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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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF 100% ISSUED SHARE CAPITAL OF GRACE PROFIT, INVOLVING ISSUE OF CONSIDERATION SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

THE ACQUISITION

The Board is pleased to announce that on 29 October 2013 (after trading hours), the Purchaser and the Vendors entered into the Acquisition Agreement pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the Sale Interest at an aggregate consideration of HK\$100,000,000.

The Consideration will be satisfied as to (i) HK\$30,000,000 by the issue and allotment of the 60,000,000 Consideration Shares by the Company at the issue price of HK\$0.50 per Share to the Vendors upon Completion; and (ii) HK\$70,000,000 by the issue of the Convertible Bonds at an initial conversion price of HK\$0.50 per Conversion Share (subject to adjustment) to the Vendors upon Completion.

The Target Company is an investment holding company incorporated in Hong Kong on 2 November 2012 with limited liability and is wholly-owned by the Vendors. Apart from its 100% shareholding interest in the PRC Company, the Target Company does not have any business operations. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

GENERAL

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Acquisition Agreement exceed 25% and below 100%, the entering into of the Acquisition Agreement constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. The Acquisition is therefore subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mr. Lin Rong Zhen being the beneficially owner of Vendor A, personally holds 5.08% of the Company's Shares before the Acquisition, and Vendor B and their associates (as defined under the GEM Listing Rules) do not hold any Shares and no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Acquisition Agreement; (ii) the financial and other information on the Group; (iii) the financial information on the Target Group; (iv) the valuation report on the Target Group; and (v) the notice convening the EGM is expected to be despatched to the Shareholders on or before 19 November 2013 in accordance with the requirement under the GEM Listing Rules.

Shareholders and investors should note that Completion is subject to various conditions as stated in the section headed "Conditions Precedent". The Acquisition Agreement and the transactions contemplated thereunder may or may not proceed to Completion. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 29 October 2013 (after trading hours), the Purchaser and the Vendors entered into the Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interest at the Consideration of HK\$100,000,000.

THE ACQUISITION AGREEMENT

Date

29 October 2013 (after trading hours)

Parties

- (i) Vendor A, an investment holding company incorporated in Vanuatu;
- (ii) Vendor B, an investment holding company incorporated in Vanuatu; and
- (iii) the Purchaser, an investment holding company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mr. Lin Rong Zhen being the beneficially owner of Vendor A, personally holds 5.08% of the Company's Shares before the Acquisition, and Vendor B and their associates (as defined under the GEM Listing Rules) do not hold any Shares and no Shareholder is required to abstain from voting at the EGM.

Assets to be acquired

The Sale Interest means the Sale Shares and the Sale Loan.

The Sale Interest will be acquired free of liens, encumbrances and other claims and together with all rights attaching thereto as at the date of the Acquisition Agreement, including the right to receive dividends and distributions declared, made or paid after the date of the Acquisition Agreement.

The Sale Shares is the entire issued share capital of the Target Company, all of which are currently legally and beneficially owned as to 50% by Vendor A and 50% by Vendor B.

The Sale Loan is the entire unsecured, interest free shareholder's loan owing by the Target Company to Vendor A in the principal amount of HK\$1,528,364.75 on the date of the Acquisition Agreement.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Consideration

The Consideration of HK\$100,000,000 (HK\$98,471,635.25 for the Sale Shares and HK\$1,528,364.75 for the Sale Loan) shall be satisfied in the following manner:

- (a) HK\$30,000,000 shall be satisfied by the Purchaser by procuring the Company to (i) issue and allot 30,000,000 Consideration Shares to Vendor A upon Completion; and (ii) issue and allot 30,000,000 Consideration Shares to Vendor B upon Completion. Both at an issue price of HK\$0.50 per Consideration Share; and
- (b) HK\$70,000,000 shall be satisfied by the Purchaser by procuring the Company to (i) issue the Convertible Bonds in the principal amount of HK\$35,000,000 to Vendor A upon Completion; and (ii) issue the Convertible Bonds in the principal amount of HK\$35,000,000 to Vendor B upon Completion. Both at an initial conversion price of HK\$0.50 per Conversion Share (subject to adjustment).

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendors with reference to, among other things, the financial status of the Target Group and the preliminary valuation of the Target Group as at 31 August 2013 (the "**Valuation Date**") performed by Roma Appraisals Limited, an independent valuer, which carries an indicative valuation of HK\$104,000,000 based on discounted cash flow method under the income-based approach.

The material assumptions used in the valuation of the Target Group includes the following:

- the acquisition is assumed to be completed as at the Valuation Date;
- all the agreements and contracts entered by the Target Group would be effective and legitimate as at the Valuation Date;
- the Target Group will be operated as projected in the business plan;
- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained and renewable upon expiry;
- the projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- there will be sufficient supply of technical staff in the industry in which the Target Group operates, and the Target Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- there will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major change in the political, legal, economic or financial conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group; and
- interest rates and exchange rates in the localities for the operation of the Target Group will not differ materially from those presently prevailing.

