

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of LC Group Holdings Limited, nor is it a solicitation of any vote or approval in any jurisdiction. This joint announcement is not for release, publication or distribution into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.



STATE ENERGY HK LIMITED
國能香港有限公司
(Incorporated in Hong Kong with limited liability)

LC GROUP HOLDINGS LIMITED
良斯集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1683)

JOINT ANNOUNCEMENT

**(1) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER
FOR SHARES BY HUARONG INTERNATIONAL SECURITIES LIMITED
FOR AND ON BEHALF OF STATE ENERGY HK LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
LC GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
STATE ENERGY HK LIMITED AND PARTIES ACTING IN CONCERT WITH IT);
(2) RESULTS OF THE SHARE OFFER;
(3) PUBLIC FLOAT; AND
(4) CHANGES OF COMPOSITION OF THE BOARD,
BOARD COMMITTEES AND AUTHORISED REPRESENTATIVE**

Joint financial advisers to State Energy HK Limited



Financial adviser to LC Group Holdings Limited



Independent Financial Adviser to the Independent Board Committee



CLOSE OF THE SHARE OFFER

The Share Offer made by Huarong International Securities for and on behalf of the Offeror, closed at 4:00 p.m. on 10 February 2017 and was not revised or extended by the Offeror.

RESULTS OF THE SHARE OFFER

As at 4:00 p.m. on 10 February 2017, being the latest time and date for acceptance of the Share Offer, the Offeror had received valid acceptances for a total of 73,685,000 Offer Shares, representing approximately 14.7% of the issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE SHARE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Share Offer will be despatched to the Qualifying Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

The latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Share Offer on the Closing Date will be Tuesday, 21 February 2017.

PUBLIC FLOAT

Immediately following the close of the Share Offer, subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances were received, 51,315,000 Shares, representing approximately 10.3% of the issued Shares as at the date of this joint announcement, are held by the public (within the meaning of the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied.

An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules.

In order to ensure the compliance with the requirement under Rule 8.08 of the Listing Rules that at least 25% of the issued share capital of the Company be held by the public, the Offeror intends to enter into a placing arrangement with a placing agent to place the Shares held by it to independent placees who are not connected with the Company, any connected persons of the Company or the Offeror to the extent that at least 25% of the issued share capital of the Company will be held by the public.

The Offeror may take other appropriate steps to restore the minimum public float under Rule 8.08 of the Listing Rules as soon as practicable.

CHANGES OF COMPOSITION OF THE BOARD AND BOARD COMMITTEES AND AUTHORISED REPRESENTATIVE

The Board hereby announces that with effect from 4:01 p.m. on 10 February 2017,

- (i) Mr. Leong Hing Loong Rudoff has resigned as the chairman of Board, member of the remuneration committee and member of the nomination committee of the Company, but remains as an executive Director;
- (ii) Ms. Chew Christina Mooi Chong has resigned as the chief executive officer of the Company but remains as an executive Director;
- (iii) Mr. Shih Steven Chun Ning being the executive Director, and Mr. Tang Hamilton Ty, Mr. Lee Frank King-ting and Mr. Ho Hin Yip, being the independent non-executive Directors, have resigned as Directors and their respective positions held in the Company;
- (iv) Mr. Yang Yong has been appointed as the chairman of the Board and an executive Director, Mr. Zhao Dianqing has been appointed as an executive Director, and Mr. Liu Gang, Mr. Yu Haizong and Ms. An Yiqing have been appointed as independent non-executive Directors;
- (v) the composition of each of the audit, remuneration, and nomination committees of the Company has also been changed upon the above change of the Board composition, details of which are set out below under the section headed “Change in compositions of audit committee, remuneration committee and nomination committee” in this joint announcement; and
- (vi) Mr. Shih Steven Chun Ning ceased to be an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules upon his resignation as executive Director, and Mr. Zhao Dianqing was appointed as an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules in his place.

References are made to (i) the announcement jointly issued by LC Group Holdings Limited (the “**Company**”) and State Energy HK Limited (the “**Offeror**”) dated 23 December 2016 in relation to, among others, the mandatory unconditional cash offer to be made by Huarong International Securities Limited for and on behalf of the Offeror to acquire all of the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code; and (ii) the composite offer and response document jointly issued by the Company and the Offeror dated 20 January 2017 (the “**Composite Document**”). Capitalised terms used herein shall have the same meanings as those defined in the Composite Document, unless the context requires otherwise.

