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CLS enters mobile lottery to facilitate the development of China's Public Welfare Lottery

At the end of September 2009, CLS Group and Tianjin Welfare Lottery Issuance Center entered into a formal cooperation agreement on a paperless welfare lottery betting system, commencing its business of promoting lottery purchase via mobile information terminal across China. Prior to this, CLS has received authorization from Chongqing Welfare Lottery Center and begun to recommend the Welfare Lottery “掌中宝” (Zhang Zhong Bao, a palm-sized terminal) to players.

As a major component of the China public welfare industry, the China Welfare Lottery has become not just an important source of fundraising for community welfare development purposes, but, in line with social and economic development, has become a major means of enriching the cultural and recreational lives of the people, maintaining social stability and enhancing social harmony. On 1st July 2009, the Lottery Regulation took effect, representing a big leap in the legislation of lottery in China and the China lottery industry entering a new chapter with sound legal protection and regulated management.

The new regulation abolishes the limit on lottery issuance, and increases the channels of purchase, which has important practical significance on the development of the China lottery industry in the new era and will promote the steady and healthy development of the lottery sector at large.

As a hi-technology company dedicated to the public welfare lottery business in China, CLS has committed itself to providing the most reliable and advanced lottery equipment, system, games and a full range of relevant solutions, as well as quality and professional services, taking a pro-active role in contributing to the healthy and rapid development of public welfare lottery business in China. Following the promulgation of Lottery Regulation, CLS has perfected its solution of facilitating purchase of lottery via mobile information terminal. Its hi-frequency lottery portal www.huacai.com and paperless lottery betting platform have introduced hi-technology into the lottery industry.

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First, in early September, CLS took the lead in cooperating with Chongqing Welfare Lottery Center to launch the Welfare Lottery “Zhang Zhong Bao”. It is an advanced paperless lottery information enquiry and betting tool, which is compact, highly secure, easy to claim prize, and provides comprehensive information. Players only need to pay a certain amount of equipment deposit to get a dedicated information terminal for their own use. Players can then bet anytime and anywhere, and obtain immediate access to information on drawing. Since the launch of Welfare Lottery “Zhang Zhong Bao” on 2nd September, the number of players using it has increased steadily. Many players say they cannot purchase lottery without this “lovely device” anymore.

This time, CLS has further obtained the authorization of Tianjin Welfare Lottery Center to launch purchase of lottery via mobile phone, providing opportunity for CLS to further utilize its own high-tech advantages, thereby providing quality products and services to players. Via their mobile phones, players can purchase Welfare Lottery’s Dual-Color Ball, 3D, 7/30 and other lottery games which are issued nationwide. The biggest advantage of purchasing lottery on mobile phone is that players can select and purchase lottery anytime and anywhere, as they like, on their own mobile phones. Further, given the special security features built in the system for paperless purchase of lottery, purchase of lottery via mobile phone is made more secure, more reliable and more cost effective.

Experts of lottery industry predict that, as the market of traditional CTGs such as 3D nears saturation, high-frequency lottery games will become a new growth driver in the China lottery market. CLS has quickly spotted this entry point and built its own information platform -- www.huacai.com -- which has become a well-known high-frequency lottery industry vertical portal featuring information provision, entertainment and other functions. The website has dedicated game areas for the two high-frequency games -- KENO and VLT, and it is the first website in the country to provide real-time drawing data service for KENO, as well as provide information on KENO and other high-frequency games for several welfare lottery administrative authorities in China. Compared with other lottery websites, www.huacai.com pays more attention to interaction and entertainment, creating the concept of “My huacai.com” for players. It not only provides abundant industry information, but also produces a wide range of data, charts and software applications tailored for players. It has signed exclusive co-operation agreements with a number of industry experts to provide content and launched feature columns such as “expert blog”. Since the launch

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of www.huacai.com website, it has received high praise from the sector and players. Now the number of registered users is more than 100,000. At present, www.huacai.com website has reached cooperation agreements on jointly building lottery channels with large portals such as www.people.com, www.qianlong.com and www.zhongsou.com.

As the leaders of Tianjin Welfare Lottery Center has remarked, according to the new policies under the “Lottery Regulation”, in order to meet new trends in the development of China's public welfare lotteries, China Welfare Lottery Center has paid much attention to the needs of players, actively exploring new channels in an innovative way, and improving the technology content of the products. The co-operation with CLS is mainly based on CLS’ strong technical strength and profound understanding of the public welfare lottery industry. The parties believe they can make mobile lottery a major way for players to purchase lottery in the future.

CLS has a world-class management team and a group of professionals with combined lottery and IT industry knowledge and experience. The businesses of CLS currently cover video lottery, traditional CTGs (hi-frequency lottery) and mobile phone lottery (Internet services), and provides a total solution for the industry.

Of its businesses, on KENO and VLT, CLS has become the exclusive supplier of terminal equipment, playing an important role in the operations of the games. With the constant development of its three major businesses, CLS will gradually complete its corporate strategic planning, providing huge momentum for its development, as well as responding to future opportunities.

We believe that through this cooperation between CLS and Tianjin Welfare Lottery and with Chongqing Welfare Lottery, more public participation will be encouraged and seen in welfare lotteries, to help make more contributions to the development of public welfare causes in China.