
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities of C.P. Lotus Corporation, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

**C.P. Lotus Corporation****卜 蜂 蓮 花 有 限 公 司***(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00121)

**RE-ELECTION OF DIRECTORS
RENEWAL OF GENERAL MANDATES
TO ISSUE NEW SHARES AND BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 5 of this circular.

A notice convening the annual general meeting of C.P. Lotus Corporation to be held at Suite 6411-6413, 64/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong, on Wednesday, 7 June 2017 at 9:30 a.m. is set out on pages 13 to 15 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

21 April 2017

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Introduction	3
Proposed Re-election of Directors	4
Share Buy-back Mandate	4
Share Issue Mandate	4
Annual General Meeting	5
Recommendation	5
Appendix I – Biographies of Directors Proposed to be Re-elected at the AGM	6
Appendix II – Explanatory Statement in relation to the Grant of Share Buy-back Mandate	10
Notice of Annual General Meeting	13

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the forthcoming annual general meeting of the Company to be held at Suite 6411-6413, 64/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Wednesday, 7 June 2017 at 9:30 a.m.
“Articles”	the articles of association of CP Lotus (as amended from time to time)
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company” or “CP Lotus”	C.P. Lotus Corporation, a company incorporated in the Cayman Islands whose shares are listed and traded on the Main Board of the SEHK
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CPG”	Charoen Pokphand Group Company Limited, a company organised and existing under the laws of the Kingdom of Thailand
“Directors”	the directors of CP Lotus
“Group”	CP Lotus and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“Notice of AGM”	the notice convening the AGM set out on pages 13 to 15 of this circular
“PRC”	the People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SEHK”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“SET”	The Stock Exchange of Thailand
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company
“Share Buy-back Mandate”	the general and unconditional mandate which the Shareholders are being asked to grant to the Directors to buy back Shares contained in Resolution B in item 4 of the Notice of AGM
“Share Issue Mandate”	the general and unconditional mandate which the Shareholders are being asked to grant to the Directors to allot, issue and otherwise deal with additional Shares contained in Resolutions A and C in item 4 of the Notice of AGM
“Shareholders”	holders of Shares
“Takeovers Code”	the Codes on Takeovers and Mergers published by the Securities and Futures Commission
“%”	per cent

LETTER FROM THE BOARD



C.P. Lotus Corporation

卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00121)

Directors:

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

Mr. Viroj Sangsnit*

Mr. Songkitti Jaggabatarara*

Mr. Itthaporn Subhawong*

Mr. Prasobsook Boondech*

Mr. Cheng Yuk Wo*

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

21st Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

* *Independent non-executive directors*

21 April 2017

To Shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS
RENEWAL OF GENERAL MANDATES
TO ISSUE NEW SHARES AND BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM for (1) the re-election of the retiring Directors; (2) the renewal of the grant of the Share Buy-back Mandate; and (3) the renewal of the grant of the Share Issue Mandate. This circular contains the Notice of AGM and the explanatory statement and all other information reasonably necessary to enable Shareholders to make informed decisions as to whether to vote for or against the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles, the following Directors, namely, Messrs. Soopakij Chearavanont, Narong Chearavanont, Umroong Sanphasitvong, Viroj Sangsnit and Cheng Yuk Wo will retire as Directors from office by rotation and, being eligible, will offer themselves for re-election at the AGM.

Messrs. Viroj Sangsnit and Cheng Yuk Wo have been serving the Company for more than 9 years. Each of Messrs. Viroj Sangsnit and Cheng Yuk Wo has confirmed that he still meets the independent requirements set out in Rule 3.13 of the Listing Rules. Messrs. Viroj Sangsnit and Cheng Yuk Wo have substantial board and/or accounting experience and have a good understanding of the Group's operation. They have contributed significantly to helping the Company achieve high standards of corporate governance and given advice with objectivity. Based on the above, the Board believes that Messrs. Viroj Sangsnit and Cheng Yuk Wo are independent of the Group and will continue to make significant contribution to the Company if re-elected.

Details of each of the retiring Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

SHARE BUY-BACK MANDATE

The existing general mandate to buy back Shares granted to the Directors at the annual general meeting held on 7 June 2016 will expire upon the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM in respect of granting the Share Buy-back Mandate to the Directors. Assuming it is granted by Shareholders, in the event that the Share Buy-back Mandate is exercised in full and on the basis of 11,019,072,390 Shares in issue as at the Latest Practicable Date, up to 1,101,907,239 Shares may be bought back by the Company as a result during the period up to the earliest of (1) the conclusion of the next annual general meeting of the Company; (2) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws of the Cayman Islands (under which the Company is incorporated) or by the Articles; and (3) its revocation or variation by an ordinary resolution of Shareholders in general meeting.

