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## **First quarter 2012 nationwide lottery sales data published by MOF reflects continued strong growth momentum in the China lottery market**

The Ministry of Finance (MOF) has recently published lottery sales data across China for the first quarter of 2012. Strong growth momentum has been maintained in the China lottery market following the impressive 33% growth achieved in 2011. Total sales of lottery reached approximately RMB60.25 billion in the first quarter of 2012, up approximately RMB13.936 billion or 30.1% growth compared to the same period of last year. This includes approximately RMB35.293 billion Welfare Lottery sales and approximately RMB24.957 billion Sports Lottery sales.

As a focused, pragmatic and innovative lottery technology company, China LotSynergy has maintained steady growth in its businesses in the fast growing China lottery industry.

CLS is the exclusive terminal equipment provider for VLT, the only video lottery game in China. In the first quarter of 2012, VLT continued to grow rapidly with more than 20,000 terminals connected across 28 provinces. The gradual rollout of the next-generation VLT terminals is a new driver for the rapid development of VLT. VLT achieved sales of RMB4.82 billion in the first quarter of 2012, representing approximately 30.2% growth YOY, significantly higher than the growth of instant scratch cards or single match games. In certain provinces including Zhejiang, Hubei, Anhui and Gansu, VLT has performed so well that it represents over a quarter of the sales of Welfare lottery in each of them.

In the first quarter of 2012, Guangdong Welfare Lottery remained the top welfare lottery province in China, contributing approximately RMB3.968 billion sales or more than 11% of the country's total welfare lottery sales, representing 30% growth YOY. The computer ticket game

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under Guangdong Welfare Lottery, for which CLS exclusively provides terminal equipment and services, achieved an even higher 37% growth YOY.

In the first quarter of 2012, CLS achieved significant progress in both its telephone lottery and Internet services business and new-type lottery business.

The commencement of the Implementation Details of the Regulation on the Administration of Lottery represents a move by the lottery authorities to regulate and enhance the lottery market for the healthy and more orderly development of the lottery market as a whole. As a major market participant with leading technology, product advantages and sound partnership with premium clients, CLS will further enhance its established lottery businesses while striving to develop new business with an aim to contributing to the sustained development of lottery in China.