



18 October 2017

**High Concentration of Shareholding
in
Lisi Group (Holdings) Limited (Stock Code: 526)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Lisi Group (Holdings) Limited (“the Company”) in the hands of a limited number of shareholders as at 3 October 2017.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 3 October 2017, 17 shareholders held an aggregate of 833,396,077 Shares, representing 14.68% of the issued Shares. Such shareholding, together with 4,292,355,073 Shares (representing 75.59% of the issued Shares) held by three substantial shareholders of the Company, represented 90.27% of the issued Shares as at 3 October 2017. Therefore, only 552,287,421 Shares (representing 9.73% of the issued Shares) were held by other shareholders.

As at 3 October 2017, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Li Lixin (Note 1)	2,832,373,680	49.88
Ms. Cheng Wei Hong (Note 2)	1,029,119,393	18.12
Pacific Sun Advisors Limited (Note 3)	430,862,000	7.59
A group of 17 shareholders	833,396,077	14.68
Other shareholders	552,287,421	9.73
Total	5,678,038,571	100.00

Note 1: Mr. Li Lixin is the Chairman and Executive Director of the Company. The 2,832,373,680 Shares consist of (i) 1,482,412,666 Shares held by Shi Hui Holdings Limited; (ii) 1,332,139,014 Shares held by Big-Max Manufacturing Co., Limited; and (iii) 17,822,000 Shares held by Mr. Li Lixin personally. Shi Hui Holdings Limited is wholly-owned by Mr. Li Lixin. Big-Max Manufacturing Co., Limited is owned as to 90% by Mr. Li Lixin.

Note 2: The 1,029,119,393 Shares consist of (i) 841,970,422 Shares held by Mighty Mark Investments Limited; and (ii) 187,148,971 Shares held by Hopeful Glad Limited. Mighty Mark Investments Limited and Hopeful Glad Limited are wholly-owned by Ms. Cheng Wei Hong.

Note 3: Pacific Sun Advisors Limited is licensed by the SFC to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Pacific Sun Advisors Limited held the Shares in the capacity of investment manager.



The closing price of the Shares increased by 144.4% from HK\$0.63 on 4 September 2017 to HK\$1.54 on 21 September 2017, and then eased slightly to HK\$1.32 on 3 October 2017.

During the above period, the Company published the following announcements:-

- On 10 September 2017, the Company announced that it had commenced preliminary negotiation with certain independent third parties relating to a possible acquisition of an interest in a company (its subsidiaries are engaged in provision of motor vehicles supply chain services and other motor vehicle related services).
- On 17 September 2017, the Company announced an acquisition of 51% equity interests in Dawn Brilliant Limited (“Target Company”) at a consideration of HK\$1.4 billion from an independent third party. The Target Company’s subsidiary is engaged in provision of motor vehicles supply chain services and other motor vehicle related services. The consideration shall be satisfied by the issue of 1,135,607,714 new Shares (at an issue price of \$1 per Share) and a promissory note by the Company to the vendor.
- On 21 September 2017, the Company announced that the Target Company entered into a strategic cooperation agreement with Taobao (China) Software Co., Ltd in relation to the proposed cooperation in establishing and promoting a large-scale integrated platform for sale and purchase of motor vehicles and other motor vehicle related services.

As at 17 October 2017, the Shares closed at HK\$1.26, which was 100% higher than the closing price of HK\$0.63 on 4 September 2017.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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