An explanatory statement as required by the Listing Rules, providing the requisite information regarding the Share Buy-back Mandate, is set out in Appendix II to this circular.

SHARE ISSUE MANDATE

The existing general mandate to allot, issue or otherwise deal with new Shares granted to the Directors at the annual general meeting held on 7 June 2016 will expire upon the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM for the grant of the Share Issue Mandate to the Directors in order to increase the flexibility for the Company to raise new capital as and when the Directors consider appropriate. If the resolution set out as Resolution A in item 4 of the Notice of AGM is passed, exercise in full of the Share Issue Mandate granted under that resolution on the basis of 11,019,072,390 Shares in issue as at Latest Practicable Date would result in up to 2,203,814,478 new

LETTER FROM THE BOARD

Shares being allotted, issued or otherwise dealt with by the Company during the period up to the earliest of (1) the conclusion of the next annual general meeting of the Company; (2) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws of the Cayman Islands (under which the Company is incorporated) or by the Articles; and (3) its revocation or variation by an ordinary resolution of Shareholders in general meeting. In addition, the resolution set out as Resolution C in item 4 of the Notice of AGM will be proposed at the AGM providing that any Shares bought back under the Share Buy-back Mandate (if granted) will be added to the total number of Shares which may be allotted and issued under the Share Issue Mandate.

ANNUAL GENERAL MEETING

Set out on pages 13 to 15 is a notice convening the annual general meeting to be held at Suite 6411-6413, 64/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Wednesday, 7 June 2017 at 9:30 a.m. at which resolutions will be proposed in relation to the ordinary business of an annual general meeting and the renewal of the general mandates to issue new Shares and to buy back Shares.

A form of proxy for use at the AGM is enclosed and such form of proxy is also published on the website of HKExnews established by the SEHK. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy to the Company at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

In accordance with the Listing Rules, which require that all resolutions at general meetings must be taken by poll, the chairman of the AGM will demand that a poll be taken in respect of each of the resolutions to be proposed at the AGM.

RECOMMENDATION

The Directors believe that the re-election of Directors and the granting of the Share Buy-back Mandate and the Share Issue Mandate are in the best interest of the Company and Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
Umroong Sanphasitvong
Director

The following are the biographies of the Directors proposed to be re-elected at the AGM in accordance with the Articles.

Mr. Soopakij Chearavanont, aged 53, is an Executive Director and Chairman of the Company and has been an Executive Director since 2000. He was re-designated as Chief Executive Officer & Executive Vice Chairman of the Company with effect from 1 May 2008. His title of Executive Vice Chairman was changed to Vice Chairman with effect from 1 September 2010, from Vice Chairman to Executive Chairman with effect from 1 January 2012, and from Executive Chairman to Chairman with effect from 1 April 2012. He has been a member of the Remuneration Committee of the Company and the Chairman of the Nomination Committee of the Company with effect from 1 April 2012. He resigned as Chief Executive Officer of the Company with effect from 1 August 2012 but has remained the Chairman of the Company.

Mr. Soopakij Chearavanont obtained a Bachelor of Science degree in the College of Business and Public Administration of New York University, USA and has extensive multinational investment and management experience in various industries. He is an executive director and Vice Chairman of C.P. Pokphand Co. Ltd., a non-executive director and the Chairman and the Chairman of Nomination Committee of Chia Tai Enterprises International Limited, non-executive director of Ping An Insurance (Group) Company of China, Ltd., which are listed on the Main Board of the SEHK. Mr. Soopakij Chearavanont is also a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, which are listed on the SET. He is also the Chairman of True Visions Public Company Limited. He is also the Chairman of Charoen Pokphand Group Company Limited with effect from 9 January 2017. Save as disclosed above, Mr. Soopakij Chearavanont has not held any directorship in other listed public companies in the last three years. He holds directorships in several subsidiaries of the Group.

