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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)**

**RESULTS OF SPECIAL GENERAL MEETING  
TRADING ARRANGEMENT FOR SUBDIVIDED SHARES  
AND  
ADJUSTMENTS TO SHARE OPTIONS AND  
CONVERTIBLE NOTE**

The Board is pleased to announce that the ordinary resolutions as set out in the Notice of SGM to approve, inter alia, the Share Subdivision were duly passed by the Shareholders by way of show of hands at the SGM held on 6 August 2007.

Following the approval of the Share Subdivision by the Shareholders at the SGM and the granting by the GEM Listing Committee of the approval for the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, trading in Subdivided Shares on the Stock Exchange will become effective at 9:30 a.m. on Tuesday, 7 August 2007 and adjustments will be made to the share options granted under the Share Option Scheme and the Convertible Note.

Reference is made to the announcement of China LotSynergy Holdings Limited (the "Company") dated 5 July 2007 and the circular of the Company dated 20 July 2007 (the "Circular"). Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Circular.

**RESULTS OF THE SGM**

The Board is pleased to announce that the ordinary resolutions as set out in the Notice of SGM to approve, inter alia, the Share Subdivision were duly passed by the Shareholders by way of show of hands at the SGM held on 6 August 2007.

## SHARE SUBDIVISION AND CHANGE OF BOARD LOT SIZE

Following the approval of the Share Subdivision by the Shareholders at the SGM, the GEM Listing Committee has granted the approval for the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange. The Share Subdivision will become effective on 7 August 2007. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 4,000 Subdivided Shares.

Set out in the tables below are details of the trading arrangement of the Subdivided Shares from Tuesday, 7 August 2007 to Wednesday, 12 September 2007:

- (1) From 9:30 a.m. on Tuesday, 7 August 2007 to 4:00 p.m. on Monday, 20 August 2007 (both dates inclusive):

<b>Stock Code</b>	<b>Stock short name</b>	<b>Board lot</b>	<b>Certificate colour</b>
8379	CHINALOTSYNERGY	8,000 Subdivided Shares (in the form of Existing Share Certificates)	Green

The original counter under stock code “8161” will be closed temporarily during this period. Each Share is deemed to represent 4 Subdivided Shares and the Subdivided Shares in the form of Existing Share Certificates (which are green in colour) can only be traded in this temporary counter under stock code “8379”.

- (2) Parallel trading in Subdivided Shares from 9:30 a.m. on Tuesday, 21 August 2007 to 4:00 p.m. on Tuesday, 11 September 2007 (both dates inclusive):

<b>Stock Code</b>	<b>Stock short name</b>	<b>Board lot</b>	<b>Certificate colour</b>
8161	C LOTSYN-NEW	4,000 Subdivided Shares (in the form of New Share Certificates)	Red
8379	C LOTSYN-OLD	8,000 Subdivided Shares (in the form of Existing Share Certificates)	Green

Only the Subdivided Shares in the form of New Share Certificates (which are red in colour) can be traded at the counter under stock code “8161” during this period. The Subdivided Shares in the form of Existing Share Certificates (which are green in colour) can continue to be traded at the temporary counter under stock code “8379” up to 4:00 p.m. on Tuesday, 11 September 2007, and thereafter the temporary counter under stock code “8379” for trading in Subdivided Shares in the form of Existing Share Certificates will be removed.

(3) Effective from 9:30 a.m. on Wednesday, 12 September 2007:

<b>Stock Code</b>	<b>Stock short name</b>	<b>Board lot</b>	<b>Certificate colour</b>
8161	CHINALOTSYNERGY	4,000 Subdivided Shares (in the form of New Share Certificates)	Red

Effective from 9:30 a.m. on Wednesday, 12 September 2007, trading in Subdivided Shares will only be in board lots of 4,000 Subdivided Shares in the form of New Share Certificates (which are red in color).

The Existing Share Certificates may be exchanged free of charge for the New Share Certificates for Subdivided Shares at any time between 9:30 a.m. to 4:00 p.m. on 7 August 2007 and 17 September 2007 (both dates inclusive), or on payment at a fee of HK\$2.50 per share certificate at any time after 4:00 p.m. on 17 September 2007. Shareholders are requested to submit their Existing Share Certificates to the Company's branch share registrars, Computershare Hong Kong Investor Services Limited of Shop Nos. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in exchange for the New Share Certificates. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after submission of the Existing Share Certificates.

## **ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE NOTE**

### **(1) Share Options**

Prior to the Share Subdivision, there were outstanding options to subscribe for 70,780,000 Shares granted pursuant to the Share Option Scheme. In accordance with the terms of the Share Option Scheme and Chapter 23 of the GEM Listing Rules, the exercise prices and the number of Subdivided Shares which may fall to be issued upon exercise of the outstanding options granted under the Share Option Scheme will be adjusted in the following manner as a result of the Share Subdivision:

Date of grant	Number of Shares issuable on the exercise in full of all the outstanding share options of the Company prior to the Share Subdivision	Exercise price per Share prior to the Share Subdivision  <i>HK\$</i>	Adjusted number of Subdivided Shares issuable on the exercise in full of all the outstanding share options of the Company after the Share Subdivision	Adjusted exercise price per Subdivided Share after the Share Subdivision  <i>HK\$</i>
1 September 2005	19,080,000	1.96	76,320,000	0.490
15 December 2005	1,500,000	2.70	6,000,000	0.675
8 June 2006	24,400,000	1.22	97,600,000	0.305
30 June 2006	17,600,000	1.14	70,400,000	0.285
11 January 2007	2,000,000	1.78	8,000,000	0.445
11 May 2007	3,000,000	3.10	12,000,000	0.775
4 July 2007	<u>3,200,000</u>	3.90	<u>12,800,000</u>	0.975
	<u>70,780,000</u>		<u>283,120,000</u>	

The limit on the number of shares which may be issued upon the exercise of options granted under the Share Option Scheme as refreshed on 24 April 2007 will be adjusted from 177,283,200 Shares to 709,132,800 Subdivided Shares, of which options for 6,200,000 Shares (or 24,800,000 Subdivided Shares) have been granted as at the date of SGM.

The auditors of the Company has reviewed the above adjustments and confirmed that the aforesaid adjustments are in compliance with the requirements of the Share Option Scheme, particularly Rule 23.03(13) of the GEM Listing Rules and the note thereto and the Supplementary Guidance.

## (2) Convertible Note

Prior to the Share Subdivision, there was an unsecured 8-year maturity zero coupon Convertible Note with a principal amount of HK\$550,000,000 convertible into shares of the Company at the initial conversion price of HK\$3.82 per Share (subject to adjustment) issued pursuant to the Subscription Agreement. Following the Share Subdivision, the initial conversion price has been adjusted from HK\$3.82 per Share to HK\$0.955 per Subdivided Share (subject to adjustment), and based on the initial conversion price of HK\$0.955 per Subdivided Share, the number of shares of the Company which may fall to be issued upon full conversion of the Convertible Note has been adjusted from approximately 143,979,000 Shares to approximately 575,916,000 Subdivided Shares in accordance with the terms of the Convertible Note.

UBS AG, an approved merchant bank, has reviewed the above adjustments and confirmed the aforesaid adjustments are in compliance with the term of Convertible Note.

As at the date of this announcement, the Board 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.

By order of the Board  
**China LotSynergy Holdings Limited**  
**Ng Lai Ping, Grace**  
*Company Secretary*

Hong Kong, 6 August 2007

*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.*

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