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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)

## **BUSINESS UPDATE – ACQUISITION OF LOTTERY SYSTEM PROVIDER**

To further enhance the Group's capabilities in lottery system technology, and to strengthen its position as a leader in lottery sales systems and terminal services, the Board is pleased to announce that the Group has today completed the full acquisition of Bestinfo (a company specialized in the research and development of lottery transaction and management systems). Management believes that this will enable the Group to further consolidate its presence at all levels of the lottery value chain.

China LotSynergy Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to update its shareholders on its latest business development.

The Group has been consistently committed to enhancing its lottery system capabilities and strengthening its position as a leader in lottery sales systems and terminal services. The Board of Directors (the "Board") is pleased to announce that Beijing Kexun Tiandi Technology Co., Ltd (北京科訊天地科技有限公司, "Kexun"), a wholly-owned subsidiary of the Group, has today completed the full acquisition of Beijing Bestinfo Cyber Technology Co., Ltd (北京貝英斯數碼技術有限公司, "Bestinfo"). Management believes that this will enable the Group to further consolidate its presence at all levels of the lottery value chain.

Bestinfo has a long-term commitment to providing corporate clients with specialized IT services, including integrated corporate data centre architecture and corporate software application solutions. The company offers all-encompassing lottery industry solutions, with capabilities in lottery transaction systems, data mining and analyses systems (management information systems), data storage and backup, data encryption and system integration implementation. In specialized technology services, Bestinfo has established a system integration, technical support and software research and development team, with technical expertise in lottery industry specific software applications, databases, networks and storage. In project management, Bestinfo has extensive experience in system integration, software development and maintenance. The company was also the recipient of the National Science and Technology Progress Award, along with other related ministerial science and technology awards.

Bestinfo's team specializes in the research and development of lottery transaction and management systems, and is responsible for a number of firsts in the Chinese lottery sales systems market, including: establishing the first computer ticket game ("CTG") hotline system in Dongguan, Guangdong Province and the first hotline CTG sales system in China, which was implemented in Zhejiang Province; and developing the first nationwide standard version of the provincial CTG sales and management system under the commission of China Welfare Lottery Administration Centre, which has successively operated in the provinces of Guangdong, Shanxi and Fujian. Currently, Bestinfo is the Welfare CTG hotline sales system (including the construction of a central data processing system, maintenance and technical services) provider for Guangdong Welfare Lottery Centre, which is Welfare Lottery's largest provincial lottery authority by sales, as well as the provider for Shanghai Welfare Lottery Centre's "New Sales and Management System Technical Services Project".

Prior to the acquisition, Bestinfo had established a technical services collaboration with the Group's subsidiary, Guangzhou San Huan Yong Xin Technology Company Limited (廣州市三環永新科技有限公司), in a relationship which has spanned over 10 years. The two companies jointly provide CTG hotline sales system services, lottery terminals and other related services to Guangdong Province Welfare Lottery Centre, which oversees China's largest provincial Welfare CTG market in terms of terminal installed base and sales. The two companies have won broad acclaim from lottery authorities and lottery points of sale, and enjoy an incident-free track record, setting the benchmark for collaborations within the industry.

To the best of the Board's knowledge, and having made all reasonable inquiries, the vendors are independent third parties to the Company and its connected persons. Kexun's acquisition of Bestinfo involves a total consideration of RMB 60,000,000 (approximately HK\$ 75,471,698<sup>#</sup>), which includes the costs of the acquisition of the equity interest and technology transfer. The aforementioned acquisition does not constitute a notifiable transaction as defined in Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), therefore, the notifiable transaction provisions under Chapter 14 of the Listing Rules are not applicable to the aforementioned acquisition. This announcement is only for the voluntary provision of the Group's latest business developments.

By order of the Board  
**China LotSynergy Holdings Limited**  
**LAU Ting**  
*Chairperson of the Board*

Hong Kong, 15 December 2014

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

*\* For identification purposes only*

*# For the purpose of this announcement, an exchange rate of HK\$1 to RMB0.795 has been adopted for illustrative purpose only*