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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)

CONTINUING CONNECTED TRANSACTION IN RELATION TO LEASE AGREEMENT

THE LEASE AGREEMENT

On 29 August 2025 after trading hours, Lisi Household, a wholly owned subsidiary of the Company entered into the Lease Agreement with Da Mei with a term commencing from 1 October 2025 to 30 September 2026 for the renewal of the 2024 Lease Agreement which will expire on 30 September 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Da Mei is a non-wholly owned subsidiary of Lisi Group, in which Lisi Group owns 58.34%, Big-Max owns 38.92% and Lisi Plastics owns 2.74% of its equity interest respectively.

Da Mei in turn is ultimately beneficially owned as to (i) 98.20% by Mr Li Lixin (李立新), the Chairman, the Company's executive Director and substantial Shareholder, and his son; (ii) 0.85% by Mr Li Zhihong (李志鴻), being the father of Mr Li Lixin (李立新); (iii) 0.09% by Mr Cheng Jianhe (程建和), being an executive Director; (iv) 0.09% by Ms Jin Yaxue (金亞雪), being an executive Director; (v) 0.09% by Mr Xu Jinbo (許金波), being a former senior management of the private companies of Mr Li Lixin (李立新) in the PRC; and (vi) 0.68% by Mr Ji Bao (吉寶). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr Ji Bao (吉寶) is a third party independent of the Company and connected person(s) of the Company.

Therefore, Da Mei is a connected person of the Company. Accordingly, the Lease Agreement constitutes a continuing connected transaction for the Company.

Since the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the maximum annual value under the Lease Agreement are more than 0.1% but less than 5%, the 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.

INTRODUCTION

On 29 August 2025 after trading hours, Lisi Household, a wholly owned subsidiary of the Company entered into the Lease Agreement with Da Mei with a term commencing from 1 October 2025 to 30 September 2026 for the renewal of 2024 Lease Agreement which will expire on 30 September 2025.

The principal terms of the Lease Agreement are summarised below:

Date

29 August 2025

Parties

- (i) 達美(寧波)新材料有限公司 (Da Mei (Ningbo) New Materials Company Limited*) as the lessor; and
- (ii) 寧波利時日用品有限公司 (Ningbo Lisi Household Products Company Limited*) as the lessee.

Da Mei is principally engaged in property holding. As at the date of this announcement, Da Mei is a non-wholly owned subsidiary of Lisi Group, in which Lisi Group owns 58.34%, Big-Max owns 38.92% and Lisi Plastics owns 2.74% of its equity interest respectively.

Da Mei in turn is ultimately beneficially owned as to (i) 98.20% by Mr Li Lixin (李立新), the Chairman, the Company's executive Director and substantial Shareholder, and his son; (ii) 0.85% by Mr Li Zhihong (李志鴻), being the father of Mr Li Lixin (李立新); (iii) 0.09% by Mr Cheng Jianhe (程建和), being an executive Director; (iv) 0.09% by Ms Jin Yaxue (金亞雪), being an executive Director; (v) 0.09% by Mr Xu Jinbo (許金波), being a former senior management of the private companies of Mr Li Lixin (李立新) in the PRC; and (vi) 0.68% by Mr Ji Bao (吉寶). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr Ji Bao (吉寶) is a third party independent of the Company and connected person(s) of the Company. Therefore, Da Mei is a connected person of the Company.

Subject Matter

Da Mei shall lease the Property to Lisi Household pursuant to the terms and conditions of the Lease Agreement.

Details of the Property

Description	Approximate gross area
Workshop (1 st Floor)	24,823.56 sq.m.
Workshop (2 nd Floor)	15,055.93 sq.m.
Office (2 nd to 5 th Floor)	10,759.49 sq.m.

Term

The Lease Agreement is for a term of 12 months commencing from 1 October 2025 and expiring on 30 September 2026.

Historical transaction amount

The historical amounts of rental payment paid to Da Mei under the Previous Lease Agreements and the 2024 Lease Agreement are as follows:

Period	Amount
From 1 October 2022 to 30 September 2023	RMB8,418,336
From 1 October 2023 to 30 September 2024	RMB8,418,336
From 1 October 2024 to 30 June 2025	RMB6,313,752

Consideration and annual cap

The monthly rental for the Property under the Lease Agreement shall be RMB752,167 (the Previous Lease Agreements and the 2024 Lease Agreement: RMB701,528). The monthly rental, which represents an increase of 7.2% as compared to the monthly rental under the Previous Lease Agreements and the 2024 Lease Agreement, was determined after arm's length negotiations by the parties with reference to the market rental of adjacent lands and buildings in the local property market. A security deposit equivalent to one month's rental will be paid to Da Mei. The rental shall be payable quarterly.

