

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 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).

In the Company’s published interim results announcement dated 20 August 2016, it was disclosed that, among other things, the Group recorded an unaudited loss of RMB63.9 million for the six months ended 30 June 2016 as compared to an unaudited profit of RMB32.9 million for the corresponding period in 2015. The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the factors causing such loss, which had previously been mentioned in the profit warning announcement issued by the Company on 7 June 2016, have continued to adversely affect the operating results of the Group in the period since 1 July 2016. The challenging trend is expected to continue for the rest of the year ending 31 December 2016 and it is the current estimate of the Company’s management that the Group is expected to record a considerably higher loss for the year ending 31 December 2016 as compared to an audited loss of RMB18.1 million for the year ended 31 December 2015.

In addition, taking into account the deterioration of the Group’s business performance in the East China region and that it is not expected that such deteriorating business performance can be reversed in the near future, the management of the Company may have to evaluate some time after the end of the current financial year whether there is a need to recognize in the financial status of the Company for the year ending 31 December 2016 an impairment loss on the goodwill which arose from the acquisition of Shanghai Lotus Supermarket Chain Store Co., Ltd. in 2008. The Board wishes to emphasize that any such possible impairment loss would be a non-cash accounting treatment and would have no effect on the Group’s daily operations and cashflow.

Despite the expected loss for the year ending 31 December 2016, the Board considers that the Group's overall financial position remains sound.

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, 18 November 2016

As at the date of this announcement, the Board comprises nine 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 and Mr. Umroong Sanphasitvong, and five independent non-executive directors, namely Mr. Viroj Sangsnit, Mr. Songkitti Jaggabatara, Mr. Itthaporn Subhawong, Mr. Prasobsook Boondech and Mr. Cheng Yuk Wo.