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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 25 October 2010 in relation to the discloseable transaction (the “Announcement”). Terms used in this clarification announcement shall have the same meanings as those defined in the Announcement unless otherwise stated herein.

By referring to the Rule 14.58(9) of the Listing Rules, the Company would like to provide the following information:

- (i) the 5% or 10% issuance of new shares of the Target Company upon failure to meet the condition that the average profit after taxation of the Target Company could not meet the target RMB29,810,000 (equivalent to approximately of HK\$34,758,000), such issuance of new shares of the Target Company is an aggregated figure; and
- (ii) Such issuance of new shares of the Target Company for each of Ningbo Lisi and Mr. Ma will be calculated based on the ratio of their contribution to the Target Company under the Capital Increase Agreement:

Name of Parties	%
Ningbo Lisi	63.492
Mr. Ma	36.508
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Total	100.000
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For instance, if the Target Company’s average profit after taxation is less than 80% of RMB29,810,000 (equivalent to approximately of HK\$34,758,000), the Target Company will issue approximately 6.34% of its new shares to Ningbo Lisi and approximately 3.66% of its new shares to Mr. Ma respectively.

By referring to the Rule 14.58(2) of the Listing Rules, the Company would like to provide the following information:

Weirui Technology is a wholly foreign-owned enterprise incorporated under the laws of the PRC. It is principal engaged in investment holding, which hold approximately 78.13% of the issued share capital of the Target Company prior to the Share Transfer and Capital Increase.

The Company noted a typographic error in the Announcement which was appearing on page 8 under “Definition” of “Capital Increase” where it should be read as “equivalent to approximately of HK\$46,640,000” instead of “equivalent to approximately of HK\$466,400,000”.

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

Hong Kong, 1 November 2010

As at the date of this announcement, the Board comprises Mr. Li Li Xin (Chairman) being non-executive director, Mr. Cheng Jian He being executive director, Mr. Xu Jin and Mr. Lau Kin Hon being non-executive directors, Mr. He Chengying, Mr. Chan Man Sum Ivan and Mr. Cheung Kiu Cho Vincent being independent non-executive directors.