

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

PROFIT WARNING

Reference is made to the announcement of TLT Lottotainment Group Limited (the “Company” and together with its subsidiaries, the “Group”) dated 22 March 2012 in relation to the profit warning of the final results for the year ended 31 December 2011.

The board (the “Board”) of directors of the Company would like to clarify that:

- 1) Following the launch of the stage drama at Beijing in the fourth quarter of 2011, the production costs of the stage drama business unexpectedly increased significantly. The operating loss including the production costs and the non-cash amortisation and impairment of artistic-related intangible assets of the stage drama business of the Group is expected to be not less than approximately HK\$31 million and 51% thereof in approximately HK\$15.8 million is attributable to the shareholders of the Company.
- 2) After seeking advice from an independent valuer in reassessing the fair value of the wholesale and retail distribution of fashion product business of the Group’s associated company as at 31 December 2011, it is expected that the fair value will be significant reduced due to the high competitive business environment and sluggish fashion retail segment. The resulting impairment loss in interest in associated company is expected to be not less than HK\$13 million.

The Board wish to emphasis that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts of the Group for the year ended 31 December 2011 and the draft valuation reports prepared by an independent valuer and has not been confirmed by the auditors of the Company. The Company is still in the process of finalising the basis of valuation of the fair value of the Group’s intangible assets and the annual results of the Group with the auditors for the year ended 31 December 2011.

Shareholders of the Company and potential investors should note that the final results of the Group for the year ended 31 December 2011 are subject to audit and are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 March 2012

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Man Yau, Timothy, Ms. Cheng Sze Man, Mr. Lee Chi Shing, Caesar, Mr. Chan Yun Fai and Mr. Au Yeung Yiu Chung; and the independent non-executive Directors of the Company are Mr. Sung Wai Tak, Herman, Mr. Li Kwok Chu and Mr. Fung Wai Shing.

This announcement, for which the Directors of the Company 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 of the Company, 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 <http://www.lottotainment.com.hk>.