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## **TLT LOTTOTAINMENT GROUP LIMITED**

**彩娛集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 8022)**

### **DISCLOSEABLE TRANSACTION: PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN FOUNTAIN CITY HOLDINGS LIMITED**

Reference is made to the announcement of the Company dated 15 September 2010 in respect of the MOU entered into between the Company and the Vendor in relation to the Acquisition.

The Board announces that on 7 October 2010 (after trading hours), the Purchaser entered into the Agreement with the Vendor in relation to the Acquisition, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares (representing 51% of the equity interest in the Target Company) at the Consideration of HK\$34,500,000. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions precedent” below. The Consideration has been/shall be satisfied in the following manner:

- (i) as to HK\$10,000,000 by payment in cash by the Purchaser upon the signing of the Agreement;
- (ii) as to HK\$5,000,000 in cash by applying the Deposit as part payment of the Consideration upon Completion; and
- (iii) the balance of the Consideration in the sum of HK\$19,500,000 by Purchaser procuring the Company to allot and issue 54,166,667 Consideration Shares credited as fully paid at the Issue Price in favour of the Vendor upon Completion.

The Consideration Shares will be allotted and issued pursuant to the General Mandate. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects amongst themselves and all other Shares in issue on the date of allotment and issue of such Consideration Shares and be entitled to dividends and other rights attaching to such Shares.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

### **GEM LISTING RULES IMPLICATION**

As two of the relevant percentage ratios (as defined in the GEM Listing Rules) in respect of the transactions contemplated under the Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 15 September 2010 in respect of the MOU entered into between the Company and the Vendor in relation to the Acquisition.

### **THE AGREEMENT**

**Date:** 7 October 2010 (after trading hours)

**Parties:**

- (i) The Purchaser, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
- (ii) The Vendor, a company incorporated in the British Virgin Islands with limited liability and the legal and beneficial owner of the entire issued share capital of the Target Company which are ultimately and beneficially indirectly owned as to 50% by Bibi Mariam Maria Cordero, as to 8.75% by Wong Kwai Ying, as to 8.75% by Manhao Sou Luis Miguel, as to 27.5% by Lee Siu Ping Maria, as to 2.5% by Chan Yik Hong and as to 2.5% by the Guarantor; and
- (iii) The Guarantor, who indirectly holds 2.5% of the issued share capital of the Vendor.

The Vendor is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners, and the Guarantor are Independent Third Parties.

Pursuant to the terms of the Agreement, the Guarantor shall guarantee the due and punctual performance by the Vendor of all its obligations under the Agreement.

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser shall acquire and the Vendor shall sell the Sale Shares, representing 51% of the equity interest in the Target Company.

The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

### **Consideration**

The Consideration for the Acquisition is HK\$34,500,000 and shall be settled by the Purchaser in the following manner:

- (i) as to HK\$10,000,000 by payment in cash by the Purchaser upon the signing of the Agreement;
- (ii) as to HK\$5,000,000 in cash by applying the Deposit as part payment of the Consideration upon Completion; and
- (iii) the balance of the Consideration in the sum of HK\$19,500,000 by Purchaser procuring the Company to allot and issue 54,166,667 Consideration Shares credited as fully paid at the Issue Price in favour of the Vendor upon Completion.

### **Basis of determination of the Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor in consideration of, among other things, (i) the terms of the MOU; (ii) future prospects of the business of the Target Group; (iii) the blooming prospects of the entertainment industry particularly in Macau; (iv) the Put Option; and (v) the steady income sources from the Target Group contributing directly to the financial results of the Group. The Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted pursuant to the terms of the Agreement;
- (b) the key management staff of the Target Group namely Madam Bibi Mariam Maria Cordero and Madam Lee Siu Ping Maria shall have agreed in writing to carry on serving the Target Group for a period of not less than 24 months after the Completion Date with Madam Bibi Mariam Maria Cordero agreeing to act as the Chairman and Chief Executive Officer of the Target Group on terms and conditions to be approved by the Purchaser;
- (c) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Agreement and the transactions contemplated thereby having been obtained;

