

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



C.P. Lotus Corporation

卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00121)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, the Group is expected to record a significant loss for the year ending 31 December 2012 as compared to a profit recorded in the same period in 2011. The expected loss was mainly attributable to negative same store sales growth, increase in minimum wages in China, reduction in non-cash deferred tax assets and accrued restructuring cost to align with the Company's new development and operation strategy going forward.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by C.P. Lotus Corporation (the "Company"), and together with its subsidiaries (the "Group"), pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group is expected to record a significant loss for the year ending 31 December 2012 as compared to a profit recorded in the same period in 2011. Subsequent to the profit warning issued on 22 June 2012 in respect of the interim results ended 30 June 2012 compared to prior year's, the performance in the second half of the year is expected to be weaker than that of the first half based on the preliminary assessment of the information currently available which have not been reviewed or audited by the Company's auditor, including unaudited management accounts of the Group for the eleven months ended 30 November 2012. The anticipated loss was mainly attributable to (i) negative same store sales growth; (ii) increase in minimum wages in China; (iii) reduction in non-cash deferred tax assets due to expiration/utilisation of tax loss carried forward of certain PRC subsidiaries; and (iv) accrued restructuring cost to align with the Company's new development and operation strategy going forward.

Despite the expected loss for the year ending 31 December 2012, the Board considers that the overall financial position remains sound and solid. Detailed financial information of the Group for the year ending 31 December 2012 will be published in February 2013.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

By Order of the Board
Umroong Sanphasitvong
Director

Hong Kong, 28 December 2012

As at the date of this announcement, the Board of the Company comprises eleven executive directors, namely Mr. Soopakij Chearavanont, Mr. Narong Chearavanont, Mr. Chan Yiu-Cheong, Ed, Mr. Michael Ross, Mr. Yang Xiaoping, Mr. Li Wen Hai, Mr. Meth Jiaravanont, Mr. Umroong Sanphasitvong, Mr. Suphachai Chearavanont, Mr. Piyawat Titasattavorakul and Mr. Shih Hong-Mo, and three independent non-executive directors, namely Mr. Viroj Sangsnit, Mr. Songkitti Jaggabatara and Mr. Cheng Yuk Wo.