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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**

The Board 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 save as disclosed herein and in the announcement of the Company dated 17 May 2006, the Board is not aware of any reasons for such movements.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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 save as disclosed herein and in the announcement of the Company dated 17 May 2006, the Board is not aware of any reasons for such movements.

On 18 May 2006, the Company repurchased 3,892,000 of its own shares, being approximately 25.30% of the trading volume of the day, at the highest and lowest prices per share of HK\$1.63 and HK\$1.17 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\$5,737,680.

The 3,892,000 repurchased shares represent approximately 0.22% 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 1,798,060,000 shares. Pursuant to the repurchase mandate granted to the Board at the annual general meeting of the Company held on 24 April 2006, the Company has repurchased a total of 3,892,000 of its own shares, representing approximately 0.24% of the issued share capital of the Company on 24 April 2006.

The Company has been notified by Burwill Holdings Limited (“Burwill”), a substantial shareholder of the Company, that on 18 May 2006, Burwill has acquired 500,000 shares of the Company on the Stock Exchange at the highest and average prices per share of HK\$1.62 and HK\$1.45 respectively (“Burwill’s Acquisition”). Prior to Burwill’s Acquisition, Burwill held 384,989,074 shares of the Company, representing approximately 21.37% of the existing issued share capital of the Company. After Burwill’s Acquisition, Burwill holds 385,489,074 shares of the Company, representing approximately 21.39% of the existing issued share capital of the Company.

The Company has also been notified by Mr. Sun Ho (“Mr. Sun”), the Deputy Chairman and the Chief Executive Officer of the Company, that on 18 May 2006, he has acquired 270,000 shares of the Company on the Stock Exchange at the highest and average prices per share of HK\$1.22 and HK\$1.21 respectively (“Sun’s Acquisition”). Prior to Sun’s Acquisition, Mr. Sun, through his personal interest and family interest, was interested or deemed to be interested in 2,830,000 shares, representing approximately 0.16% of the existing issued share capital of the Company. After Sun’s Acquisition, Mr. Sun, through his personal interest and family interest, is interested or deemed to be interested in 3,100,000 shares, representing approximately 0.17% of the existing issued share capital of the Company.

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. 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, 18 May 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.*

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