

9 January 2013

China LotSynergy wins bid for Welfare Lottery in Chongqing

China LotSynergy Holdings Limited is pleased to announce that Guangzhou San Huan Yong Xin Technology Company Limited (“San Huan Yong Xin”), a subsidiary of the Company, has won the bid for the procurement of Welfare Lottery computer ticket game (“CTG”) betting terminals and technical service for Chongqing Municipal Welfare Lottery Centre, according to the notification of award from Chongqing Government Tendering Center dated 28 December 2012, which was received on 7 January 2013. San Huan Yong Xin will provide Welfare Lottery CTG terminals and relevant system and technical services to Chongqing Municipal Welfare Lottery Centre. This represents another major breakthrough for San Huan Yong Xin after its CTG betting terminal project with Guangdong Welfare Lottery Centre and KENO betting terminal project with Central Welfare Lottery Centre.

Chongqing Municipal Welfare Lottery Centre is one of the most innovative and proactive provincial lottery authorities. Total sales of lottery in the municipality has increased steadily year on year from RMB 8 million in 1988 to RMB 3.8 billion in 2012. In particular, the compound annual growth rate (CAGR) in the last three years is 39%, making it the top 5 fastest growing among the country’s 31 provincial Welfare lottery authorities, and much higher than the overall growth of the lottery industry. The innovation efforts of the Chongqing Welfare Lottery authority in product development in recent years are manifested in its introduction of “Shishicai”, a high frequency game that has swiftly become the best-selling game of its kind in Welfare Lottery. The lottery authority’s efforts in enhancing the management and operation of sales outlets have contributed to the establishment of the “dream academy”, putting in place a long term and effective training system for the constant improvement in the quality of sales outlets and its staff. As of now, approximately 3,000 Welfare CTG sales outlets, dozens of scratch card point of sales and 19 VLT sales halls have been set up in Chongqing. Greater variety of Welfare lottery games and continuous improvement in distribution channels will prepare Chongqing Welfare

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Lottery for a new period of development.

San Huan Yong Xin is one of earliest suppliers of quality lottery systems and equipment for the lottery industry in China. It owns proprietary IP in the products it offers including lottery betting terminals which come in different series, readers, printers, and a reader-cum-printer integrated terminal. Maintaining competitive advantage, the integrated terminal and components are widely used in the domestic and global lottery markets.

San Huan Yong Xin will work closely with Chongqing Municipal Welfare Lottery Centre to implement the provision of the lottery betting terminals and technical services. With state of the art products and well-managed services, San Huan Yong Xin seeks to make positive contributions to the development of Chongqing Welfare Lottery, and create a new growth driver for China LotSynergy.