CLOSE OF THE SHARE OFFER

The Share Offer closed at 4:00 p.m. on 10 February 2017 and was not revised or extended by the Offeror.

RESULTS OF THE SHARE OFFER

As at 4:00 p.m. on 10 February 2017, being the latest time and date for acceptance of the Share Offer, the Offeror had received valid acceptances for a total of 73,685,000 Offer Shares, representing approximately 14.7% of the issued share capital of the Company as at the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the Completion, none of the Offeror or parties acting in concert with it held, controlled or directed any Shares or rights over any Shares or securities of the Company.

Upon the close of the Share Offer and as at the date of this joint announcement, taking into account the (i) 73,685,000 Offer Shares received from valid acceptances under the Share Offer; and (ii) the 375,000,000 Sale Shares acquired by the Offeror pursuant to the Sale and Purchase Agreement, the Offeror and parties acting in concert with it were interested in an aggregate of 448,685,000 Shares, representing approximately 89.7% of the issued share capital of the Company.

Save for the valid acceptances under the Share Offer as disclosed in this joint announcement, none of the Offeror or parties acting in concert with it (i) had acquired or agreed to acquire any Shares or any rights over Shares during the Offer Period; or (ii) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

The following table sets out the shareholding structure of the Company (i) immediately before the Completion; (ii) immediately after the Completion but before the commencement of the Offer Period; and (iii) immediately after the close of the Share Offer and as at the date of this joint announcement:

	Immediately before the Completion		Immediately after the Completion but before the commencement of the Offer Period		Immediately after the close of the Share Offer and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendor (<i>Note</i>)	375,000,000	75.0	–	–	–	–
The Offeror and parties acting in concert with it	–	–	375,000,000	75.0	448,685,000	89.7
Public Shareholders	125,000,000	25.0	125,000,000	25.0	51,315,000	10.3
Total	500,000,000	100.0	500,000,000	100.0	500,000,000	100.0

Note: The Vendor is owned as to 75% by Mr. Leong and as to 25% by Ms. Chew.

SETTLEMENT OF THE SHARE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Share Offer will be despatched to the Qualifying Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

The latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Share Offer on the Closing Date will be Tuesday, 21 February 2017.

PUBLIC FLOAT

Immediately following the close of the Share Offer, subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances were received, 51,315,000 Shares, representing approximately 10.3% of the issued Shares as at the date of this joint announcement, are held by the public (within the meaning of the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied.

An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules.

In order to ensure the compliance with the requirement under Rule 8.08 of the Listing Rules that at least 25% of the issued share capital of the Company be held by the public, the Offeror intends to enter into a placing arrangement with a placing agent to place the Shares held by it to independent placees who are not connected with the Company, any connected persons of the Company or the Offeror to the extent that at least 25% of the issued share capital of the Company will be held by the public.

The Offeror may take other appropriate steps to restore the minimum public float under Rule 8.08 of the Listing Rules as soon as practicable.

CHANGES OF COMPOSITION OF THE BOARD AND BOARD COMMITTEES AND AUTHORISED REPRESENTATIVE

Resignation of Directors and their respective positions held in the Company

As disclosed in the Composite Document, it was intended that save for Mr. Leong and Ms. Chew, all the remaining four members of the Board would resign with effect from the earliest time permitted under the Listing Rules, Takeovers Code and the applicable laws and regulations.

The Board announces that with effect from 4:01 p.m. on 10 February 2017:

- (i) Mr. Leong Hing Loong Rudoff has resigned as the chairman of the Board, member of the remuneration committee and member of the nomination committee of the Company, but remains as an executive Director;
- (ii) Ms. Chew Christina Mooi Chong has resigned as the chief executive officer of the Company but remains as an executive Director;
- (iii) Mr. Shih Steven Chun Ning has resigned as an executive Director;
- (iv) Mr. Tang Hamilton Ty has resigned as an independent non-executive Director, chairman of remuneration committee, member of the audit committee and member of the nomination committee of the Company;
- (v) Mr. Lee Frank King-ting has resigned as an independent non-executive Director, chairman of the nomination committee, member of the audit committee and member of the remuneration committee of the Company; and
- (vi) Mr. Ho Hin Yip has resigned as an independent non-executive Director and chairman of the audit committee of the Company.

