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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)

RESET OF CONVERSION PRICE OF THE 7.5% CONVERTIBLE BONDS DUE 2019

The Board announces that the conversion price of the New Option 1 Bonds is adjusted to HK\$0.24 with effect from 7 November 2017.

Reference is made to the announcements of China LotSynergy Holdings Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") dated 10 March 2017, 16 March 2017, 24 March 2017 and 7 April 2017 in relation to the offer to exchange the 5% 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. Terms used herein shall have the same meanings as defined in those announcements unless otherwise stated.

Pursuant to the terms and conditions of the New Option 1 Bonds (being the 7.5% Convertible Bonds due 2019), if the arithmetic average of the daily volume weighted average price of the Shares for the period of 20 consecutive trading days ending on (but excluding) 7 November 2017 (the "Reset Date") (the "Reset Reference Price"), is less than the Reference Price of the New Option 1 Bonds, the conversion price of the New Option 1 Bonds shall be adjusted on a one-time basis in accordance with the following formula and shall become effective as of the Reset Date:

Adjusted Conversion Price = Reset Reference Price x (1 + CP)

Where "CP" means 19% expressed as a fraction

provided that:

- (a) any such adjustment to the conversion price shall be limited such that the adjusted conversion price shall be adjusted downward but only to the extent that it shall not fall below 80 per cent. of the initial conversion price (the "Floor Price"). Notwithstanding the preceding sentence, to the extent the prevailing conversion price immediately prior to this adjustment is below the Floor Price, such conversion price shall not be adjusted and shall remain effective; and
- (b) the New Option 1 Bonds Adjustment Events shall apply, mutatis mutandis, to adjustments that have been made according to aforesaid to ensure that appropriate adjustments shall continue to be made to any conversion price to reflect any New Option 1 Bonds Adjustment Events.

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 Bonds 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.

Notice is hereby given that, as the Reset Reference Price on the Reset Date is HK\$0.200, pursuant to the abovementioned terms and conditions, the conversion price of the New Option 1 Bonds is adjusted from HK\$0.288 to HK\$0.24 (the "Adjusted Conversion Price"), being the lowest conversion price above the Floor Price, with effect from 7 November 2017.

With reference to the total outstanding principal amount of the New Option 1 Bonds of HK\$175,950,000 at the date of this announcement, the maximum number of Shares that will be issued upon conversion of all the outstanding New Option 1 Bonds at the previous conversion price and the Adjusted Conversion Price is 610,937,500 Shares and 733,125,000 Shares respectively. Any Shares that will be issued upon conversion of all the outstanding New Option 1 Bonds at the Adjusted Conversion Price would be issued under the general mandate granted to the directors of the Company by the shareholders of the Company pursuant to an ordinary resolution passed at the general meeting of the Company held on 6 June 2016. Application has already been made by the Company to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") before the completion of issuance of the New Option 1 Bonds for the listing of, and permission to deal in, the Shares that would be issued upon conversion of all the outstanding New Option 1 Bonds at HK\$0.24, being the lowest conversion price above the Floor Price, on the Stock Exchange. Therefore, there is no additional application required to be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the additional Shares that would be issued upon conversion at the Adjusted Conversion Price.

By order of the Board
China LotSynergy Holdings Limited
CHAN Tan Na, Donna
Chairperson of the Board

Hong Kong, 7 November, 2017

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

** For identification purposes only*