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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 ON CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated 16 December 2015 ("Announcement") relating to, among others, the continuing connected transactions under the Lease Agreement, Export Agency Agreement and Import Agency Agreement. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

It was stated in the Announcement that since the applicable percentage ratios in respect of the maximum aggregate annual values under each of the Lease Agreement and Export Agency Agreement are less than 5%, each of the Lease Agreement and Export Agency Agreement are exempt from the circular and independent shareholders' approval requirements under Rule 14A of the Listing Rules while only the Import Agency Agreement is subject to the independent shareholders' approval requirements under Rule 14A of the Listing Rules.

After consultation with the Stock Exchange, it was considered that the Lease Agreement, Export Agency Agreement and Import Agency Agreement form part and parcel of the arrangements between the Group and the relevant connected persons for the Group's business segment on manufacturing and trading of household products. Therefore each of the Lease Agreement, Export Agency Agreement and Import Agency Agreement should be subject to the independent shareholders' approval requirements under Rule 14A of the Listing Rules.

The independent board committee, comprising all the independent non-executive Directors will advise the Independent Shareholders on the terms of the Lease Agreement, Export Agency Agreement and Import Agency Agreement. The Board shall appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders on the terms of the Lease Agreement, Export Agency Agreement and Import Agency Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Lease Agreement, Export Agency Agreement and Import Agency Agreement; (ii) further information on the Share Premium Reduction; (iii) the recommendation from the independent board committee; (iv) a letter of advice from an independent financial adviser to the Independent Shareholders and (v) notice of the SGM, will be despatched to the Shareholders on or before 8 January 2016.

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

Hong Kong, 18 December 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.