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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)

Established Strategic Cooperation with SBCVC and ZC Smart

The Board is pleased to announce that CLS Enterprises has officially entered into a co-operation agreement with SBTH which is controlled by SBCVC, and ZC Smart. The parties will cooperate in the fields of authentication technology and financial payments technology application of the global market.

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 announce that, China LotSynergy Enterprises Limited ("CLS Enterprises"), an indirect wholly owned subsidiary of the Company, has just officially entered into a strategic cooperation agreement with 寧波軟銀天宏創業投資管理合夥企業(有限合夥) ("SBTH"), a corporation controlled by SB China Capital ("SBCVC") and 中城智慧科技有限公司 ("ZC Smart"), a company invested by SBCVC. The parties will cooperate in the fields of authentication technology and financial payments technology application of the global market.

The Group will join forces with SBTH and ZC Smart to develop various application scenarios for encrypted virtual cards system (including third-party payment technology and authentication technology, etc.) in markets of Africa and Southeast Asia, expanding the application of encrypted virtual cards (including third-party payment technology and authentication technology, etc.) in various fields including lottery services, public utility payments, daily spending, financial services, communication services, parking sharing and smart door lock through cooperation with relevant institutions in these markets. At present, the Group has reached preliminary intention with a number of enterprises in Africa to introduce encrypted virtual cards system (including third-party payment technology and authentication technology, etc.) into its lottery comprehensive solutions, aiming to provide safe and convenient mobile application services. In Southeast Asia, the parties will integrate the encrypted virtual cards system (including third-party payment technology and authentication technology, etc.) with the local smart cards to provide more convenient and comprehensive livelihood and business services. The parties will cooperate actively to open up further overseas markets apart from the markets of Africa and Southeast Asia.

SBTH is a corporation controlled by SBCVC, which is a leading venture capital and private equity fund management company focuses on high-growth and high-tech enterprises in the Greater China region. SBCVC has successfully invested in a number of outstanding enterprises, like Alibaba, Taobao.com, Focus Media and BGI etc. SBCVC currently manages both USD and RMB funds and invest across all stages of companies from information technology, clean technology, healthcare, consumer/retail, and advanced manufacturing sectors.

ZC Smart, which is invested by SBCVC, is a high-tech company with leading intellectual property rights for identity authentication and security technology. ZC Smart has been actively promoting the establishment of relevant standards on global smart city infrastructure, and it has participated in the development of global standards such as ISO 37156 "Guidelines on Data Exchange and Sharing for Smart Community Infrastructures". Through the decentralized offline POD identity authentication and comprehensive application service platform based on international standards and own core technologies, ZC Smart is providing solutions and low cost, high security and easy-to-promote platform services and technology support for constructions of smart cities, smart rural areas, special town and smart area, identification of product's origin source, logistics management of supply chain, transformation of various institutions / corporations' mobile internet and innovation of internet of things application in relevant fields, aiming to achieve the smart living goals for the convenience and benefit of the people, and to improve the society with low energy consumption and high security development.

The Group believes that the close cooperation among the parties will lead Africa and Southeast Asia entering into a new era of digital, intelligent and mobility application.

By order of the Board
China LotSynergy Holdings Limited
CHAN Tan Na, Donna
Chairperson of the Board

Hong Kong, 7 November 2018

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

** For identification purposes only*