The resignations of the above Directors (collectively, the “**Resigning Directors**”) were due to the change in control of the Company. Each of the Resigning Directors has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders in relation to his resignation.

The Board would like to take this opportunity to express its gratitude and appreciation to the Resigning Directors for their valuable contribution to the Company during their terms of office.

Appointment of Directors

In place of the Resigning Directors, the following persons have been appointed as Directors with effect from 4:01 p.m. on 10 February 2017:

Executive Directors

Mr. Yang Yong (楊勇)
Mr. Zhao Dianqing (趙殿慶)

Independent non-executive Directors

Mr. Liu Gang (劉鋼)
Mr. Yu Haizong (余海宗)
Ms. An Yiqing (安翊青)

Mr. Yang Yong is also designated as the chairman of the Board.

The biographical details of each of the above newly appointed Directors (collectively, the “**New Director(s)**”) are set out below.

Executive Directors

Yang Yong (楊勇), aged 47, has been appointed as an executive Director and the chairman of the Board. Mr. Yang has over 18 years of experience in the architectural science and technology industry. Mr. Yang was the deputy general manager of Shanghai Jianke Technical Assessment of Construction Co., Ltd* (上海建科檢驗有限公司) from March 2012 to December 2016. Mr. Yang was accredited as a professor of engineering in China in January 2011.

Mr. Yang obtained a doctoral degree in polymer materials at the Shanghai Jiaotong University* (上海交通大學) in January 1998, and a degree of Executive Master of Business Administration from Cheung Kong Graduate School of Business (長江商學院) in September 2013.

Zhao Dianqing (趙殿慶), aged 43, has been appointed as an executive Director. Mr. Zhao has over 20 years of experience in the aviation industry and has held managerial positions in a number of aviation companies, being responsible for the overall development, growth strategies and supervision of key management matters. Mr. Zhao was previously the general manager of the operation control department of Yangtze River Airlines Company Limited* (揚子江航空股份有限公司) from December 2003 to February 2017.

Mr. Zhao received a bachelor's degree in aircraft design at the Northwestern Polytechnical University (西北工業大學) in Xian, Shaanxi Province in July 1996, studied air navigation information in Civil Aviation College of China (中國民用航空學院) (currently known as Civil Aviation University of China (中國民航大學)) and graduated in July 1997, and obtained an aircraft dispatcher license from the General Administration of Civil Aviation of China (中國民用航空總局) and the Federal Aviation Administration of the United States in March 2001 and July 2001 respectively.

Independent non-executive Directors

Liu Gang (劉鋼), aged 54, has been appointed as an independent non-executive Director. Mr. Liu has over 20 years of experience in the aviation industry. From 1995 to 2016, Mr. Liu held various managerial positions at different branches and offices of China Eastern Airlines Corporation Limited (中國東方航空有限公司), including the positions as the general manager of the Jiangsu branch from 2011 to 2016 and of the Wuhan branch from 2009 to 2011.

Mr. Liu was accredited as a senior economist in China in October 2013. Mr. Liu received a degree of Executive Master of Business Administration from Fudan University (復旦大學) in June 2011. Mr. Liu is also a member of the Chinese People's Political Consultative Conference Jiangsu Committee* (中國人民政治協商會議江蘇省委員會).

Yu Haizong (余海宗), aged 52, has been appointed as an independent non-executive Director. Mr. Yu is a chartered public accountant (non-practicing) in the PRC, and a member of the Chartered Public Accountant Further Education Committee of Sichuan Association of Chartered Public Accountants (四川省註冊會計師協會CPA後續教育委員會), and a professor and doctoral supervisor of the Accounting Faculty of Southwestern University of Finance and Economics (西南財經大學) in Chengdu, Sichuan, and is also the head of its Auditing Department. Mr. Yu was previously a chartered public accountant at different accountancy firms in the PRC from 1994 to 2000.

Mr. Yu is or was an independent non-executive director of the following companies:

Company name	Place of listing	Stock code	Period of directorship
China Vanadium Titano-Magnetite Mining Company Limited (中國鈮鈦磁鐵礦業有 限公司)	Stock Exchange	00893	September 2009 to date
Sichuan Expressway Company Limited (四川成渝高速公路股 份有限公司)	Stock Exchange Shanghai Stock Exchange	00107 601107	March 2013 to date
Chengdu Tianxing Instruments (Group) Co., Limited* (成都天興儀錶股份有 限公司)	Shenzhen Stock Exchange	000710	June 2012 to June 2015

Mr. Yu obtained a master's degree in economics (accounting) in December 1992 and a doctoral degree in management (accounting) in March 2002, both from Southwestern University of Finance and Economics (西南財經大學).

