



CHINA LOTSYNERGY SUBSCRIBES INTERESTS IN PROVIDER OF VIDEO LOTTERY TERMINALS

FURTHER INVOLVEMENT IN CHINA'S LOTTERY MARKET

(Hong Kong, 15 January 2006) – **China LotSynergy Holdings Limited** (SEHK: 8161) today announced that China LotSynergy Group Limited (“CLG”), its wholly-owned subsidiary, has entered into a share subscription agreement with Corich International Limited (“Corich”) on 9 January 2006, pursuant to which China LotSynergy will subscribe to 50% interest in Corich at a consideration of HK\$980 million.

Corich is an investment holding company. Its wholly-owned subsidiary Tianyi Electronics is engaged in the production and supply of video lottery terminals. In June 2005, Tianyi Electronics entered into a contract with Beijing Lottery Online Technology Co. Ltd. (“CLO”) to exclusively provide video lottery terminals to CLO to be used at franchised instant lottery sales halls of CLO across China, for a term of 10 years.

The issue of welfare lottery in China is totally directed by the government, and is a lawful business of public welfare nature. CLO is an authorized operator of instant lottery in China, which exclusively operates and manages instant lottery technical sales system. Currently, the issue and operation of lottery in China are confined to government bodies or government-authorized organizations. Foreign companies are only involved in the provision of equipment or technical support.

Video lottery has become the main stream in today's lottery business around the world. A wide variety of lottery games can be run on video lottery terminals.

A spokesperson of China LotSynergy said, “through this subscription, China LotSynergy is able to participate in the development of China's lottery market as a lottery equipment provider, which will enable it to further expand and strengthen its core businesses. We will continue to seek cooperation with China's lottery issuing and administration bodies, to fully leverage the synergy of our international expertise and local knowledge, to effectively integrate all our resources and introduce advanced technology and equipment, as well as operation and management experience from overseas to China. We are also planning to set up a dedicated foundation with the view of making more contribution in respect of public welfare development in China.”