- (d) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the Agreement and the transactions contemplated thereby, and all other consents and acts required under the GEM Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (e) the obtaining of a valuation report on the Target Group prepared by an independent valuer appointed by the Purchaser in form and substance satisfactory to the Purchaser and giving a value of not less than HK\$67,500,000;
- (f) the obtaining of a legal opinion from a lawyer qualified to practise and advise on Macau law appointed by the Purchaser in form and substance satisfactory to the Purchaser confirming Macau Talent is legally and validly in existence and of good standing and can legally carry out its business;
- (g) the obtaining of company searches results of M&M Entertainment provided by the Vendor showing the due incorporation, shareholding structure, valid and continued existence of M&M Entertainment;
- (h) the obtaining of a legal opinion from a lawyer qualified to practise and advise on British Virgin Islands law appointed by the Purchaser in form and substance satisfactory to the Purchaser confirming Santos is of legally and validly in existence and of good standing and can legally carry out its business;
- (i) the Purchaser having satisfied with the results of the audit of the consolidated accounts of the Target Group made up to 31 August 2010;
- (j) the representations, warranties and undertakings made by the Vendor under the Agreement remaining true and accurate in all respects;
- (k) the passing by the Shareholders at an extraordinary general meeting of the Company (if necessary) to be convened and held of an ordinary resolution to approve the Agreement and the transactions contemplated hereby, including but not limited to the issue of the Consideration Shares;
- (l) the obtaining of approval from the Stock Exchange granting listing approval and permission to deal with the Consideration Shares; and
- (m) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Agreement and the transactions contemplated thereby having been obtained.

The Purchaser may at its absolute discretion at any time waive in writing all of the conditions set out in (a), (c), (d), (f) to (h) and (j) above (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. The Vendor may at its absolute discretion at any time waive in writing the condition set out in (m) above to the extent applicable to the Purchaser and to the extent it is capable of being waived. If the conditions have not been satisfied on or before 4:00 p.m. on 31 December 2010, or such later date as the Vendor and the Purchaser may agree in writing, the Vendor shall forthwith refund all moneys by the Purchaser to Vendor paid under the MOU and the Agreement to the Purchaser (without interest or compensation) and the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. For the avoidance of doubt, conditions sets out in (b), (e), (i), (k) and (l) above cannot be waived by any parties to the Agreement.

### **Completion**

Completion shall take place on the Completion Date.

### **Put Option**

Pursuant to the Agreement, the Vendor irrevocably granted to the Purchaser the Put Option exercisable at any time and from time to time during the Option Period by notice in writing to the Vendor to require the Vendor to purchase all the Sale Shares (the “**Option Shares**”) from the Purchaser at the Option Exercise Price.

The Purchaser may only exercise the Put Option on the conditions that:

- (i) the Gross Profits of the Target Group for the first 12 months period (the “**First Period**”) after the Completion Date shall be less than HK\$15,000,000; or
- (ii) the Gross Profits of the Target Group for the second 12 months period (the “**Second Period**”) after the Completion Date shall be less than HK\$30,000,000.

For the purpose of ascertaining the Gross Profits for the First Period or as relevant, the Second Period, the Vendor and the Purchaser shall jointly instruct and direct the auditors for the time being of the Target Group (“**Auditors**”) to issue a certificate (the “**Auditors’ Certificate**”) stating the amount of actual Gross Profits (“**Actual Profits**”) for the First Period or as relevant, the Second Period before the date falling two months from the end of the First Period or as relevant, the end of the Second Period.

The rights of the Purchaser to exercise the Put Option shall be restricted to within one month from the date of the issuance of the Auditors’ Certificate for the First Period or as relevant, the Second Period (the “**Option Period**”) and the right of the Purchaser to exercise the Put Option shall lapse after expiration of the relevant Option Period.