Mr. Soopakij Chearavanont is a brother of Mr. Narong Chearavanont, Vice Chairman, and Mr. Suphachai Chearavanont, Executive Director. He is also a cousin of Mr. Meth Jiaravanont, Executive Director and a brother-in-law of Mr. Michael Ross, Vice Chairman. Save as disclosed above, Mr. Soopakij Chearavanont does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Soopakij Chearavanont held 183,240,198 Shares and had no other interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Soopakij Chearavanont. He has not been appointed for a specific term but shall be subject to retirement by rotation and re-election in accordance with the Articles. For the year ended 31 December 2016, Mr. Soopakij Chearavanont received emoluments from the Group of RMB5,018,000. His emoluments were determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, there is no information relating to Mr. Soopakij Chearavanont that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Soopakij Chearavanont's proposed re-election.

Mr. Narong Chearavanont, aged 52, has been an Executive Director of the Company since 2001. He was re-designated as Vice Chairman of the Company in September 2006. He obtained a Bachelor of Science degree in Business Administration from New York University, USA, Certificate of Advance Management Program in Transforming Proven Leaders into Global Executives from Harvard Business School, Harvard University, USA and an Honorary Doctorate degree of Business Administration from Ramkhamhaeng University, Thailand. Mr. Narong Chearavanont has extensive experience in the retail and trading industries. He is a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, all of which are listed on the SET. Save as disclosed above, Mr. Narong Chearavanont has not held any directorship in other listed public companies in the last three years. He holds directorships in several subsidiaries of the Group.

Mr. Narong Chearavanont is a brother of Mr. Soopakij Chearavanont, Chairman, and Mr. Suphachai Chearavanont, Executive Director. He is also a cousin of Mr. Meth Jiaravanont, Executive Director and a brother-in-law of Mr. Michael Ross, Vice Chairman. Save as disclosed above, Mr. Narong Chearavanont does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Narong Chearavanont held 183,240,198 Shares, and had no other interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Narong Chearavanont. He has not been appointed for a specific term but shall be subject to retirement by rotation and re-election in accordance with the Articles. For the year ended 31 December 2016, Mr. Narong Chearavanont received emoluments from the Group of RMB3,525,000. His emoluments were determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, there is no information relating to Mr. Narong Chearavanont that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Narong Chearavanont's proposed re-election.

Mr. Umroong Sanphasitvong, aged 64, has been an Executive Director of the Company since 2005. He was appointed as a member of the Remuneration Committee and Corporate Governance Committee of the Company in December 2006 and August 2016, respectively. He obtained a Bachelor and a Master degree in Accounting from Thammasat University, Thailand and has extensive experience in financial management. Mr. Umroong Sanphasitvong is currently a director of True Corporation Public Company Limited, CP ALL Public Company Limited and Siam Makro Public Company Limited, all of which are listed on the SET, and of CPPC Public Company Limited. He is also the Deputy Group Chief Financial Officer of CPG. Save as disclosed above, Mr. Umroong Sanphasitvong has not held any directorship in other listed public companies in the last three years. He holds directorships in several subsidiaries of the Group.

Mr. Umroong Sanphasitvong does not have any relationship with any Directors, senior management and substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Umroong Sanphasitvong held 61,080,066 Shares and had no other interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Umroong Sanphasitvong. He has not been appointed for a specific term but shall be subject to retirement by rotation and re-election in accordance with the Articles. For the year ended 31 December 2016, Mr. Umroong Sanphasitvong did not receive any emoluments for his directorship in the Company.

Save as disclosed above, there is no information relating to Mr. Umroong Sanphasitvong that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Umroong Sanphasitvong's proposed re-election.

Mr. Viroj Sangsnit, aged 81, has been an Independent Non-Executive Director of the Company and a member of Audit Committee of the Company since 1999. He is also a member of the Remuneration Committee of the Company. He has also been a member of the Nomination Committee and Corporate Governance Committee of the Company from 1 April 2012 and 20 August 2016 respectively. Mr. Viroj Sangsnit was the Deputy Minister of Transport from 1991 to 1992 and the Deputy of Minister of Defense in 1996 in Thailand. Mr. Viroj Sangsnit has not held any directorship in other listed public companies in the last three years and he has not held any other position with the Group.

Mr. Viroj Sangsnit does not have any relationship with any Directors, senior management and substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Viroj Sangsnit did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Viroj Sangsnit. He is appointed for a renewable term of one year, which has been renewed each year, and shall be subject to retirement by rotation and re-election in accordance with the Articles. For the year ended 31 December 2016, Mr. Viroj Sangsnit received from the Company director's fee of RMB206,000 which was determined with reference to his anticipated time and effort to be spent on the Company's matters.

