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LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

VOLUNTARY ANNOUNCEMENT

ACQUISITION OF CONTROLLING INTERESTS IN GUANGDONG QICHENG INFORMATION TECHNOLOGY CO., LTD.*

The board of directors of China Lesso Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) (the “**Directors**”) is pleased to announce that on 22 April 2019, the Company (through its indirect wholly-owned subsidiary) entered into an investment agreement in relation to the acquisition (the “**Acquisition**”) of a controlling stake in Guangdong Qicheng Information Technology Co., Ltd.* (廣東啟橙信息技術有限公司), a company incorporated and existing under the laws of the People’s Republic of China (the “**PRC**”) (the “**Target Company**”) at a total investment cost of approximately RMB77.6 million. The Acquisition does not constitute a transaction discloseable under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the Company and this announcement is made by the Company on a voluntary basis.

The Target Company is principally engaged in the business of providing one-stop shop e-commerce and information technology processing solutions for PRC-based manufacturers intending to engage in cross-boarder sales. Generally, for manufacturer customers with a business-to-business (B2B) model, the Target Company provides services including online store platform management and operation, data analysis and marketing strategy; and for manufacturer customers with a business-to-customer (B2C) model, the Target Company provides services including assisting the customers to set up accounts with online sales platform, product launching, overseas product delivery logistics, custom clearance and temporary storage, marketing strategy and client care services to end-customers. The co-founders and senior management team of the Target Company bring with them an average of over ten years of experience in e-commerce, cross boarder retail, global marketing, technology, warehouse management and supply chain management.

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services.

The Company is continuously looking for suitable opportunities to diversifying its business and expanding income streams to generate more shareholders' value for the best interests of the Group and its shareholders as a whole. The Board believes that in this digital era, e-commerce is taking an, and will only be taking a more, important role in the retail and wholesale sales sector and hence, the service offering of the Target Company will enable the Group to capture this opportunity. In addition, the target customer group of the Target Company is PRC-based manufacturing companies. A lot of these manufacturing companies are eager to "go out of" China, but they may lack the resources to support their overseas sales and expansion, and the Target Company's services can bridge this gap. There are also huge overseas demand for products manufactured in China which are competitively priced. The Board also believes that the business of the Target Company will have a tremendous synergy effect with our business line named "Lesso Home", which is with the aim of bringing "One-Stop Specialised Market for Home Furnishing Products" to the overseas markets. Lesso Home aims to build a multinational platform for Chinese manufacturers of home furnishings, building materials and other consumer products to showcase their products and facilitate the distribution and retailing of such products. Lesso Home will also provide ancillary services, including marketing and branding. Therefore, the Board believes that the business of the Target Company is full of potential.

Taking into consideration factors including, among others, (i) the income flow expected to be generated by the Target Company, (ii) the growth potential of the business of the Target Company, (iii) the potential synergy effect with Lesso Home, and (iv) the Acquisition being consistent with the Group's overall expansion strategies, the Directors believe that the Acquisition and the transactions contemplated are in the best interests of the Company and the Shareholders as a whole.

* *For identification purposes only*

By Order of the Board
China Lesso Group Holdings Limited
Wong Luen Hei
Chairman

Hong Kong, 22 April 2019

As at the date of this announcement, the executive Directors are Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang, Mr. Kong Zhaocong, Mr. Chen Guonan, Dr. Lin Shaoquan, Mr. Huang Guirong, Mr. Luo Jianfeng and Mr. Lin Dewei; and the independent non-executive Directors are Mr. Wong Kwok Ho Jonathan, Mr. Cheung Man Yu, Ms. Lan Fang, Dr. Tao Zhigang and Mr. Cheng Dickson.