The option exercise price for the Option Shares (the “**Option Exercise Price**”) shall be determined as follows:

- (i) In the event the Purchaser elects to exercise the Put Option by reference to the Gross Profits for the First Period, the Option Exercise Price shall be equivalent to 120% of the Consideration (i.e. HK\$41,400,000); and
- (ii) In the event the Purchaser elects to exercise the Put Option by reference to the Gross Profits for the Second Period, the Option Exercise Price shall be equivalent to 170% of the Consideration (i.e. HK\$58,650,000).

In the event that the Purchaser elects to exercise the Put Option, the Purchaser shall serve a written notice (the “**Option Notice**”) on the Vendor stating its intention to exercise the Put Option to require the Vendor to purchase the Option Shares and the time for completion of the sale and purchase of the Option Shares.

The service of the Option Notice shall bind the Vendor and Purchaser to buy and sell the Option Shares. The sale and purchase of the Option Shares shall be completed within 180 days of the later of (i) receiving the Option Notice or (ii) obtaining any relevant regulatory authorizations, consents or approvals.

Pursuant to the terms of the Agreement, the Purchaser shall not transfer, dispose of, sell, give, assign, hypothecate, pledge, encumbrance, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrances on any Sale Shares or any right, title or interest therein or thereto from the Completion Date until the expiration of the Option Period.

### **First Refusal Right**

Subject to the First Refusal Right, each of the Vendor and the Purchaser shall not sell, give, assign, hypothecate, pledge, encumbrance, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrances on, any shares of the Target Company or any right, title or interest therein or thereto (each, a “**Transfer**”).

If either the Vendor or the Purchaser proposes to Transfer any shares of the Target Company to any third party, the other existing shareholder(s) of the Target Company shall have a right of first refusal (the “**First Refusal Right**”) with respect to such Transfer.

### **THE CONSIDERATION SHARES**

The Consideration Shares will be issued at the Issue Price and credited as fully paid.

The Consideration Shares, when allotted and issued, shall rank pari passu in all respects amongst themselves and all other Shares in issue on the date of allotment and issue of such Consideration Shares and be entitled to dividends and other rights attaching to such Shares. There is no restriction for the subsequent sale of the Consideration Shares.

The Issue Price represents:

- (i) a discount of approximately 18.18% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on 7 October 2010, being the date of the Agreement; and
- (ii) a discount of approximately 18.18% to the average of the closing prices of approximately HK\$0.44 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 6 October 2010, being the last trading day immediately preceding the date of the Agreement.

The Consideration Shares will be allotted and issued pursuant to the General Mandate.

The General Mandate was granted to the Directors pursuant to an ordinary resolution of the Company passed at its annual general meeting on 4 May 2010 to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date. The General Mandate was utilized as to approximately 50.32% for the allotment and issue of 66,000,000 Shares under the placing which was completed on 20 September 2010, details of which are stated in the Company's announcements dated 8 September 2010 and 20 September 2010.

The Consideration Shares to be allotted and issued will utilise approximately 41.3% of the General Mandate.

The Consideration Shares represent: (i) approximately 7.35% of the existing issued share capital of the Company; and (ii) approximately 6.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Issue Price was determined by the Board after taking into consideration of various factors including the market price of the Shares and the liquidity of the Shares. The Directors consider that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE

The expected changes in the share capital and the shareholding structure of the Company resulting from the allotment and issue of the Consideration Shares are as follows:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Substantial Shareholders and Directors</b>				
Shiny Galaxy Enterprises Limited ( <i>Note 1</i> )	71,350,000	9.68	71,350,000	9.02
Chan Kin Yip	1,000,000	0.13	1,000,000	0.13
Sub-total	72,350,000	9.81	72,350,000	9.15
The Vendor Public	– 664,907,575	– 90.19	54,166,667 664,907,575	6.84 84.01
<b>Total</b>	<b>737,257,575</b>	<b>100.00</b>	<b>791,424,242</b>	<b>100.00</b>

*Note:*

- Shiny Galaxy Enterprises Limited is beneficially owned as to 100% by Mr. Wong Wai Shing, the Chairman and an executive Director.

## INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated on 16 July 2010 in the British Virgin Islands with limited liability. It owns the entire issued share capital of Santos and Macau Talent, and 60% of the issued share capital of M&M Entertainment. The Target Company has had no operation since its incorporation except for holding the interests in Santos, Macau Talent and M&M Entertainment.

The Target Group is engaged in business of entertainment programme production, events organization, tv-series production and operation of an artist training school in the region of Macau and Southeast Asia.

Santos is a company incorporated in British Virgin Islands with limited liability on 10 April 2002, the entire issued share capital of Santos is owned by the Target Company. Santos is currently engaging in TV Food Chanel production and Advertising.

Macau Talent is a company incorporated in Macau with limited liability on 23 July 2008, the entire issued share capital of Macau Talent is owned by the Target Company. Macau Talent is currently engaging in operation of artists training school in Macau.

M&M Entertainment is a company incorporated in Hong Kong with limited liability on 28 May 2010, the entire issued share capital of M&M Entertainment is owned as to 60% by the Target Company and as to 40% by Ms. Lee Siu Ping Maria.

Set out below is the unaudited financial information of the Target Group (under merger accounting method) for the period from 1 April 2010 to 31 August 2010, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>Period from 1 April 2010 to 31 August 2010</b> <i>(in HK\$'000)</i> (unaudited)
Turnover	624
Loss before taxation	106
Loss after taxation	106
Net (liability) value as at 31 August 2010	(155)

Set out below is the unaudited financial information of M&M Entertainment for the period from the date of its corporation to 31 August 2010, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>Period from the date of incorporation (28 May 2010) to 31 August 2010</b> <i>(in HK\$'000)</i> (unaudited)
Turnover	624
Loss before taxation	175
Loss after taxation	175
Net (liability) value as at 31 August 2010	(165)

Set out below is the unaudited financial information of Macau Talent for the period from the date of its corporation to 31 March 2009 and the year ended 31 March 2010, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>Period from the date of incorporation (23 July 2008) to 31 March 2009</b> <i>(in HK\$'000)</i> (unaudited)	<b>For the year ended 31 March 2010</b> <i>(in HK\$'000)</i> (unaudited)
Turnover	–	–
Loss before taxation	–	–
Loss after taxation	–	–
Net asset value as at 31 March 2009 and 2010	25	25

Set out below is the unaudited financial information of Santos for years ended 31 March 2009 and 2010, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>For the year ended 31 March 2009</b> <i>(in HK\$'000)</i> (unaudited)	<b>For the year ended 31 March 2010</b> <i>(in HK\$'000)</i> (unaudited)
Turnover	–	–
Loss before taxation	–	–
Loss after taxation	–	–
Net asset value as at 31 March 2009 and 2010	16	16

Upon Completion, the Target Company will be held as to 51% by the Purchaser and 49% by the Vendor. It is expected that the Target Company, Santos, Macau Talent and M&M Entertainment will be treated as subsidiaries of the Company and their results will be consolidated in the consolidated financial statements of the Group.

## **REASONS FOR THE ACQUISITION**

The Group is principally engaged in the provision of lottery-based mobile online game recharge service, sale of sports lottery and travel agent services. As disclosed in the 2009 annual report of the Company, the Company is actively taking various measures to improve return to the Shareholders. The Directors consider that the Acquisition will further diversify the Group's business and strengthen the income base of the Group in the long run.

The Directors consider that, the Acquisition provides a golden opportunity for the Group to penetrate into the entertainment industry of Macau which is considered to be a blooming industry in the coming few years. In addition, Madam Bibi Mariam Maria Cordero, a successful singer and artist in Hong Kong, Macau and Asia, who is well experienced in TV program production and artist training will continue to serve as key management staff of the Target Group. The Directors are optimistic on the future prospects of the Target Group.

