

28th May 2013

CLS Entered Into Contract With Chongqing Welfare Lottery Centre For The Provision of Computer Ticket Game Betting Terminals

On 28 May 2013, Guangzhou San Huan Yong Xin Technology Company Limited (“San Huan”), a subsidiary of CLS, entered into the “Contract for the Procurement of Betting Terminals and Services for Chongqing Municipal Welfare Lottery Issuance Centre” (“the Contract”) with Chongqing Municipal Welfare Lottery Issuance Centre (“Chongqing Welfare Lottery”) for a term of five years. During the term of the Contract, San Huan will provide Chongqing Welfare Lottery with computer ticket game (“CTG”) terminals and services in return for a fee on a fixed-percentage revenue-sharing basis to be received from the lottery authority to cover the use, repair, maintenance and upgrade of the terminals.

Since San Huan won the bid for the procurement of CTG betting terminals and technical services for Chongqing Welfare Lottery in January this year, San Huan has been in close discussion with the lottery authority on finalizing the terms of the Contract and details of the terminals to be supplied. San Huan has now made full preparations on the supply of the terminals, which are expected to contribute revenue from June.

San Huan is the equipment provider for Welfare Lottery in Guangdong, the top performing province in China, as well as the exclusive equipment provider for the KENO-type Lottery 开乐彩, a nationwide Welfare Lottery product in China. The signing of the terminal provision contract with Chongqing Welfare Lottery represents another breakthrough for CLS and demonstrates its competitiveness in the lottery industry in China. As certain provincial Welfare Lottery markets are expected to replace lottery terminals in the next two years, CLS will endeavour to secure such opportunities with its competitive advantages in products and services for making active contributions to the lottery market in China.