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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on a preliminary review of the unaudited consolidated financial information of the Group for the period from January 2017 to April 2017, the Company is expected to record a profit for the six months ending 30 June 2017, compared to a loss of RMB63.9 million in the same period in 2016.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on a preliminary review of the unaudited consolidated financial information of the Group for the period from January 2017 to April 2017, the Company is expected to record a profit for the six months ending 30 June 2017, compared to a loss of RMB63.9 million for the corresponding period in 2016. The change is mainly attributable to the significant reduction in store operating expenses and administrative expenses arising from the reduction in staff number at both the store and head office levels, improved productivity, the termination of third party cleaning and security services in certain regions and better utility usage management. These are the tangible results of the strategic turnaround plan developed by the Board as outlined in the Chairman’s

Statement in the Company's 2016 Annual Report.

The information contained in this announcement is based on a preliminary review of the unaudited consolidated financial information of the Group for the period from January 2017 to April 2017 and a preliminary assessment based on the outlook for the remaining two months in the first half of 2017. The Company expects to announce the interim results of the Group for the six months ended 30 June 2017 by the end of August 2017.

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, 19 May 2017

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.