Save as disclosed above, there is no information relating to Mr. Viroj Sangsnit that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Viroj Sangsnit's proposed re-election.

Mr. Cheng Yuk Wo, aged 56, has been an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee of the Company since 2004. He was a member of the Remuneration Committee of the Company and became its Chairman on 1 April 2012, when he also became a member of the Nomination Committee of the Company. Mr. Cheng obtained a Master of Science (Economics) degree, majoring in Accounting and Finance from London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from University of Kent, England. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Cheng has over 20 years' of expertise in accounting, finance and corporate advisory services.

Mr. Cheng is currently an independent non-executive director of Chia Tai Enterprises International Limited, CSI Properties Limited, Chong Hing Bank Limited, HKC (Holdings) Limited, Goldbond Group Holdings Limited, CPMC Holdings Limited, DTXS Silk Road Investment Holdings Limited, Top Spring International Holdings Limited and Liu Chong Hing Investment Limited, all of which are listed on the Main Board of the SEHK. He is also an independent non-executive director of Miricor Enterprises Holdings Limited and Somerley Capital Holdings Limited, companies listed on GEM Board of the SEHK. He was previously an independent non-executive director of Imagi International Holdings Limited from July 2010 to January 2016 and an executive director of Huanxi Media Group Limited (formerly known as 21 Holdings Limited) from May 2010 to December 2013, companies listed on the Main Board of the SEHK. Save as disclosed above, Mr. Cheng has not held any directorship in other listed public companies in the last three years and he has not held any other position with the Group.

Mr. Cheng does not have any relationship with any Directors, senior management and substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Cheng did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Cheng. He is appointed for a renewable term of one year, which has been renewed each year, and shall be subject to retirement by rotation and re-election in accordance with the Articles. For the year ended 31 December 2016, Mr. Cheng received from the Company director's fee of RMB206,000 which was determined with reference to his anticipated time and effort to be spent on the Company's matters.

Save as disclosed above, there is no information relating to Mr. Cheng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of Mr. Cheng's proposed re-election.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Share Buy-back Mandate. The Shares proposed to be bought back by the Company are fully paid-up.

LISTING RULES RELATING TO THE BUY BACK OF SHARES

The Listing Rules permit companies whose primary listing is on the SEHK to buy back their shares on the SEHK subject to certain restrictions. The Company is empowered by its memorandum of association and the Articles and the laws of the Cayman Islands (under which the Company is incorporated) to buy back its own Shares.

EXERCISE OF THE GENERAL MANDATE TO BUY BACK SHARES

The resolution set out as Resolution B in item 4 of the Notice of AGM will, if passed, give a general unconditional mandate to the Directors to buy back Shares on the SEHK representing up to 10% of the total number of Share in issue at the date of the passing of such resolution at any time until the next annual general meeting of the Company or any earlier date as referred to in that Resolution (the “Relevant Period”). All buy-backs of Shares on the SEHK by the Company must be approved in advance by an ordinary resolution either by way of a general mandate or by specific approval in relation to specific transactions.

Accordingly, exercise in full of the Share Buy-back Mandate (on the basis of 11,019,072,390 Shares in issue as at the Latest Practicable Date) would result in up to 1,101,907,239 Shares being bought back by the Company during the Relevant Period.

REASONS FOR THE BUY-BACKS

The Directors believe that the flexibility afforded to them by the Share Buy-back Mandate would be in the best interests of the Company and Shareholders. Buy-backs pursuant to such mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Shares and/or earnings per Share and the liquidity of the Shares on the SEHK.

FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Articles and the laws of the Cayman Islands (under which the Company is incorporated). The Directors propose that any buy-back of Shares under the Share Buy-back Mandate would be financed by the capital paid up on the bought back Shares, the profits of the Company which would otherwise be available for dividend, the Company’s share premium account and/or its contributed surplus account.

IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

If the Share Buy-back Mandate is exercised in full, there may be a material adverse effect on the working capital requirements of the Company or its gearing levels, as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2016 (the most recent published audited accounts). The Directors will consider the financial conditions of the Company prevailing at the time whenever they consider exercising the Share Buy-back Mandate and do not propose to exercise such mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant buy-backs unless the Directors determine that such buy-backs are, taking account of all relevant factors, in the best interests of the Company.

