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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

UPDATE OF BUSINESS DEVELOPMENT

The Board of Directors of China LotSynergy Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) would like to update the shareholders of the Company on the latest business development of the Group.

As published by the Ministry of Finance of China, total sales of lottery in China in 2011 exceeded RMB221.5 billion, representing a 33% increase over 2010. Of all the products, sales of Welfare Lottery’s Video Lottery game (VLT) nationwide reached RMB17 billion, representing a substantial growth of 83% over the RMB9.3 billion for the previous year.

In addition, according to the “Notice of Ministry of Finance on the implementation of the regulation on lottery market closure during the Chinese New Year period” (Cai Zong [2002] No. 95) (《財政部關於實行彩票市場春節休市制度的通知》(財綜[2002] 95 號)) and the Notice of the General Office of the State Council on the Chinese New Year Holidays, the nation’s lottery market will be closed during the 2012 Chinese New Year Holiday period for seven calendar days from 22 January 2012 through 28 January 2012 and resumed from 29 January 2012.

The Board of Directors of the Company would like to take the opportunity to wish all the shareholders of the Company a happy Chinese New Year.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The Company is in the process of finalizing the Group’s annual results for year 2011 and will publish the same around mid-March. **Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.**

By order of the Board
China LotSynergy Holdings Limited
LAU Ting
Chairperson

Hong Kong, 17 January 2012

This announcement will remain on the “Latest Company Announcements” page of the GEM’s website at www.hkgem.com for at least 7 days from the date of its posting and the Company’s website at <http://www.chinalotsynergy.com>.

As at the date of this announcement, the Board comprises Ms. Lau Ting, Mr. Wu Jingwei, Mr. Liao Yuang-whang, Mr. Chan Shing and Mr. Li Zi Kui as Executive Directors; Mr. Hoong Cheong Thard as a Non-executive Director; and Mr. Huang Shenglan, Mr. Chan Ming Fai and Mr. Cui Shuming as Independent Non-executive Directors.

This announcement, for which the Directors 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

** For identification purposes only*