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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)

UPDATE ON PROFIT GUARANTEE

Reference is made to the Company's announcement dated 25 October 2010 ("Announcement") in relation to the acquisition of 24.76% of the equity interest in Veritas-Msi (China) Co., Ltd. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

Pursuant to the Capital Increase Agreement, the Target Company has guaranteed to Ningbo Lisi and Mr. Ma that the average profit after taxation of the Target Company for the year 2010, 2011 and 2012 will not be less than RMB29,810,000. If the average profit after taxation of the Target Company for the year 2010, 2011 and 2012 is less than 80% of RMB29,810,000, the Target Company will issue 10% of its new shares to Ningbo Lisi and Mr. Ma. The consideration will be based on the actual average profit after taxation multiply by 6.7 P/E Ratio.

On 6 June 2013, the Company received the audited accounts of the Target Company for the year ended 31 December 2012. It transpired that the average profit after taxation of the Target Company for the year 2010, 2011 and 2012 was less than 80% of RMB29,810,000. Accordingly the Target Company is obliged to issue 10% of its shares and Ningbo Lisi and Mr. Ma have the right to subscribe for the new shares at the consideration based on the actual average profit after taxation multiply by 6.7 P/E Ratio.

The Company is in the process of negotiation with the Target Company and is considering the pros and cons of the subscription of the new shares in the Target Company and whether to postpone such subscription. Further announcement will be made as and when appropriate.

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

Hong Kong, 7 June 2013

As at the date of this announcement, the Board comprises seven Directors with Mr. Li Li Xin (Chairman) and Mr. Cheng Jian He being executive Directors, Mr. Xu Jin and Mr. Lau Kin Hon being non-executive Directors, Mr. He Chengying, Mr. Cheung Kiu Cho Vincent and Mr. Shin Yick Fabian being independent non-executive Directors.