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China LotSynergy Holdings Limited

華彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1371)

**COMPLETION OF THE OFFER TO EXCHANGE
THE EXISTING 5 PER CENT. HK\$650,000,000 CONVERTIBLE BONDS
DUE 2019 WITH AN AGGREGATE OUTSTANDING PRINCIPAL
AMOUNT OF HK\$550,000,000
FOR A COMBINATION OF CASH AND NEW BONDS INVOLVING ISSUE
OF NEW CONVERTIBLE BONDS UNDER GENERAL MANDATE**

(Stock code: 5725)

Reference is made to the Company's announcements dated 10 March 2017, 16 March 2017 and 24 March 2017 (the "Announcements") relating to the Exchange Offer. Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

SETTLEMENT

The Board is pleased to announce that the condition precedent to the Exchange Offer, being the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in the conversion shares to be issued upon conversion of the New Bonds has been fulfilled, and that the Exchange Offer was completed on the Settlement Date in accordance with the terms of the Exchange Offer.

* for identification purposes only

On the Settlement Date,

- (a) the Existing Bonds in the amount of HK\$506,000,000 have been exchanged for:
 - (i) the New Option 1 Bonds in the aggregate principal amount of HK\$175,950,000, which were issued by the Company on the Settlement Date;
 - (ii) the New Option 2 Bonds in the aggregate principal amount of HK\$100,000,000, which were issued by the Company on the Settlement Date; and
 - (iii) the Cash Consideration in the amount of HK\$230,050,000.
- (b) the Company paid the Accrued Interest Payment and any Exchange Rounding Amount to the holders of the Existing Bonds as appropriate in accordance with the terms of the Exchange Offer.

Details of the terms and conditions of each of the New Option 1 Bonds and the New Option 2 Bonds are more particularly set out in the announcement of the Company dated 10 March 2017.

EFFECT OF SHAREHOLDING STRUCTURE

As disclosed in the announcement of the Company dated 24 March 2017, the initial conversion price of the New Option 1 Bonds is HK\$0.288. As such, pursuant to the terms and conditions of the New Option 1 Bonds, the Floor Price of the New Option 1 Bond shall be HK\$0.2304, being HK\$0.288 X 80 per cent. Pursuant to the terms and conditions of the New Option 1 Bonds, on any adjustment, the resultant conversion price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. However, the resultant conversion price following the reset of the conversion price and any rounding shall not fall below the Floor Price. Accordingly, the lowest conversion price above the Floor Price in relation to the New Option 1 Bonds is HK\$0.24.

Assuming that the New Option 1 Bonds in the principal amount of HK\$175,950,000 are fully converted at the initial conversion price being HK\$0.288 and the New Option 2 Bonds in the principal amount of HK\$100,000,000 are fully converted at the initial conversion price of HK\$0.92, an aggregate of 719,633,152 Shares will be issued, representing (i) approximately 8.41% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.76% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares.

Assuming that the New Option 1 Bonds in the principal amount of HK\$175,950,000 are fully converted at HK\$0.24 (being the lowest conversion price above the Floor Price in relation to the New Option 1 Bonds) and the New Option 2 Bonds in the principal amount of HK\$100,000,000 are fully converted at the initial conversion price of HK\$0.92, an aggregate of 841,820,652 Shares will be issued, representing (i) approximately 9.84% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.96% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares.

The table below sets forth the shareholding structure of the Company (1) as at the date of this announcement; (2) upon full conversion of the New Option 1 Bonds in the principal amount of HK\$175,950,000 and the New Option 2 Bonds in the principal amount of HK\$100,000,000, assuming that (i) the conversion price of the New Option 1 Bonds is the initial conversion price being HK\$0.288, (ii) the conversion price of the New Option 2 Bonds is the initial conversion price being HK\$0.92, (iii) the number of Shares held by each of the Shareholders below remain unchanged, and (iv) there are no other changes to the issued share capital of the Company; and (3) upon full conversion of the New Option 1 Bonds in the principal amount of HK\$175,950,000 and the New Option 2 Bonds in the principal amount of HK\$100,000,000, assuming that (i) the conversion price of the New Option 1 Bonds is the lowest conversion price above the Floor Price being HK\$0.24, (ii) the conversion price of the New Option 2 Bonds is the initial conversion price being HK\$0.92, (iii) the number of Shares held by each of the Shareholders below remain unchanged, and (iv) there are no other changes to the issued share capital of the Company:

