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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 at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of China LotSynergy Holdings Limited (the “Company”) has noted the recent decrease in the trading price and increase in trading volume of the shares of the Company and wishes to state that the Board is not aware of any reasons for such movements save as disclosed below.

On 7 February 2006, the Company, in response to the unusual fluctuations in the trading price and trading volume of the shares of the Company, repurchased 6,120,000 of its own shares, being approximately 8.2 per cent. of the trading volume of the day, at the highest and lowest prices per share of HK\$2.95 and HK\$2.775 respectively (the “Share Repurchase”). The Share Repurchase has been funded from internal resources of the Company. The aggregate consideration for the Share Repurchase is HK\$17,898,750. The 6,120,000 repurchased shares represent approximately 0.38% of the existing issued share capital of the Company. After the Share Repurchase, the total number of issued shares of the Company will be reduced to 1,604,000,000 shares. Up to the date of this announcement, the Company has repurchased 6,120,000 of its own shares pursuant to the repurchase mandate granted to the Board at the annual general meeting of the Company held on 29 September 2005.

For the proposed acquisition as announced by the Company on 11 January 2006, the project is progressing in accordance with the heads of agreement. For the major transaction for subscription of interest in a provider of video lottery terminals as announced by the Company on 13 January 2006, the parties are pursuing and carrying out the agreement in accordance therewith. The Board has confidence in the future prospects of the businesses of the Group.

Save for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the Board of the Company comprises Ms. Lau Ting, Mr. Sun Ho, Mr. Chen Aizheng and Mr. Ng Man Fai, Matthew as Executive Directors and Mr. King Roger, Mr. Huang Shenglan 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, 7 February 2006

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.