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China LotSynergy Holdings Limited

華彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 8161)

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that a special general meeting of China LotSynergy Holdings Limited (the “Company”) will be held at Concord Rooms 2 & 3, 8/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Monday, 22 October 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (A) the acquisition agreement entered into amongst Citibest Investments Limited (“**CIL**”) (as vendor), Upmax Investments Limited (“**UIL**”) (as purchaser), Tsang Hoi Yin (“**Ms. Tsang**”) (as warrantor), Wong Chun Lam (“**Mr. Wong**”) (as warrantor), Chen Hengben (“**Mr. Chen**”) (as warrantor), Lin Jianzhong (“**Mr. Lin**”) (as warrantor), Miao Zhikun (“**Mr. Miao**”) (as warrantor), Yan Hao (“**Mr. Yan**”) (as warrantor) and Wang Youcheng (“**Mr. Wang**”) (as warrantor) on 10 September 2007 (the “**Acquisition Agreement**”) (a copy of which has been produced to this meeting marked “A” and, for the purpose of identification, signed by the Chairman of this meeting), pursuant to which, inter alia, CIL has conditionally agreed to sell to UIL and UIL has conditionally agreed to purchase from CIL the 3,600 issued shares of no par value in the share capital of Champ Mark Investments Limited (“**CMIL**”), representing the entire issued share capital of CMIL, for a total consideration of HK\$168.0 million (subject to adjustments) which will be satisfied as to (i) HK\$117.6 million by cash; and (ii) HK\$50.4 million by the allotment and issue by the Company of 50.4 million shares of HK\$0.0025 each (the “**Consideration Shares**”) in the capital of the Company at the issue price of HK\$1.0 each to CIL (or its nominees), and the other transactions contemplated therein be and are hereby approved, ratified and confirmed;

- (B) the acquisition agreement entered into amongst Mr. Chen (as vendor), Mr. Lin (as vendor), Mr. Yan (as vendor), Mr. Wang (as vendor) (Mr. Chen, Mr. Lin, Mr. Yan and Mr. Wang, collectively, the “**GZSH Vendors**”) and Champ Technology Limited (“**CTL**”) (as purchaser) on 10 September 2007 (the “**GZSH Acquisition Agreement**”) (a copy of which has been produced to this meeting marked “B” and, for the purpose of identification, signed by the Chairman of this meeting), pursuant to which, inter alia, the GZSH Vendors have conditionally agreed to sell to CTL and CTL has conditionally agreed to purchase from the GZSH Vendors the capital contribution in the sum of RMB2.0 million made by the GZSH Vendors to 廣州市三環永新科技有限公司 (Guangzhou San Huan Yong Xin Technology Company Limited*) (“**GZSH**”), representing 20% of the total equity interests in GZSH, for a total consideration of HK\$8.0 million, and the other transactions contemplated therein be and are hereby approved, ratified and confirmed;
- (C) the acquisition agreement entered into amongst Mr. Chen (as vendor), Mr. Lin (as vendor), Mr. Miao (as vendor) (Mr. Chen, Mr. Lin and Mr. Miao, collectively the “**LHL Vendors**”), CTL (as purchaser), Ms. Tsang (as warrantor), Mr. Wong (as warrantor), Mr. Yan (as warrantor), Mr. Wang (as warrantor), CIL (as warrantor) and UIL on 10 September 2007 (the “**LHL Acquisition Agreement**”) (a copy of which has been produced to this meeting marked “C” and, for the purpose of identification, signed by the Chairman of this meeting), pursuant to which, inter alia, the LHL Vendors have conditionally agreed to sell to CTL and CTL has conditionally agreed to purchase from the LHL Vendors 70,000 shares of US\$1.0 each in the share capital of Lottnal Holdings Limited (洛圖控股有限公司) (“**LHL**”), representing 20% of the total issued share capital of LHL, for a total consideration of HK\$48.0 million which will be satisfied as to (i) HK\$31.2 million by cash; and (ii) HK\$16.8 million by the allotment and issue by the Company of 16.8 million shares of HK\$0.0025 each (the “**LHL Consideration Shares**”) in the capital of the Company at the issue price of HK\$1.0 each to the LHL Vendors (or their respective nominees), and the other transactions contemplated therein be and are hereby approved, ratified and confirmed;
- (D) subject to the Company obtaining the approval from the listing committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing of and permission to deal in the Consideration Shares, the directors of the Company be and are hereby authorised to issue and allot the Consideration Shares pursuant to the terms and subject to the conditions of the Acquisition Agreement;
- (E) subject to the Company obtaining the approval from the listing committee of the Stock Exchange for the listing of and permission to deal in the LHL Consideration Shares, the directors of the Company be and are hereby authorised to issue and allot the LHL Consideration Shares pursuant to the terms and subject to the conditions of the LHL Acquisition Agreement; and
- (F) any one of the directors of the Company be and are hereby authorised to, for and on behalf of the Company, to amend any terms of the Acquisition Agreement, the GZSH Acquisition Agreement, the LHL Acquisition Agreement as he/she may see fit or necessary, and to execute all documents or deeds, and to do all acts and things and take all steps which he/she may consider necessary or desirable for the purpose of implementing and giving effect to the Acquisition Agreement, the GZSH Acquisition Agreement, the LHL Acquisition Agreement and/or the transactions contemplated thereunder.”

By order of the Board
Ng Lai Ping, Grace
Company Secretary

Hong Kong, 4 October 2007

Notes:

1. A member entitled to attend and vote at the special general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company. In the event that a member appoints more than one proxy, on a show of hands, all such proxies shall collectively have one vote unless otherwise provided for in the bye-laws of the Company.
2. A form of proxy for use at the special general meeting is enclosed. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be deposited at the principal place of business of the Company at Unit 3206, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof (as the case may be). Completion and deposit of the form of proxy will not preclude a member from attending and voting in person.
3. If two or more persons are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the share.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chan Shing, Ms. Lau Ting, Mr. Hoong Cheong Thard, Mr. Wu Jingwei and Mr. Wang Taoguang as Executive Directors, Mr. Sun Ho and Mr. Paulus Johannes Cornelis Aloysius Karskens as Non-Executive Directors and Mr. Huang Shenglan, Mr. Chan Ming Fai and Mr. Li Xiaojun as Independent Non-Executive Directors.

This announcement, for which the directors (the “Directors”) of China LotSynergy Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

** for identification purpose only*