



SINO SECURITIES INTERNATIONAL LIMITED



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Australian Stock Exchange
Company Announcements Platform

Dear Sir/Madam

Re: Expansion of Point of Sale network for Shanghai Keno and Lottery Agency businesses

Further to the announcement on 16 May, 2005 in which it was disclosed that China Entertainment Holdings Ltd (“CEH”) had secured access to over 500 retail outlets in Shanghai for the conduct of its businesses, the Board of Directors of Sino Securities International Ltd (“SSI”) has received advice from CEH that its Chinese incorporated subsidiary, Shanghai New Kelo Investment Management Company Ltd, has entered into an agreement with Shanghai Virtue and Fortune International Trade Co. Ltd. This agreement will lead to the securing for CEH of an additional not less than 150 points of sale, of retail and entertainment establishments in Shanghai, by 15 July, 2005, for the conduct of CEH’s Keno and Lottery agency businesses. The current business plan of CEH is to secure the right of access to existing retail and entertainment establishments to enable a rapid rollout of a network of 750 points of sale in Shanghai within the next 6 months.

The official launch of Keno games to the Shanghai market by the Shanghai Welfare Lottery Issuing Center (“SWLC”) is expected to be before the end of July 2005. Working closely with the SWLC, CEH is progressively rolling out its agency network in the city of Shanghai. As well as expanding its Shanghai distribution network, CEH is also developing its business model, based on the Shanghai business, for expansion to a number of cities beyond Shanghai.

Yours sincerely

Richard Li
Managing Director
Sino Securities International Ltd