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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)**

## **ANNOUNCEMENT**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

For better appraisal of the financial position and business performance of China LotSynergy Holdings Limited (the “Company”) and its subsidiaries (the “Group”), the board of directors (the “Board”) of the Company wishes to inform its shareholders and potential investors regarding certain financial information of the Group. In February this year, China Lottery Online (中福在線) (“CLO”) video lottery, which is distributed nationally in China, made major adjustments to its game offerings, operating hours, payout ratio, etc. The Company made disclosure in the last three quarterly reports on video lottery sales which had shrunk significantly as compared to the same period last year. Being the exclusive provider of terminal equipment for CLO video lottery, the Group’s business performance has been inevitably adversely affected.

As a result of major operating adjustments to CLO video lottery since February this year, the Group is considering to revalue its intangible assets relating to CLO video lottery business. It is therefore possible that there may be a significant non-cash write-down on the value of intangible assets in the financial statements of the Group for the year ending 31 December 2008 (the “2008 Annual Results”). The results of revaluation of such intangible assets, once confirmed with the auditors of the Company, will be reflected in the 2008 Annual Results; and if such non-cash write-down amount is substantial, the Group will experience a significant loss on its 2008 Annual Results.

**Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.**

As at the date of this announcement, the Board of the Company comprises Ms. Lau Ting, Mr. Chan Shing, Mr. Wu Jingwei and Mr. Liao Yuang-whang as Executive Directors, Mr. Hoong Cheong Thard and Mr. Paulus Johannes Cornelis Aloysius Karskens as Non-Executive Directors and Mr. Huang Shenglan, Mr. Chan Ming Fai and Mr. Cui Shuming as Independent Non-Executive Directors.

By order of the Board  
**China LotSynergy Holdings Limited**  
**Liao Yuang-whang**  
*Director*

Hong Kong, 11 December 2008

*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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