

THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
--

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China LotSynergy Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.



China LotSynergy Holdings Limited

華彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8161)

**PROPOSALS FOR
SUBDIVISION OF SHARES,
CHANGE OF BOARD LOT SIZE,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of China LotSynergy Holdings Limited to be held at Concord Rooms 2 & 3, 8/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 6 August 2007 is set out on pages 14 to 15 of this circular. Whether or not you intend to be present at the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of China LotSynergy Holdings Limited at Unit 3206, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should you so wish.

This circular 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.

20 July 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	3
Letter from the Board	
Introduction	4
Proposed Subdivision of Shares and Change of Board Lot Size	5
Conditions of the Share Subdivision	5
Reasons for the Share Subdivision	5
Share Capital of the Company	5
Adjustments to Share Options and Convertible Note	6
Listing and Dealing	7
Trading Arrangement for Subdivided Shares	7
Free Exchange of Share Certificates	8
Re-Election of Directors	8
Notice of Special General Meeting	8
Procedures for Demanding a Poll	9
Responsibility Statement	9
Recommendation	10
Appendix I – Re-Election of Directors	11
Appendix II – Notice of SGM	14

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Bye-laws”	the Bye-laws of the Company as amended, supplemented or modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China LotSynergy Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Convertible Note”	an unsecured 8-year maturity zero coupon convertible note with a principal amount of HK\$550,000,000 issued to International Game Technology pursuant to and in accordance with the Subscription Agreement
“Directors”	the directors of the Company
“Existing Share Certificates”	certificates for the existing Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share Certificates”	new certificates for the Subdivided Shares
“Notice of SGM”	the notice to convene the SGM dated 20 July 2007

DEFINITIONS

“SGM”	the special general meeting of the Company to be held on 6 August 2007 to consider and, if thought fit, approve, among other matters, the Share Subdivision and the re-election of Directors
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) or Subdivided Share(s) in issue
“Share Option Scheme”	the share option scheme adopted by the Company on 30 July 2002
“Share Subdivision”	the subdivision of every Share of HK\$0.01 each into four Subdivided Shares of HK\$0.0025 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company upon completion of the Share Subdivision
“Subscription Agreement”	the agreement dated 1 May 2007 entered into between the Company and International Game Technology in respect of, among other things, (i) the allotment and issue of 93,400,000 subscription shares, and (ii) the issue of the Convertible Note by the Company to International Game Technology
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustment of share option under Rule 23.03(13) of the GEM Listing Rules

EXPECTED TIMETABLE

The expected timetable for implementation of the Share Subdivision and the relevant trading arrangements is as follows:

2007

Circular relating to, among other things, the Share Subdivision,
the change of board lot size and the Notice of SGM
to be despatched on or before Friday, 20 July

Latest time for lodging forms of proxy for the SGM 10:00 a.m. on Saturday, 4 August

SGM 10:00 a.m. on Monday, 6 August

The following events are conditional upon the fulfillment of the conditions as set out in the section headed “Conditions of the Share Subdivision” in this circular:

Publication on the GEM website and the Company’s website
of an announcement in relation to the results of the SGM
and the effectiveness of the Share Subdivision Tuesday, 7 August

Effective date of the Share Subdivision Tuesday, 7 August

Dealings in the Subdivided Shares commence 9:30 a.m. on Tuesday, 7 August

Original counter for trading in existing Shares in board
lots of 2,000 Shares temporarily closes 9:30 a.m. on Tuesday, 7 August

Temporary counter for trading in board lots of
8,000 Subdivided Shares (in the form of
Existing Share Certificates) opens 9:30 a.m. on Tuesday, 7 August

First day of free exchange of Existing Share Certificates
for New Share Certificates Tuesday, 7 August

Original counter for trading in Subdivided Shares in board
lots of 4,000 Subdivided Shares (in the form of
New Share Certificates) re-opens 9:30 a.m. on Tuesday, 21 August

Parallel trading in Subdivided Shares
(in the form of New Share Certificates and
Existing Share Certificates) commences 9:30 a.m. on Tuesday, 21 August

Parallel trading in Subdivided Shares
(in the form of New Share Certificates and
the Existing Share Certificates) ends 4:00 p.m. on Tuesday, 11 September

Temporary counter for trading in board
lots of 8,000 Subdivided Shares (in the form of
Existing Share Certificates) closes 4:00 p.m. on Tuesday, 11 September

Last day for free exchange of Existing Share Certificates
for New Share Certificates Monday, 17 September

Further announcement will be made if there are any changes to the aforesaid timetable.

