

## **Sale of lottery via the Internet and telephone formally approved by MOF**

### **CLS's new distribution channel business set to take off**

Confirmation has been received from the Ministry of Finance (MOF) of China that the sale of lottery via the Internet and telephone has been formally approved, and the relevant Preliminary Measures has been announced. This is truly a major breakthrough for Internet and telephone lottery in China, set to have a far-reaching effect on the development of the lottery business and hence public welfare in China.

Due to inadequacies in technology, operation and policies/regulations, Internet and telephone lottery have lacked the momentum for sustainable and steady development although their viability has been widely recognized. It means it requires not only better technology but also support in terms of policy and improvement in the regulatory system. The regulatory authorities and issuance organizations of the nation have long realized this and worked on the necessary policies.

On entering 2010, following the Three Networks Integration (三网融合) and the development of mobile Internet-related businesses, the relevant technologies have been enhanced to provide better and improved user experience, allowing major lottery companies to provide lottery players with products and services with more features and wider applications and greater user-friendliness.

The introduction of the Administrative Measures on sale of lottery via the Internet and telephone at this juncture is timely and the right complement to the policy and regulatory system in this area. It will serve to provide crucial protection and safeguard to the development of sale of lottery via new distribution channels, thus giving a huge

momentum to the sale of lottery via the Internet and telephone in China.

CLS has placed a lot of emphasis on Internet and telephone lottery and built up strong technical capabilities as well as operational experiences, offering a wide suite of products and solutions. Contracts have been entered into with several provincial lottery organizations, while business cooperation established with China Unicom, Bank of Communications, Lenovo Mobile, etc, on Internet and telephone lottery. CLS is fully confident that it is now well positioned to capture any business opportunities ahead as such new distribution channels will offer.