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## **MelcoLot Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8198)

### **CLARIFICATION ANNOUNCEMENT REGARDING INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017**

Reference is made to the interim results of MelcoLot Limited (the “**Company**”) for the six months ended on 30 June 2017 published by the Company on 7 August 2017 (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The board of directors (the “**Directors**”) of the Company would like to clarify certain information contained in the Announcement as follows:

- (1) The significant decrease in revenue of the Company for the three months ended 30 June 2017 is due to the fact that the Company did not conduct trading of lottery terminals in the second quarter of 2017. Since March 2017, as a result of the fierce competition in the market, our major customer, Intradak, requested the Company to lower our pricing of lottery terminals and in turn, the Company tried to negotiate with our major supplier, Wu Sheng, to lower our procurement costs to maintain a reasonable profitability. The Company were not able to agree on a satisfactory price with Wu Sheng in the second quarter of 2017. As such, the Company did not place orders for lottery terminals with Wu Sheng nor accepted orders from Intradak in the second quarter of 2017 to avoid any trading loss.
- (2) The Company is of the view that the decrease in revenue will not persist continuously for the reason that the Company has completed the consolidation of our marketing and procurement department after the closing of the conditional mandatory cash offers and the appointment of new directors to the board of directors on 10 July 2017. In fact, the Company has successfully managed to reach an agreement with Intradak and Wu Sheng on pricing and resumed trading of lottery terminals in July 2017. The Company has already received an order for lottery terminals in the amount of RMB6 million and these lottery terminals are expected to be delivered in the second half of 2017. In addition, the Company also intends to diversify the products to broaden our customer basis in the long term.

- (3) The Company is currently in negotiation with potential sellers with respect to new business opportunities in the gaming and entertainment industry. The Company intends to make new investments by the end of 2017. As the negotiations are at preliminary stage only, we cannot assure that any transaction will be concluded. Meanwhile, in order to obtain better return on the cash currently held by the Company, the Company subscribed for a 24-month quarterly puttable step-up coupon notes issued by BOCI Financial Products Limited in the principal amount of HK\$50 million, which has been disclosed in the announcement of the Company on 24 July 2017.

The above clarification does not affect any other information contained in the Interim Results.

By Order of the Board  
**MelcoLot Limited**  
**Wang Bingzhong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 15 August 2017

*As at the date of this announcement, the board of directors of the Company comprises Mr. Pan Zhengming\* (Chairman), Mr. Wang Bingzhong#(Chief Executive Officer), Mr. Wu Jian#, Mr. Yu Min\*, Mr. Lu Haitian+, Mr. Yan Hao+ and Mr. Lin Sen+.*

# *Executive Director*

\* *Non-executive Director*

+ *Independent Non-executive Director*

*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 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.melcolot.com](http://www.melcolot.com).*