

Stock Code: 8161

16 July 2009 - HK

MOF approves re-launch of VLT across China

Recently, we have been advised by the China Welfare Lottery Center that, after operational enhancements on China Welfare Lottery Online video lottery (VLT) which lasted for one year and a half, four new games namely "趣味高尔夫" (Golf Game), "连环夺宝" (Gemstone Game), "三江风光" (Nine Line Game) and "好运射击" (Shooting Game),, have been approved by the Ministry of Finance to roll out across China from 16th July.

VLT is a new type of paperless instant lottery based on traditional welfare lottery taking advantage of advanced computer network technology. It was approved by the Ministry of Finance and the Ministry of Civil Affairs to issue nationwide from 28th June, 2003. The prize payout of VLT is 65%, while 20% is public welfare fund for the development of national public welfare undertakings, and 15% as issuance fee.

To date, sales of VLT have reached over RMB20 billionn ationwide, raising public welfare funds of over RMB7 billion, which is mainly used in social welfare and public welfare undertakings, as well as for social security programs, building and maintenance of venues for extracurricular activities for young people, supporting the 2008 Beijing Olympic Games, the Red Cross humanitarian relief programs, programs for people with disabilities, subsidizing local rural medical aid and so on. So that it social welfare projects are implemented timely and the level of social welfare enhanced, helping the disadvantaged groups in society.

After the earthquake in Wenchuan, Sichuan province on May 12, 2008, the State Council had approved VLT and instant scratch card game to be dedicated disaster relief lotteries, to shoulder the responsibility of raising funds for reconstruction purposes. The "Welfare Lottery Disaster Relief Fund" raised between 1st July 2008 and 31st December 2010 will be used for post-disaster reconstruction. In order to better reflect VLT's role in raising disaster-relief funds, the four games newly



16 July 2009 — HK

Stock Code: 8161

launched this time have sought to be closely associated with the themes of public welfare, health and culture on the games' story and graphics.

Of the four games launched this time, "三江风光" (Nine Line Game) and "好运射击" (Shooting Game) are sold in sales venues nationwide with new sales licenses . "趣味高尔夫" (Golf Game), "连环夺宝" (Gemstone Game) are sold in selected provinces including Tianjin, Liaoning, Zhejiang, Shandong, Hubei, Guangdong, and Gansu. If market response is favourable, the two games will gradually be rolled out across China.