

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)

CONNECTED TRANSACTION DISCLOSEABLE TRANSACTION ACQUISITION OF 18% EQUITY INTEREST IN NEW JOYSUN SUPERMARKET CHAIN LIMITED

On 3 August 2015 after trading hours, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire 18% equity interest in the Target at the consideration of RMB38.88 million in cash. After completion of the Acquisition, the Target will be 100% owned by the Purchaser.

On the same day, the Company, Mr Li and the Purchaser entered into the Supplemental Agreement with the Vendor pursuant to which the Company and Mr Li has agreed to guarantee the obligations of the Purchaser under the Agreement.

LISTING RULES IMPLICATIONS

The Target is a subsidiary of the Company and owned as to 82% by the Purchaser and 18% by the Vendor. Therefore the Vendor is a connected person of the Company at the subsidiary level. Since the Acquisition is on normal commercial terms or better and (i) the Board has approved the Acquisition and (ii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date: 3 August 2015

Parties:

1. 三江購物俱樂部股份有限公司 (Sanjiang Shopping Club Co., Ltd) as vendor; and
2. 寧波新江廈股份有限公司 (New JoySun Corp.) as purchaser.

Assets to be acquired

Under the Agreement, the Purchaser has agreed to acquire 18% equity interest in the Target.

Consideration

The Consideration of RMB38.88 million shall be paid to the Vendor by the Purchaser in the following manner:

- (a) RMB2 million a deposit to be paid within 3 days after signing of the Agreement;
- (b) RMB10 million as part payment of the Consideration to be paid on or before 31 December 2015;
- (c) RMB26.88 million to be paid on or before 31 March 2016.

Basis of Consideration

The Consideration of RMB38.88 million was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the historical financial results of the Target Group and the net assets value attributable to the Equity Interest.

Completion

Completion of the transfer of the Equity Interest shall take place within 7 days after full payment of the Consideration.

After completion, the Target will become a 100% owned subsidiary of the Company.

THE SUPPLEMENTAL AGREEMENT

Pursuant to the Supplemental Agreement, the Company and Mr Li has agreed, among other things, to guarantee the obligations of the Purchaser under the Agreement.

INFORMATION ON THE TARGET GROUP

The Target is a subsidiary of the Company and owned as to 82% by the Purchaser and 18% by the Vendor. The Target Group is principally engaged in the operation of supermarkets in Ningbo, PRC.

Set out below is the financial information of the Target Group extracted from its audited accounts for the year ended 31 March 2015:

	<i>RMB'000</i>
Loss before taxation	10,216
Loss after taxation	10,569
Net assets	384,475

REASONS FOR THE ACQUISITION

The Acquisition allows the Group to acquire the remaining minority interest in the Target at a substantial discount to its net assets value. Since the Vendor is potentially a competitor with the Group's retail business in Ningbo, PRC, the Acquisition will clear away any potential conflict between the Group and the Vendor. It will also eliminate any continuing connected transactions arising between the Group and the Vendor.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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 Vendor is a joint stock company incorporated in the PRC whose shares are listed on Shanghai Stock Exchange (Stock Code: 601116). It is principally engaged in the operation of local chain supermarkets in Zhejiang Province.

LISTING RULES IMPLICATIONS

The Target is a subsidiary of the Company and owned as to 82% by the Purchaser and 18% by the Vendor. Therefore the Vendor is a connected person of the Company at the subsidiary level. Since the Acquisition is on normal commercial terms or better and (i) the Board has approved the Acquisition and (ii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of 18% equity interest in the Target pursuant to the Agreement and Supplemental Agreement
“Agreement”	the share transfer agreement dated 3 August 2015 made between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	Lisi Group (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB38.88 million under the Agreement
“Director(s)”	the director(s) of the Company
“Equity Interest”	the 18% equity interest in the Target owned by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Li”	Mr Li Lixin, the chairman and executive Director of the Company
“Purchaser”	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

“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 3 August 2015 made between the Company, Mr Li, the Purchaser and the Vendor in relation to the Agreement
“Target”	寧波新江廈連鎖超市有限公司 (New JoySun Supermarket Chain Limited), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
“Target Group”	The Target and its subsidiaries
“Vendor”	三江購物俱樂部股份有限公司 (Sanjiang Shopping Club Co., Ltd), a joint stock company incorporated in the PRC
%	per cent.

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

Hong Kong, 3 August 2015

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 non-executive director, Mr He Chengying, Mr Cheung Kiu Cho Vincent and Mr. Shin Yick Fabian being independent non-executive directors.