After considering the Put Option provided by the Vendor under the Agreement and the future prospects of the business of entertainment programme production, events organization, tv-series production and the artist training school operated by the Target Group, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATION**

As two of the relevant percentage ratios (as defined in the GEM Listing Rules) in respect of the transactions contemplated under the Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expression

“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the Agreement
“Actual Profits”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Agreement”	the formal sale and purchase agreement for the Acquisition dated 7 October 2010 (after trading hours) and entered into between the Vendor, the Purchaser and the Guarantor
“Auditors”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Auditors’ Certificate”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Board”	the board of Directors
“Company”	TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability whose issued Shares are listed on GEM
“Completion”	completion of the Agreement pursuant to the terms and conditions of the Agreement
“Completion Date”	subject to the fulfillment or waiver of the conditions set out in the Agreement, on or before 31 December 2010 or such other date as the parties to the Agreement may agree in writing
“connected person”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the sum of HK\$34,500,000, being the consideration for the sale and purchase of the Sale Shares
“Consideration Shares”	the 54,166,667 Shares to be allotted and issued by the Company at the Issue Price to the Vendor as part of the Consideration in accordance with the terms of the Agreement
“Deposit”	HK\$5,000,000, being the deposit, as converted from the Earnest Money, for the sale and purchase of the Sale Shares
“Directors”	directors of the Company
“Earnest Money”	HK\$5,000,000, being a refundable earnest money paid by the Company to the Vendor under the MOU

“Encumbrances”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature including any agreement for any of the same
“First Period”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“First Refusal Right”	has the meaning ascribed thereto in the paragraph headed “First Refusal Right” in this announcement
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities of the GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 4 May 2010 to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date
“Gross Profits”	the audited consolidated gross profits of the Target Group before administrative expenses, taxation and minority interests and excluding any extraordinary or exceptional items as shown in the Auditors’ Certificate
“Group”	the Company together with its subsidiaries
“Guarantor”	Lai Chun Hung, who indirectly holds 2.5% issued share capital of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Issue Price”	HK\$0.36 per Consideration Share
“M&M Entertainment”	M&M Entertainment International Company Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 60% of the issued share capital by the Target Company and as to the balance of 40% by Madam Lee Siu Ping Maria

“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Talent”	Macau Talent Academy Limited, a company incorporated in Macau, which is wholly owned by the Target Company
“MOU”	the non-legally binding memorandum of understanding dated 15 September 2010 and entered into between the Company and the Vendor setting out the preliminary understanding in relation to the Acquisition
“Option Exercise Price”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Option Notice”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Option Period”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Option Shares”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Purchaser”	Brilliant Reach Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by the Company
“Put Option”	the option granted by the Vendor to the Purchaser and exercisable at the discretion of the Purchaser to request the Vendor to purchase all the Sale Shares at the Option Exercise Price during the Option Period
“Sale Shares”	51 shares of US\$1.00 each in the capital of the Target Company, representing 51% of the issued share capital of the Target Company
“Santos”	Santos Group Entertainment and Advertising Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by the Target Company
“Second Period”	has the meaning ascribed thereto in the paragraph headed “Put Option” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Fountain City Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by the Vendor
“Target Group”	together, the Target Company, Santos, Macau Talent and M&M Entertainment
“Transfer”	has the meaning ascribed thereto in the paragraph headed “First Refusal Right” in this announcement
“Vendor”	Diwang Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board  
**TLT Lottotainment Group Limited**  
**Cheung Man Yau, Timothy**  
*Chief Executive Officer and Executive Director*

Hong Kong, 7 October 2010

*As of the date hereof, the executive directors of the Company are Mr. Wong Wai Sing, Mr. Cheung Man Yau, Timothy, Mr. Chan Kin Yip and Mr. Cheng Wing Hong; the independent non-executive directors of the Company are Mr. Sung Wai Tak, Herman, Mr. Wong Lit Chor, Alexis and Mr. Fung Wai Shing.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the company at [www.lottotainment.com.hk](http://www.lottotainment.com.hk).*