Shareholders	As at the date of this announcement		Assuming that (i) the New Option 1 Bonds in the principal amount of HK\$175,950,000 are converted into conversion shares (subject to adjustment) at the initial conversion price, (ii) the New Option 2 Bonds in the principal amount of HK\$100,000,000 are converted into conversion shares (subject to adjustment) at the initial conversion price, (iii) the number of Shares held by each of the Shareholders below remains unchanged, and (iv) there are no other changes to the issued share capital of the Company		Assuming that (i) the New Option 1 Bonds in the principal amount of HK\$175,950,000 are converted into conversion shares (subject to adjustment) at the lowest conversion price above the Floor Price, (ii) the New Option 2 Bonds in the principal amount of HK\$100,000,000 are converted into conversion shares (subject to adjustment) at the initial conversion price, (iii) the number of Shares held by each of the Shareholders below remains unchanged, and (iv) there are no other changes to the issued share capital of the Company	
	No. of Shares	Approximately % of issued share capital of the Company	No. of Shares	Approximately % of issued share capital of the Company	No. of Shares	Approximately % of issued share capital of the Company
Ms. Lau Ting and Mr. Chan Shing	1,236,674,125	14.46	1,236,674,125	13.33	1,236,674,125	13.16
Non-public Shareholders	159,300,000	1.86	159,300,000	1.72	159,300,000	1.70
Tencent Holdings Limited	594,034,513	6.94	594,034,513	6.40	594,034,513	6.32
Holder(s) of New Option 1 Bonds	0	0	610,937,500	6.59	733,125,000	7.80
Holder of New Option 2 Bonds	0	0	108,695,652	1.17	108,695,652	1.16
Other Public Shareholder	6,565,298,695	76.74	6,565,298,695	70.79	6,565,298,695	69.86
Total	8,555,307,333	100	9,274,940,485	100	9,397,127,985	100

Notes:

1. The shares held by Ms. Lau Ting and Mr. Chan Shing consist of: 75,052,874 shares were held by Hang Sing Overseas Limited which was wholly owned by Orient Strength Limited, a company which was wholly-owned by Ms. LAU Ting and Mr. CHAN Shing. 137,735,546 shares were held by Strong Purpose Corporation, a company which was wholly-owned by Ms. LAU Ting and Mr. CHAN Shing. 512,492,594 shares were held by Glory Add Limited which was wholly owned by Favor King Limited, a company which was wholly-owned by Ms. LAU Ting and Mr. CHAN Shing. 1,932,312 shares were held by Burwill Holdings Limited of which Ms. LAU Ting and Mr. CHAN Shing were the controlling shareholders. 266,974,373 shares interest were held by Ms. LAU Ting and 242,486,426 shares interest were held by Mr. CHAN Shing. As Mr. CHAN Shing is the spouse of Ms. LAU Ting, the interests of each of Ms. LAU Ting and Mr. CHAN Shing were deemed to be the interests of each other.
2. The shares held by non-public Shareholders consist of the shares held by Directors other than Ms. LAU Ting.
3. The shares held by Tencent Holdings Limited represent the same block of interest held by MIH TC Holdings Limited and Naspers Limited.
4. Other public Shareholders refer to the public Shareholders other than the Holders or the holders of the New Bonds (as the case may be) who have converted the Existing Bonds or the New Bonds (as the case may be) into Shares.
5. This shareholding structure of the Company is for illustration purposes only.
6. Certain percentage figures included in this table are subject to rounding adjustment. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

STATUS OF THE EXISTING BONDS

The Existing Bonds in the principal amount of HK\$44,000,000 were not offered for exchange pursuant to the Exchange Offer and remain outstanding as at the date of this announcement.

Pursuant to the terms and conditions of the Existing Bonds, the Company shall, at the option of the holders of the Existing Bonds, redeem all or some of the Existing Bonds held by the relevant holders of the Existing Bonds, at the principal amount together with interest accrued to such date (if any). To exercise such rights, the holders of the Existing Bonds must complete, sign and deposit at the specified office of any paying agent a duly completed and signed notice (“**Put Option Notice**”) together with the certificate evidencing the Existing Bonds to be redeemed not later than 17 March 2017.

By 17 March 2017, Put Option Notices in relation to the Existing Bonds in the principal amount of HK\$44,000,000 were received by the relevant paying agent. According to the terms and conditions of the Existing Bonds, the Company shall redeem the Existing Bonds in the principal amount of HK\$44,000,000 on 18 April 2017. Upon the redemption of the Existing Bonds in the principal amount of HK\$44,000,000, there will be no further Existing Bonds in issue. Accordingly, the Company will make an application to the Stock Exchange for the Existing Bonds to be delisted.

By Order of the Board
China LotSynergy Holdings Limited
LAU Ting
Chairperson of the Board

Hong Kong, 7 April 2017

As at the date of this announcement, the Board comprises Ms. LAU Ting, Mr. WU Jingwei, Ms. CHAN Tan Na, Donna and Mr. LI Zi Kui as Executive Directors; Mr. HOONG Cheong Thard as a Non-executive Director; and Mr. HUANG Shenglan, Mr. CHAN Ming Fai and Mr. CUI Shuming as Independent Non-executive Directors.