parties would consider New JoySun’s acquisition costs of the Commodities, which mainly depends on the purchase prices of the alcoholic products from wine and liquor suppliers. The prices of the Commodities are determined by the acquisition costs of New JoySun plus a profit margin (a level of market practice for wine wholesalers in Ningbo). Specifically, the management of New JoySun will review the quotations of the relevant Commodities (or other comparable products) provided by the wine and liquor suppliers via email or mail on an irregular basis, which could be once or multiple times a year. In deciding whether to purchase from a particular wine or liquor supplier, the management of New JoySun will consider, among other things, the reputation of the supplier, the popularity, market demand and the profit margin of the products as well as the quotation, volume and frequency of supply offered by the

supplier. Besides, New JoySun will also review its sale performance of the Commodities to Sanjiang Shopping Club and other independent purchasers from time to time, and negotiate and adjust the prices of the relevant Commodities with Sanjiang Shopping Club if necessary.

Each of New JoySun and Sanjiang Shopping Club may propose to the other party an adjustment to the price of a particular Commodity based on its own business performance and conditions, for instance, both parties had in the past proposed adjusting the prices of certain Commodities downwards as a result of short-term sales promotions.

The above price determination and adjustment mechanism is substantially the same as those applied in commodities transactions between New JoySun and other purchasers who are independent third parties of the Company, and the terms offered by New JoySun to Sanjiang Shopping Club are not more favorable than those offered to independent third parties. In the event of any proposed price adjustment of the relevant Commodities, New JoySun will only agree on such adjustment provided that the relevant adjusted profit margin is substantially the same as those applied in commodities transactions between New JoySun and other purchasers who are independent third parties of the Company, and the adjusted terms offered by New JoySun to Sanjiang Shopping Club are not more favorable than those offered to independent third parties.

In such regard, the Directors are of the view that the transactions contemplated under the New Procurement and Sales Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

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

Hong Kong, 30 September 2014

As at the date of this announcement, the Board comprises Mr. Li Lixin (Chairman), Mr. Cheng Jianhe and Ms. Jin Yaxue being executive Directors, Mr. Lau Kin Hon being a non-executive Director, Mr. He Chengying, Mr. Cheung Kiu Cho Vincent and Mr. Shin Yick Fabian being independent non-executive Directors.