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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC CO-OPERATION AGREEMENT

Reference is made with the announcement of Lisi Group (Holdings) Limited dated 17 September 2017 in relation to the discloseable transaction involving the acquisition of 51% of the issued share capital of Dawn Brilliant Limited (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement. The Board was informed by the Vendor that on 21 September 2017, the Target Company entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司) (“**Taobao**”) in relation to the proposed cooperation in establishing and promoting a large-scale integrated platform for sale and purchase of motor vehicles and other motor vehicle related services (the “**Platform**”) (the “**Strategic Cooperation**”).

According to the Strategic Cooperation Agreement, the Target Company and Taobao will strategically co-operate with each other and make use of their resources and comparative advantages to develop the Platform with a view to providing a new innovative retail experience to customers with a wider variety of choices, more comprehensive and upgraded services and a more accessible channel. In particular, Taobao will provide, among others, its giant branding influence, client base, technical support and resources such as e-commerce, while the Target Company will provide its experience and support in sale of motor vehicles and motor vehicles servicing. The board of the Target Company believes that through the Strategic Cooperation, the Target Company and Taobao will be able to form a sustainable strategic partnership beneficial to each other, and integrate the advantages and resources of each other to create greater commercial value.

Taobao is company established in the People's Republic of China and a subsidiary of Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the New York Stock Exchange.

The Target Company is an investment holding company and, through its subsidiaries, is principally engaged in provision of motor vehicles supply chain services and other motor vehicle related services. As disclosed in the Announcement, upon Completion, the Company will take control of the Target Company which will become a direct non-wholly subsidiary of the Company and the financial information of the Target Company will be consolidated into the financial accounts of the Group.

The Strategic Cooperation Agreement sets out the general principles and objectives of the Strategic Cooperation between the Target Company and Taobao. Detailed terms and conditions of the Strategic Cooperation (including but not limited to the establishment of the Platform) will be subject to legally binding agreements to be entered into between the parties thereto. Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

By Order of the Board
LSI GROUP (HOLDINGS) LIMITED
Li Lixin
Chairman

Hong Kong, 21 September 2017

As at the date of this announcement, the Board comprises Mr Li Lixin (Chairman), Mr Cheng Jianhe, Ms Jin Yaxue and Mr Tong Xin, 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.