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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 - SHANGHAI WELFARE LOTTERY NEW SALES AND MANAGEMENT SYSTEM TECHNICAL SERVICES PROJECT

The Board is pleased to announce that Shanghai Welfare Lottery's new sales management system and betting terminals, which were supplied by the Group, have officially commenced sales operation. Since the launch, the new sales management system has provided stable operations and comprehensive services, enabling Shanghai Welfare Lottery to fully realize unified management and data sharing, effectively ensuring that the overall development needs of the Shanghai Welfare Lottery market are met.

The Board of Directors (the "Board") of China LotSynergy Holdings Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") is pleased to provide shareholders of the Company with an update on the "Shanghai Welfare Lottery New Sales and Management System Technical Services Project".

Shanghai Welfare Lottery's new sales and management system ("new sales management system") and betting terminals, which were supplied by the Group, officially commenced sales operation last month. Since its launch, the new sales management system has provided stable operations and comprehensive services, enabling Shanghai Welfare Lottery to fully realize unified management and data sharing, and effectively ensuring that the overall development needs of the Shanghai Welfare Lottery market are met.

After jointly winning the bid and signing the contract for the "Shanghai Welfare Lottery New Sales and Management System Technical Services Project" last year, the Company's subsidiaries, Beijing Bestinfo Cyber Technology Company Limited and Guangzhou San Huan Yong Xin Technology Company Limited, faced various difficulties related to tight time constraints, heavy responsibilities and demanding requirements. After the demand survey, technical reserve, programme development, system testing, game launch and system trial run stages, the project was launched successfully in accordance with the requirements. This is another milestone for the Group in the lottery sales systems and terminal services area, and is an affirmation of the Group's professional capabilities.

The launch of the new sales management system improves upon Shanghai Welfare Lottery's prior arrangement of having two different suppliers providing independent transaction systems and betting terminals, which did not allow players to purchase or claim prizes for all Shanghai Welfare Lottery game varieties at any one point of sale. The new sales management system enables users to purchase and claim prizes for all 8 game varieties, including "雙色球", "3D", "七樂彩", "快三", "時時樂", "15選5", "東 方6+1" and "天天彩選4", at all points of sale located in Shanghai. Meanwhile, the new real-time bank payment function further safeguards the security of Shanghai Welfare Lottery's lottery proceeds, and reduces financial management costs. Furthermore, the new sales management system offers statistics and analysis on all Shanghai Welfare Lottery transaction data, enhancing the overall management functions of the betting outlets and deeply integrating the electronic lottery draw system. The security, reliability and productivity of the system is also greatly strengthened with the addition of a disaster recovery system and data backup centre. With the use of new technology and system architecture, the new sales management system also has very flexible expansion capabilities, and is well suited to the needs of different markets, whilst also carrying broad promotional value. The new sales management system has already won recognition and praise from lottery authorities, points of sale and lottery players.

Management believes that with the Group's and Shanghai Welfare Lottery's joint efforts, Shanghai Welfare Lottery's future developments will reach new heights.

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

Hong Kong, 10 June 2015

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