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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 C.P. Lotus Corporation (the “Company”, and together with its subsidiaries, the “Group”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions on inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

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 loss for the six months ending 30th June, 2016 as compared to a profit of approximately RMB32.9 million for the corresponding period in 2015. The expected change from a profit to a loss is mainly attributable to the following reasons:

- (1) a reduction in gross profit resulting from a decrease in revenue, with the sales contribution from new stores not being sufficient to offset the decline in same store sales; and
- (2) an increase in store operating costs as a result of the opening of five new stores in the second half of 2015.

Despite the expected loss for the six months ending 30th June, 2016, the Board considers that the Group’s overall financial position remains sound.

The information contained in this announcement is based on a preliminary review of the unaudited consolidated financial information of the Group for the four months ended 30th April, 2016, which has not been reviewed by the Company’s auditor, and management’s expectation of the Group’s performance in the remaining two months of the first half of 2016. The Company expects that the results of the Group for the six months ending 30th June, 2016 will be announced around mid to late August 2016.

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

By Order of the Board
Umroong Sanphasitvong
Director

Hong Kong, 7th June, 2016

As at the date of this announcement, the Board comprises ten executive directors, namely Mr. Soopakij Chearavanont, Mr. Li Wen Hai, Mr. Narong Chearavanont, Mr. Chan Yiu-Cheong, Ed, Mr. Michael Ross, Mr. Yang Xiaoping, Mr. Meth Jiaravanont, Mr. Suphachai Chearavanont, Mr. Umroong Sanphasitvong and Mr. Piyawat Titasattavorakul, and five independent non-executive directors, namely Mr. Viroj Sangsnit, Mr. Songkitti Jaggabatara, Mr. Itthaporn Subhawong, Mr. Prasobsook Boondech and Mr. Cheng Yuk Wo.