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China LotSynergy Holdings Limited

華彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1371)

**LAUNCHING LOTTERY BUSINESSES IN THREE AFRICAN COUNTRIES
PUSHING AHEAD GLOBAL STRATEGY STEADILY**

The Board is pleased to announce that Ideal Smart, an indirect wholly owned subsidiary of the Company, has recently entered into co-operation agreement on Kenya national lottery business. This is the third stop of the Group's entry into African lottery market following the strategic partnership in Ghana and Sierra Leone, marking its full-blown expansion into the African lottery market. It is also another major milestone of the Group's continued global strategy after successfully tapping into the Southeast Asian market since 2014.

The Board of Directors (the "Board") of China LotSynergy Holdings Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") is pleased to announce that, Ideal Smart Limited ("Ideal Smart"), an indirect wholly owned subsidiary of the Company, has officially entered into co-operation agreement with Golden Paw Lottery ("GPL", a company was granted with relevant license and authorization by the Betting Control and Licensing Board of Kenya) on Kenya national lottery business. This is the third stop of its entry into African lottery market following the strategic partnership in Ghana and Sierra Leone, marking the Group's full-blown expansion into the African lottery market. The Group would actively open up further overseas markets in 2018, as stated in the business review and outlook section of the Group's 2017 annual report. It is also another major milestone of the Group's continued global strategy after successfully tapping into the Southeast Asian market since 2014.

The African lottery has posted explosive growth in recent years with a growth rate of 3.4% in 2015, and recorded a growth rate of 26.3% in 2016 to become the region with fastest market growth. In the first half of 2017, it again was the fastest growing region around the globe with a growth rate of 5.6%. Meanwhile, Africa has become a "Mobile First" market with mobile phone penetration rate exceeds 70%. According to the "2017 State of the Industry Report on Mobile Money" published by GSMA and the data from African mobile payment portals, there are about 2/3 adults using mobile payment very frequently in East Africa, such as Kenya. The amount of mobile payment accounts for 60% of Kenya's GDP. In Ghana, 73% of transaction comes from mobile payment. During the second half of 2017, the Group organized several field trips to Africa, and fully realized the huge potential of African lottery market. With years of technical and market operating capabilities in China, the second largest global lottery market, the Group is well recognized by the African lottery market, and co-operation agreements were signed for African countries.

Kenya is the largest economy in East Africa and also one of the countries with the fastest growth of mobile payment in the world. According to the report from Kenya National Bureau of Statistics, Kenya's GDP growth reached 6.3% during the second quarter of 2018. Recently, Ideal Smart has officially entered into a co-operation agreement with GPL on Kenya national lottery, covering all-round services of lottery technology, gaming and operations. Apart from businesses of computer-generated ticket games ("CTG"), single match games, video lottery and scratch cards, both parties will also fully capitalize the advantage of the booming mobile payment market in Africa, and focus on mobile and internet lottery collaboration.

Located in West Africa, Ghana is known as the role model of economic structural reform of African countries. According to the data from World Lottery Association, Ghana national lottery sales increased by 7.6% year-on-year during the first quarter of 2017, becoming the highlight of African lottery market. Globalfun Ghana Limited ("GGL") is a lottery company with national lottery operating permit issued by Ghana National Lottery Authority Board. Ideal Smart has cooperated exclusively with GGL this year, involving extensive range of services, namely lottery systems of computer-generated ticket games, single match games, scratch cards, mobile and internet lottery, gaming products, terminal equipment and sales. Currently, the two are actively carrying out preparation work in all aspects for Ghana National Lottery Authority Board. It is anticipated that the new lottery products, developed and operated by both parties, could launch one after another by end of 2018.

Located in the Atlantic coast of West Africa, Sierra Leone is the preferred place for Chinese enterprises access to African market by its superior geographical advantages and great development potential. The Group has entered into Sierra Leone market this year and Ideal Smart will provide a wide range of services in areas ranging from lottery technology, gaming to operation for Sierra Leone national lottery.

As an outstanding technical and operational service provider in China's lottery industry, the Group is a significant player who covers the entire industry chain of China's lottery business. On Welfare Lottery CTG, the Group is the exclusive provider of comprehensive services of CTG system and terminal equipment for Guangdong Welfare Lottery. It made a successful case of serving the largest single provincial market with the highest sales volume, becoming a paragon of Chinese lottery industry. On Sports Lottery CTG, the Group is the Sports Lottery terminal and service provider of 18 provincial Sports Lottery centers, being the top Sports Lottery terminal supplier in 2017. Against the backdrop of the suspension of online lottery sales in China, the Group has made constant exploration and opened up new development roadmap of new lottery retail and smart lottery by product and channel innovation, taking the lead to deliver total solutions for new lottery retail. The Group has developed new proprietary intelligent lottery equipment which is tiny, intelligent and unmanned. The Group has been pushing the advanced technologies of CTG, video lottery, scratch cards, mobile and internet and products to overseas markets while developing business in china, and making bold attempts at innovation. The Group believes that new initiatives and layouts will be introduced by China's online lottery high-level plan in the future. With years of innovation and dedication in overseas markets, it will lay a solid foundation for the Group to break new ground in the Chinese mobile and internet lottery market in the future.

In 2014, the Group successfully opened up the Southeast Asian market and amassed a wealth of experiences in overseas operations and management, forming an unparalleled overseas operation model. In 2018, China called on new idea of “building China-Africa community with a shared future”. Chinese enterprises have their footprints covering 53 countries and 6 regions in Africa. The new African lottery market has become a new testing ground for the Group to show its capabilities. The Group has been seizing this historic opportunity to bring in innovation and leading lottery products, technologies and services to Africa, adapting to local conditions, being proactive and innovative, pursuing the advantages of traditional CTG business as well as products and sales of paper-based scratch card, opening up emerging markets of mobile and internet lotteries, achieving shared growth of African lottery market through discussion and collaboration with African governments, lottery authorities and partners.

The Group believes that the new market prospects in Africa will bring tremendous opportunities. Going forward, the Group will further expand its overseas business and pushing ahead its global strategy steadily while demonstrating its dedicated Chinese corporate image with sense of responsibility and accountability.

By order of the Board
China LotSynergy Holdings Limited
CHAN Tan Na, Donna
Chairperson of the Board

Hong Kong, 15 October 2018

As at the date of this announcement, the Board comprises Ms. CHAN Tan Na, Donna, Mr. WU Jingwei and Mr. LI Zi Kui as Executive Directors; and Mr. HUANG Shenglan, Mr. CHAN Ming Fai and Mr. CUI Shuming as Independent Non-executive Directors.

** For identification purposes only*