LETTER FROM THE BOARD



China LotSynergy Holdings Limited

華彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8161)

Executive Directors:

CHAN Shing (*Chairman*)

LAU Ting (*Deputy Chairman*)

HOONG Cheong Thard (*Chief Executive Officer*)

WU Jingwei (*Deputy Chief Executive Officer*)

WANG Taoguang

Non-Executive Directors:

SUN Ho

KARSKENS Paulus Johannes Cornelis Aloysius

Independent Non-Executive Directors:

HUANG Shenglan

CHAN Ming Fai

LI Xiaojun

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Head office and principal
place of business:*

Unit 3206, Office Tower

Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

20 July 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
SUBDIVISION OF SHARES,
CHANGE OF BOARD LOT SIZE,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with details of the Share Subdivision, the change of board lot size, the trading arrangements in respect of the Subdivided Shares, the procedure for the free exchange of Existing Shares Certificates for New Share Certificates, and the re-election of Directors, together with a notice convening the SGM.

LETTER FROM THE BOARD

PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE

The Board proposes that each of the existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company be subdivided into 4 Subdivided Shares of HK\$0.0025 each. The Shares are currently traded in board lots of 2,000 Shares. After the Share Subdivision becomes effective, the Subdivided Shares will be traded in board lots of 4,000 Subdivided Shares. No odd lots of Subdivided Shares will be resulted from the Share Subdivision and the change of the board lot size, other than those already existed before the Share Subdivision becoming effective. Accordingly, there will be no odd lot arrangement.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional, among other matters, upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Share Subdivision; and
- (b) the GEM Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

REASONS FOR THE SHARE SUBDIVISION

The Board believes that the Share Subdivision will improve the liquidity in trading of shares of the Company and thereby would attract more investors and broaden the Shareholders' base. Accordingly, the Board considers the Share Subdivision is in the best interests of the Company and the Shareholders as a whole.

Other than the expenses to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders. The Subdivided Share will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in the relative rights of the Shareholders.

SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$40,000,000 divided into 4,000,000,000 Shares with par value of HK\$0.01 each, of which 1,869,532,000 Shares are issued and fully paid and 2,130,468,000 Shares remain unissued. Assuming that no further Shares will be issued or repurchased after the Latest Practicable Date, upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$40,000,000 divided into 16,000,000,000 Subdivided Shares with par value of HK\$0.0025 each, of which 7,478,128,000 Subdivided Shares will be issued and fully paid and 8,521,872,000 Subdivided Shares will remain unissued.

LETTER FROM THE BOARD

ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE NOTE

(I) Share Options

As at the Latest Practicable Date, there are outstanding options to subscribe for 80,430,000 Shares granted pursuant to the Share Option Scheme. Upon the Share Subdivision becoming effective, the exercise prices and the number of Subdivided Shares which may fall to be issued upon exercise of the outstanding options will be adjusted in accordance with the terms of the Share Option Scheme and Chapter 23 of the GEM Listing Rules as follows:

Date of grant	Number of Shares issuable on the exercise in full of all the outstanding share options of the Company as at the Latest Practicable Date	Exercise price per Share as at the Latest Practicable Date HK\$	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 HK\$
1 September 2005	28,580,000	1.96	114,320,000	0.490
15 December 2005	1,500,000	2.70	6,000,000	0.675
8 June 2006	24,550,000	1.22	98,200,000	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	3,200,000	3.90	12,800,000	0.975
	<u>80,430,000</u>		<u>321,720,000</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 upon the Share Subdivision becoming effective) have been granted as at the Latest Practicable Date.

The Company has instructed the auditors of the Company pursuant to the terms of the Share Option Scheme and Rule 23.03(13) of the GEM Listing Rules to review the above adjustments and confirm whether 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.

LETTER FROM THE BOARD

(II) Convertible Note

As at the Latest Practicable Date, there is 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. Upon the Share Subdivision becoming effective, the initial conversion price will be 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 will be adjusted from approximately 143,979,000 Shares to approximately 575,916,000 Subdivided Shares in accordance with the terms of the Convertible Note.

The Company has instructed UBS AG, an approved merchant bank, to review the above adjustments and confirm whether the aforesaid adjustments are in compliance with the term of Convertible Note.

The Company will publish an announcement on the above adjustments for share options and the Convertible Note and the confirmations from the auditors of the Company or UBS AG on whether the adjustments are in compliance with the GEM Listing Rules and the Supplementary Guidance or the terms of the Convertible Note (as appropriate) as soon as practicable upon the Share Subdivision becoming effective.

LISTING AND DEALING

An application has been made to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Subdivided Shares in issue and the Subdivided Shares to be issued under the Share Option Scheme and the Convertible Note upon the Share Subdivision becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

For those persons whose interests in the Company are currently held through CCASS, dealings in the Subdivided Shares are expected to be capable of settlement through CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange and without any need on the part of such persons to deposit New Share Certificates in respect of the Subdivided Shares with HKSCC.