The aggregate amount of rent payable by Lisi Household to Da Mei for the entire lease term of the Lease Agreement (from 1 October 2025 to 30 September 2026) will not exceed RMB9,026,004. The above annual cap has been determined by the Directors after arm's length negotiation between Da Mei and Lisi Household with reference to (i) the historical amounts of rental payment paid to Da Mei under the Previous Lease Agreements and the 2024 Lease Agreement; and (ii) the prevailing market rent of comparable properties in vicinity. Based on the prevailing market rent of comparable properties in vicinity, the Board (including the independent non-executive Directors) consider the rental increment to be fair and reasonable.

REASONS OF ENTERING INTO THE LEASE AGREEMENT

The principal activities of the Group are (i) manufacturing and trading of household products; (ii) operation of supermarkets and property rental services; (iii) wholesales of alcohol, wine, beverages and electrical appliances; and (iv) investment holding.

The Lease Agreement will enable Lisi Household to make use of the Property as its factory and office, which will enhance the operation and management capacity of the Group and facilitate the continuing smooth operation of Lisi Household's businesses. The Lease Agreement is a renewal of the 2024 Lease Agreement which will expire on 30 September 2025.

The Board (including the independent non-executive Directors) are of the view that the transaction contemplated under the Lease Agreement is conducted in the ordinary and usual course of the business of the Group, and the terms of the Lease Agreement are fair and reasonable, and on normal commercial terms or better. The Board thus considers that the transaction contemplated under the Lease Agreement is in the interests of the Company and the Shareholders as a whole.

Since Mr Li Lixin (李立新), who is the Chairman, the executive Director and the substantial Shareholder of the Company, has material interest in the Lease Agreement, he has abstained from voting on the Board resolutions approving the Lease Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Da Mei is a non-wholly owned subsidiary of Lisi Group, in which Lisi Group owns 58.34%, Big-Max owns 38.92% and Lisi Plastics owns 2.74% of its equity interest respectively.

Da Mei in turn is ultimately beneficially owned as to (i) 98.20% by Mr Li Lixin (李立新), the Chairman, the Company's executive Director and substantial Shareholder, and his son; (ii) 0.85% by Mr Li Zhihong (李志鴻), being the father of Mr Li Lixin (李立新); (iii) 0.09% by Mr Cheng Jianhe (程建和), being an executive Director; (iv) 0.09% by Ms Jin Yaxue (金亞雪), being an executive Director; (v) 0.09% by Mr Xu Jinbo (許金波), being a former senior management of the private companies of Mr Li Lixin (李立新) in the PRC; and (vi) 0.68% by Mr Ji Bao (吉寶). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr Ji Bao (吉寶) is a third party independent of the Company and connected person(s) of the Company.

Therefore, Da Mei is a connected person of the Company. Accordingly, the Lease Agreement constitutes a continuing connected transaction for the Company.

Since the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the maximum annual value under the Lease Agreement are more than 0.1% but less than 5%, the 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.

DEFINITIONS

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

“2024 Lease Agreement”	the lease agreement dated 30 August 2024 entered into between Da Mei (as lessor) and Lisi Household (as lessee) relating to the leasing of the Property
“Big-Max”	Big Max Manufacturing Co., Limited, a company incorporated in Hong Kong with limited liability
“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
“Da Mei”	達美(寧波)新材料有限公司 (Da Mei (Ningbo) New Materials Company Limited*), a sino-foreign equity joint venture incorporated under the laws of the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreement”	the lease agreement dated 29 August 2025 entered into between Da Mei (as lessor) and Lisi Household (as lessee) relating to the leasing of the Property
“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
“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
“Previous Lease Agreements”	the lease agreements dated 30 August 2022 and 30 August 2023 entered into between Da Mei (as lessor) and Lisi Household (as lessee) relating to the leasing of the Property
“Property”	39,879.49 square meters of factory space and 10,759.49 square meters of office premises located in 中國寧波市鄞州區投資創業中心誠信路518號 (518 Cheng Xin Lu, Yinzhou Investment & Venture Centre, Yinzhou, Ningbo, PRC*) which is the subject matter of the Lease Agreement
“RMB”	Reminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“sq.m”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In case of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.

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

Hong Kong, 29 August 2025

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

* for identification purpose only