An Yiqing (安翊青), aged 48, has been appointed as an independent non-executive Director. Ms. An has been a qualified lawyer in the PRC and has over 20 years of experience in the legal industry in the PRC. Ms. An has worked in different law firms in the PRC since December 1996 and has been a partner at Shanghai A&Z Law Firm (上海里格律師事務所) since March 2004.

Ms. An obtained a bachelor's degree in foreign language from Takushoku University in Japan in March 1993 and a doctoral degree in business administration from the University of Nice Sophia Antipolis in France in December 2015. Ms. An is also a member of the Chinese People's Political Consultative Conference Shanghai Committee* (中國人民政治協商會議上海市委員會).

The New Directors have not entered into any service contract with the Company. The newly appointed executive Directors have not been appointed for a specific term, whereas each of the newly appointed independent non-executive Directors has been appointed for a term of three years. All of the New Directors are subject to retirement by rotation and eligible for re-election pursuant to the articles of association of the Company.

The remunerations of the New Directors have not been fixed and will be determined by the Board according to the recommendation of the remuneration committee of the Company with reference to their respective duties and responsibilities within the Company and the remuneration policy of the Company.

As at the date of this announcement:

- (a) none of these New Directors holds any other position in the Group prior to their appointment as Directors;
- (b) save as disclosed above, none of these New Directors held any other directorships in the last three years in any publicly listed companies in Hong Kong, the PRC or other places;
- (c) save as disclosed above, none of these New Directors is related to any Directors, senior management or substantial or controlling shareholders of the Company; and
- (d) save as disclosed above, none of these New Directors has any interest in any shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders regarding the appointment of the New Directors or any other information that needs to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Change in compositions of audit committee, remuneration committee and nomination committee

The New Directors have been appointed to the following committees with effect from 4:01 p.m. on 10 February 2017 as follows:

Audit committee	Mr. Yu Haizong (<i>Chairman</i>) Mr. Liu Gang Ms. An Yiqing
-----------------	---

Remuneration committee	Mr. Liu Gang (<i>Chairman</i>) Mr. Yu Haizong Ms. An Yiqing
------------------------	---

Nomination committee	Mr. Yang Yong (<i>Chairman</i>) Mr. Yu Haizong Ms. An Yiqing
----------------------	--

Change of authorised representative

With effect from 4:01 p.m. on 10 February 2017, Mr. Shih Steven Chun Ning ceased to be an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules upon his resignation as executive Director, and Mr. Zhao Dianqing was appointed as an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules in his place.

By order of the sole director of
State Energy HK Limited
NIU Fang
Director

By order of the Board of
LC Group Holdings Limited
LEONG Hing Loong Rudoff
Executive Director

Hong Kong, 10 February 2017

As at the date of this joint announcement, the Board comprises Mr. LEONG Hing Loong Rudoff, Ms. CHEW Christina Mooi Chong as executive Directors, and (1) Mr. SHIH Steven Chun Ning as executive Director; and Mr. TANG Hamilton Ty, Mr. LEE Frank King-ting and Mr. HO Hin Yip as independent non-executive Directors, all of whom have resigned with effect from 4:01 p.m. on 10 February 2017; and (2) Mr. YANG Yong and Mr. ZHAO Dianqing as executive Directors, and Mr. LIU Gang, Mr. YU Haizong and Ms. AN Yiqing as independent non-executive Directors, all of whom have been appointed with effect from 4:01 p.m. on 10 February 2017.

All Directors (including those Resigning Directors) jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, (a) the sole director of the Offeror, National Business, Shanghai Guoming and Shanghai Zhongshe, is Ms. Niu Fang; and (b) the Offeror is controlled by Ms. Niu Fang and Mr. Liu Quanhui.

The sole director of the Offeror, National Business, Shanghai Guoming and Shanghai Zhongshe and the persons who control the Offeror, namely Ms. Niu Fang and Mr. Liu Quanhui, jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company and its Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

* For identification purpose only