TRADING ARRANGEMENT FOR SUBDIVIDED SHARES

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on Tuesday, 7 August 2007. Arrangements for parallel trading in Subdivided Shares (in the forms of New Share Certificates and Existing Share Certificates) will be established with the Stock Exchange and will be operated from Tuesday, 21 August 2007 to Tuesday, 11 September 2007 (both days inclusive). Full details of the expected timetable and trading arrangements are set out on page 3 of this circular.

LETTER FROM THE BOARD

FREE EXCHANGE OF SHARE CERTIFICATES

If the Share Subdivision becomes effective, the Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 11 September 2007 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 4 Subdivided Shares and 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 days 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. The New Share Certificates will be issued in red colour in order to distinguish them from the Existing Share Certificates which are in green colour.

RE-ELECTION OF DIRECTORS

Pursuant to bye-law 102(B) of the Bye-laws, Mr. Chan Shing, Mr. Wu Jingwei and Mr. Paulus Johannes Cornelis Aloysius Karskens, being the Directors appointed by the Board on 16 July 2007, shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Chan Shing, Mr. Wu Jingwei and Mr. Paulus Johannes Cornelis Aloysius Karskens shall retire at the SGM and, being eligible, offer themselves for re-election at the SGM.

Biographical details of Mr. Chan Shing, Mr. Wu Jingwei and Mr. Paulus Johannes Cornelis Aloysius Karskens are set out in Appendix I to this circular.

NOTICE OF SPECIAL GENERAL MEETING

The Notice of SGM is set out on pages 14 to 15 in Appendix II to this circular and a form of proxy for the SGM is enclosed. Whether or not you intend to be present at the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to 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 holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

Pursuant to bye-law 70 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required by the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by its duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person or by its duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; and
- (v) if required by the GEM Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent. or more of the total voting rights at such meeting.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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:- (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that (i) the Share Subdivision and (ii) re-election of Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of the relevant resolutions to be proposed at the SGM.

Yours faithfully
For and on behalf of the Board
China LotSynergy Holdings Limited
CHAN Shing
Chairman

To enable the Shareholders to make an informed decision on the re-election of the retiring Directors, we set out below the biographical details of the retiring Directors for Shareholders' information.

Mr. CHAN Shing, aged 51, is appointed as the Chairman and an Executive Director of the Company on 16 July 2007. Mr. Chan is the Chairman and the Managing Director of Burwill Holdings Limited ("BHL"), a substantial shareholder of the Company. BHL is a company listed on the Stock Exchange and Singapore Exchange Securities Trading Limited. Mr. Chan is one of the founders of the Group and is also the key leader in the successful business transformation of the Group to the lottery business. Mr. Chan is also a director of Corich International Limited, Dongguan Corich Electronics Co., Ltd. and ChinaSteel.com Corporation Limited (in the members' voluntary winding-up), all are subsidiaries of the Company. Mr. Chan has over 18 years of experience in corporate planning and management and Mr. Chan shall use his extensive resources and in-depth knowledge of the PRC market in the formulation and implementation of the Group's overall strategies for development. Save as disclosed above, Mr. Chan did not hold any directorships in any other listed public companies in the last three years.

Save that Mr. Chan is the spouse of Ms. Lau Ting, the Deputy Chairman and an Executive Director of the Company, and the elder brother of Mr. Chen Aizheng, a senior management of the Company, Mr. Chan does not have any relationship with any other Director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Chan has a personal interest, family interest and corporate interest of 72,951,773 Shares, 52,288,803 Shares and 407,404,308 Shares of the Company respectively within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chan is also interested in options to subscribe for 1,600,000 Shares of the Company and his spouse, Ms. Lau Ting, is interested in options to subscribe for 1,600,000 Shares of the Company. Mr. Chan has entered into a service contract with the Company with an initial term of three years. Mr. Chan is currently entitled to an annual emolument of HK\$4,940,000 under his service contract with the Company. This excluded bonus which is payable or other benefits which may be granted at the discretion of the Company. The emoluments of the Directors of the Company are determined with reference to that director's responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

BHL made a share repurchase on 4 April 2001, the number of repurchased shares exceeded 25% of the total number of shares which were traded on the Stock Exchange in the preceding calendar month and the share repurchase was made during the period of one month immediately preceding the preliminary announcement of BHL's annual results for the year 2000, which were published on 18 April 2001. On 10 April 2004, the Listing Committee of the Stock Exchange criticised BHL, in relation to the share repurchase by BHL and the publication of a standard statement on the unusual movements in the price and volume of the shares in response to the Stock Exchange's enquiry, for breaches of the then relevant listing rules and the obligations under paragraph 39 of the Listing Agreement, and also criticised certain present and past Directors of BHL, including Mr. Chan Shing, for breach of their respective Declarations and Undertakings with regard to Directors.

