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New VLT games to roll out across China

We have been advised by the China Welfare Lottery Centre (CWLC) recently that two new games of the China Welfare Lottery's Video Lottery Terminal (VLT) product namely "Qu Wei Gao Er Fu"(趣味高爾夫) and "Lian Huan Duo Bao"(連環奪寶) both being sold in selected provinces in China have met expectations of the authority. The Ministry of Finance (MOF) has given approval for the games to be rolled out and sold across China shortly.

On 16 July 2009, MOF approved the rollout of four new VLT games including "San Jiang Feng Guang" (三江風光) and "Hao Yun She Ji" (好運射擊), which are being sold in VLT halls with new sales permits across China, and "Qu Wei Gao Er Fu" (趣味高爾夫) and "Lian Huan Duo Bao" (連環奪寶), which are being sold in some of the VLT halls in seven selected provinces including Tianjin Municipality, Liaoning Province, Zhejiang Province, Shandong Province, Hubei Province, Guangdong Province and Gansu Province. Since the launch of the new VLT games, the market has shown steady performance and society reacted favourably. The games have caught the attention of players, new and loyal alike. As at 25 November, sales of the new VLT games in selected halls as mentioned above have totaled RMB800 million, or daily sales of RMB7+ million.

To foster the sustainable and healthy development of the VLT product, MOF has recently approved the rollout and sales of "Qu Wei Gao Er Fu" (趣味高爾夫) and "Lian Huan Duo Bao" (連環奪寶) to be extended across twenty eight provinces, autonomous regions and municipalities in China, including Tianjin Municipality, Hebei Province, Shanxi Province, Inner Mongolia Autonomous Region, Liaoning Province, Jilin Province, Heilongjiang Province, Shanghai Municipality, Jiangsu Province, Zhejiang Province, Anhui Province, Fujian Province, Jiangxi Province,

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Shandong Province, Henan Province, Hubei Province, Hunan Province, Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province, Sichuan Province, Chongqing Municipality, Yunnan Province, Guizhou Province, Shaanxi Province, Gansu Province, Qinghai Province and Ningxia Hui Autonomous Region.

After the enhancement measures which lasted over a year, this Welfare Lottery product has made substantial improvement on its technical platform, game design and standard of management, enabling the nationwide rollout of the new VLT games. For the high-end customers, the product has become much more attractive to them than before. The nationwide rollout of VLT games will further contribute to the sustainable and healthy development of this hi-tech based, trendy public welfare video lottery product. As the product becomes more vivid, we believe the VLT market presents a even brighter future.

Encl.: Introduction of VLT

VLT is a new paperless instant lottery product combining the traditional paper-based instant welfare lottery and advanced computer networking technology. Approved by MOF and the Ministry of Civil Affairs, the product went live nationwide from 28 June 2003. Of the total sales of VLT, 65% are returned to players as prize money, 20% go to the state as funds for public welfare uses, and 15% cover the issuance fees. To date, VLT has raised welfare funds totaled over RMB7 billion, which are mainly used in social and public welfare areas, social security, building and maintenance of venues for extra-curricular activities for teenagers, providing support to the Beijing Olympics 2008, Red Cross humanitarian relief programs, programs for disability people, providing subsidies to medical needs in rural areas, so as to ensure the timely implementation of social welfare programs, improving the standard of social welfare and helping the disadvantaged groups in society.

After the earthquake in Wenchuan, Sichuan Province on 12 May 2008, the State Council has named two China Welfare Lottery products – VLT and instant scratch card – to be the dedicated disaster relief lottery, to be responsible for raising funds for

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redevelopment of the earthquake-affected areas. The “Welfare Lottery public welfare funds” raised between 1 July 2008 and 31 December 2010 will be used entirely for such redevelopment purposes.