SHARE PRICES

The highest and lowest prices at which Shares were traded on the SEHK during each of the twelve months preceding the issue of this circular were as follows:

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2016		
April	0.161	0.149
May	0.151	0.140
June	0.155	0.138
July	0.147	0.138
August	0.140	0.120
September	0.156	0.119
October	0.145	0.125
November	0.136	0.117
December	0.141	0.118
2017		
January	0.145	0.127
February	0.140	0.123
March	0.139	0.123
April (up to the Latest Practicable Date)	0.135	0.119

EFFECT OF THE TAKEOVERS CODE

A Shareholder's proportionate interest in the voting rights of the Company will increase upon the Company exercising its power to buy back Shares pursuant to the Share Buy-back Mandate, and such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of his/her or their shareholding interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, based on information available to the Company, CPG, through its subsidiaries, which are regarded as parties acting in concert for the purposes of the Takeovers Code, held in aggregate 7,154,799,417 Shares, representing approximately 64.93% of the total number of Shares currently in issue. On the assumption that CPG and its subsidiaries do not acquire any further Shares or dispose of any Shares throughout and on the basis that no further Shares are issued or bought back prior to the AGM, and in the event that the Directors exercise in full the power to buy back Shares pursuant to the Share Buy-back Mandate following its approval at the AGM, the aggregate shareholding interest held by CPG and its subsidiaries would increase to approximately 72.15% of the issued share capital of the Company. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of Takeovers Code.

In the event that any exercise of the Share Buy-back Mandate would, to the Directors' knowledge, have such a consequence, the Directors would not exercise the Share Buy-back Mandate to such extent.

The Directors have no present intention to exercise the power to buy back Shares to the extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25%.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates presently intends to sell Shares to the Company in the event that the Share Buy-back Mandate is approved by Shareholders.

The Company has not been notified by any core connected person that he has a present intention to sell Shares to the Company or has undertaken not to sell Shares held by them to the Company in the event that the Share Buy-back Mandate is approved by Shareholders.

UNDERTAKING OF DIRECTORS

The Directors have issued an undertaking letter to the SEHK to undertake that they will exercise the power of the Company to make buy-backs pursuant to the Share Buy-back Mandate in accordance with the Listing Rules, the laws of the Cayman Islands (under which the Company is incorporated) and the memorandum of association of the Company and the Articles.

SHARE BUY-BACKS MADE BY THE COMPANY

The Company has not bought back any Shares whether on the SEHK or otherwise in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



C.P. Lotus Corporation

卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00121)

NOTICE is hereby given that the Annual General Meeting of C.P. Lotus Corporation (the “Company”) will be held at Suite 6411-6413, 64/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Wednesday, 7 June 2017 at 9:30 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2016;
2. To elect retiring Directors and to authorise the Board of Directors to fix their remuneration;
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration; and
4. (By way of special business) to consider, and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with unissued shares in the capital of the Company (“Shares”) and to make or grant offers, agreements, options and other securities, including warrants to subscribe for Shares, which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and other securities, including warrants to subscribe for Shares, which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate number of Shares which may be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of Shares on the exercise of the subscription or conversion rights attaching to any securities which may be issued by the Company from time to time or the exercise of any options granted under the share option scheme of the Company or any issue of Shares in lieu of the whole

NOTICE OF ANNUAL GENERAL MEETING

or part of a dividend on Shares, shall not exceed 20% of the total number of Shares in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the time of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the time of the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this Resolution; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares in the capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or other requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares authorised to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the time of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (iii) the time of the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this Resolution.”

C. “**THAT**, conditional upon the Resolutions set out in paragraphs 4A and 4B of the notice convening this Meeting being duly passed, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with unissued shares in the capital of the Company (“Shares”) pursuant to the resolution set out in paragraph 4A of the notice convening this Meeting be and is hereby extended by the addition to the aggregate number of Shares which may be dealt with by the directors of the Company pursuant to the said resolution of an amount representing the number of Shares bought back by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this Meeting, provided that such extended amount shall not exceed 10% of the total number of Shares in issue at the date of passing of the said resolution.”

By Order of the Board
Chung Wing Man
Company Secretary

Hong Kong, 21 April 2017

As at the date of this notice, 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.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be lodged with the Company at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting.
3. The register of members of the Company will be closed for the following periods:

For the purpose of determining shareholders who are entitled to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 1 June 2017 to Wednesday, 7 June 2017 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the attendance and voting at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Progressive Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 31 May 2017 for registration.