Mr. WU Jingwei, aged 36, is appointed as an Executive Director and the Deputy Chief Executive Officer of the Company on 16 July 2007. Mr. Wu is also a director of Dongguan Corich Electronics Co., Ltd., 海南天意日盛電子設備租賃有限公司 (Hainan Tianyi Risheng Electronic Equipments Leasing Company Limited*), 華彩世紀科技發展(北京)有限公司 (CLS Century Technology Development (Beijing) Company Limited*) and 華彩之家科技發展(北京)有限公司 (CLS Group Technology Development (Beijing) Company Limited*), all are subsidiaries of the Company. He participates in the formulation and implementation of the development strategies for the research and development of products and technology, and oversees the day-to-day operations of the Group's business in the Mainland China. Mr. Wu has over 12 years of experience in information technology and has extensive experience in consumer electronics market in China. Prior to joining the Group, Mr. Wu was the General Manager of Hisense Cyber Product Limited, responsible for China business. He had also held senior position in Founder Technology Group Corp., responsible for the consumer product business and the overall products development in China market. Mr. Wu holds a bachelor's degree in Mechanical Engineering from Beijing Technology and Business University. Mr. Wu did not hold any directorships in any other listed public companies in the last three years.

Mr. Wu does not have any relationship with any other Director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Wu is interested in options to subscribe for 4,800,000 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wu has entered into a service contract with the Company for an initial term of three years. Mr. Wu is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Wu is currently entitled to an annual emolument of HK\$1,560,000 under his service contract with the Company. This excluded bonus which is payable or other benefits which may be granted at the discretion of the Company. The emoluments of the Directors of the Company are determined with reference to that director's responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Mr. KARSKENS Paulus Johannes Cornelis Aloysius, aged 54, is appointed as a Non-Executive Director of the Company on 16 July 2007. Mr. Karskens is the President of the International Division of IGT, a subsidiary of International Game Technology (NYSE: IGT), a company incorporated in the State of Nevada and listed on the New York Stock Exchange. IGT is a global company specialising in the design, development, manufacturing, distribution and sale of games, platforms and systems to many jurisdictions with legalized gaming around the world. Mr. Karskens has been with IGT since November 1993. He has been the President of IGT International since December 2000, and has successfully assisted in the expansion of international business of IGT, bringing IGT to a leading position in the global gaming industry in the supplies of systems, games and terminals. Mr. Karskens had previously been the Senior Vice President of IGT operations in the United Kingdom, Europe and South-Africa. Mr. Karskens had also held various management positions in several computer system related companies in Europe for over 20 years. Mr. Karskens received a doctorandus degree in Economics from Free University of Amsterdam. Mr. Karskens did not hold any directorships in any other listed public companies in the last three years.

* for identification only

Mr. Karskens does not have any relationship with any other Director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Karskens does not have any interests in Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract between Mr. Karskens and the Company but he shall be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Karskens shall be entitled to a director fee of HK\$240,000 per annum which will be reviewed on annual basis with reference to the director's responsibilities, experience and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed above, there is no other information which is discloseable nor are/were the above retiring Executive Directors/Non-Executive Director involved in any matters required to be disclosed pursuant to the requirements under Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules. There is no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Directors.



China LotSynergy Holdings Limited

華彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8161)

Notice is hereby given that the 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, 6 August 2007 at 10:00 a.m. for the following purposes:

1. To consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the listing sub-committee of The Stock Exchange of Hong Kong Limited with responsibility for the Growth Enterprise Market granting the listing of, and permission to deal in, the Subdivided Shares (as hereinafter defined), every share of HK\$0.01 each in the issued and unissued share capital of the Company be and is hereby subdivided into four shares of HK\$0.0025 each (the “Subdivided Shares”) without affecting any existing rights attached to the shares of the Company (the “Share Subdivision”) and that the Directors of the Company be and are hereby authorised to do all things and acts and sign all documents as they may consider necessary, desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Share Subdivision.”

2. To re-elect Mr. Chan Shing, Mr. Wu Jingwei and Mr. Paulus Johannes Cornelis Aloysius Karskens as Directors of the Company.
3. To consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** the maximum number of Directors be fixed at fifteen and that the Directors be authorised to appoint Directors up to such maximum number in addition to those in office at the close of the Special General Meeting on 6 August 2007.”

By Order of the Board
NG Lai Ping, Grace
Company Secretary

Hong Kong, 20 July 2007

Notes:

- (1) A member who is the holder of two or more shares and who is entitled to attend and vote at the Special General Meeting is entitled to appoint more than one proxy to attend and vote instead of him. 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, 32nd Floor, 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 meeting. 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.