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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)

UPDATE ON THE LATEST DEVELOPMENT OF VLT BUSINESS

Reference is made to the announcements of China LotSynergy Holdings Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") dated 13 August 2018 and 28 August 2018 (the "Announcements"). Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

As disclosed in the Announcements, People's High Court of Beijing ruled on 10 August 2018 (the "Judgement") that as CLO has not withdrawn from use of the VLT terminals provided by DGTY up to the time of the action, although CLO and DGTY have not entered into a new cooperation contract after the expiry of the Cooperation Contract, DGTY's claims in relation to claiming cooperation remuneration based on the payment proportion of the Cooperation Contract and part of the interest from CLO is in conformity with facts, has legal basis and should therefore be supported. The remuneration for continued use of Welfare VLT terminals provided by DGTY after the expiry of the Cooperation Contract amounted to RMB1,360,211,853 and interest shall be paid by CLO. The Group is awaiting the payment of remuneration by CLO as set out in the Judgement. Both parties have the right to appeal the Judgment under the relevant law.

The Board would like to report, according to the disclosure of the Supreme People's Court of the People's Republic of China, a trial will be held by it on 29 March 2019 for the Judgement upon CLO appealed (the "Trial").

CLO and DGTY entered into the Cooperation Contract on 29 June 2005, pursuant to which DGTY shall provide CLO with Welfare VLT terminals on a nationwide, while CLO shall pay DGTY remuneration based on Welfare VLT sales. Cooperation Contract expired on 28 June 2015. According to the Cooperation Contract agreed by both parties, DGTY has the full ownership of the approximately 41,500 units of terminals generating all the sales of Welfare VLT. Sales of Welfare VLT has continued its upward climb and achieved satisfactory performance on the back of the superb quality of DGTY's third generation terminals over the last four years.

The date of decision of the Trial has not been determined and the Group will make timely disclosure on the progress of the Trial. Shareholders of the Company and the potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 March 2019

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*