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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)

TERMINATION OF CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION FOR CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the announcement of China LotSynergy Holdings Limited (the “**Company**”) dated 9 October 2020 (the “**Announcement**”) in relation to, among other things, the Subscription (including the grant of the Specific Mandate) and the Whitewash Waiver and the announcements of the Company dated 30 October 2020, 11 December 2020 and 15 January 2021 in relation to the delay in despatch of the Circular. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

POSSIBLE EQUITY FUND RAISING

The Company is currently considering possible equity fundraising activities, including rights issue, open offer, and placing of new Shares, to finance, among other things, the repayment of the Group's indebtedness and the Group's working capital needs but no fund raising arrangement has been determined. As at the date of this announcement, the Company is in preliminary discussions with potential parties and no legally binding agreement has been made. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

TERMINATION OF THE SUBSCRIPTION

Given the reason stated in the above, on 20 January 2021, the Company entered into a termination deed with the Subscriber, pursuant to which the Company and the Subscriber agreed to mutually terminate the Subscription Agreement without any liability of any party. As such, the Subscription and the Increase in Authorised Share Capital will not proceed and no adjustment will be made to the Existing Convertible Bonds Conversion Price.

For the purpose of the Takeovers Code, the Whitewash Waiver is no longer required.

As at the date of this announcement, the Subscriber has also agreed to extend the maturity date of the Loan to 20 January 2022.

Shareholders and potential investors of the Company should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

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

Hong Kong, 20 January 2021

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

The Directors jointly and severally accept full responsibility for accuracy of the information (other than those relating to the Subscriber and the parties acting in concert with her) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the Subscriber) in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Subscriber accepts full responsibility for the accuracy of the information (other than those relating to the Group) contained in this announcement and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed (other than those expressed by the Directors (in their capacity as Directors)) in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.