Details of the final valuation report on the Target Group will be set out in the circular to be despatched to the Shareholders. The relevant comfort letters required under Rule 19.62 of the GEM Listing Rules will be included in the circular to be despatched in respect of the Acquisition.

The Directors consider the terms (including the Consideration) of the Acquisition Agreement are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the fulfillment of the following conditions precedent:

- (a) the results and reports of the investigations and due diligence conducted on the PRC Company by the Purchaser, its agents and professional advisers (whether of legal, accounting, financial, operations or other aspects considered to be important by the Purchaser) bring reasonably satisfactory to the Purchaser;
- (b) the Purchaser having obtained of a PRC legal opinion issued by a qualified PRC lawyer appointed by the Purchaser, whose content and form are in accordance with the form and substance satisfactory to the Purchaser, and whose substance includes but is not limited to the recognition of the legality of the transactions under the Acquisition Agreement, the PRC Company and the legality of the PRC business agreement;
- (c) the Purchaser having obtained a value assessment report on the Target Group issued by a qualified valuer appointed by the Purchaser, whose substance and form are in accordance with the form and substance satisfactory to the Purchaser, and whose substance includes but is not limited to the assessed value of the Target Group of not less than HK\$100,000,000;
- (d) the senior management of the PRC Company set out in the Acquisition Agreement having signed contracts with the PRC Company with the undertakings of remaining in the PRC Company for not less than 36 months from the Completion of the transactions under the Acquisition Agreement and shall not be engaged in any business in competition or similar with the Target Group during his/her employment period with the Target Group and within the 12-month period after his/her resignation;
- (e) (if necessary) the Vendors having obtained the approvals, confirmations, waivers or consents in respect of the Acquisition Agreement and the transactions contemplated thereunder from the authorities or other relevant third parties having jurisdiction on the Vendors;
- (f) the transaction under the Acquisition Agreement does not constitute “reverse takeover” stated at chapter 19 of the GEM Listing Rules;
- (g) (if necessary) the shareholders of the listing company having approved the Acquisition Agreement, the issue of the Consideration Shares, the issue of Convertible Bonds, granting of the Specific Mandate and the transactions contemplated thereunder at the EGM in accordance with its articles of association and the requirements of the GEM Listing Rules;
- (h) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares related to the Convertible Bonds (regardless of any conditions attached to the approval or consent), and all other consent and approval documents involving the Stock Exchange; and

- (i) the Purchaser being satisfied that the warranties under the Acquisition Agreement continued to remain true and accurate, not misleading in any material aspects and not having been violated, and there having been no event or situations leading to any material adverse changes to the operation of the Target Group from the date of the Acquisition Agreement to the Completion.

If the conditions have not been fulfilled (or waived by the Purchaser (except for conditions (f), (g), (h))) on or before the Long Stop Date (or such other date/time as the Vendors and the Purchaser may agree in writing) and the Purchaser gives notice to terminate the Acquisition Agreement, the Acquisition Agreement shall thereupon terminate.

Completion

Completion shall take place on the third Business Day after the date of the fulfillment or waiver of all the conditions precedent required to be fulfilled before Completion or such later date as the parties may otherwise agree in writing.

Consideration Shares

HK\$30,000,000 of the Consideration is to be satisfied by the issue and allotment of an aggregate of 60,000,000 Consideration Shares by the Company at the issue price of HK\$0.50 per Consideration Share to the Vendors upon Completion. The issue price of HK\$0.50 per Consideration Share represents:

- (a) a premium of approximately 3.09% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 3.31% to the average closing price of approximately HK\$0.484 per Share for the last five trading days immediately prior to the date of Acquisition Agreement; and
- (c) a premium of approximately 3.20% to the average closing price of approximately HK\$0.4845 per Share for the last ten trading days up to and including the Last Trading Day.

The issue price of HK\$0.50 per Consideration Share was arrived at after arm's length negotiations between the Purchaser and the Vendors, after taking into account the prevailing market price of the Shares and the financial position of the Company as at 30 June 2013. A comparison of the issue price to the market price of the Shares is set out in the description of the conversion price above.

The Consideration Shares represent (i) approximately 28.56% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 22.22% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares; and (iii) approximately 14.63% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares upon conversion of the Convertible Bonds in full.

The Consideration Shares, when issued upon Completion, will rank pari passu in all respects with the existing Shares in issue. There will be no restriction on the subsequent sale of the Consideration Shares. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued upon Completion.

The Directors will issue and allot the Consideration Shares to the Vendors under the Specific Mandate proposed to be sought from the Shareholders at the EGM.

Convertible Bonds

The Consideration will be satisfied partially (as to an aggregate of HK\$70,000,000) by the issue of the Convertible Bonds by the Company to the Vendors upon Completion. The principle terms of the Convertible Bonds are as follows:

Issuer	The Company
Principal amount	Convertible Bonds to Vendor A – HK\$35,000,000 Convertible Bonds to Vendor B – HK\$35,000,000
Interest	2% per annum payable annually
Maturity	the second anniversary of the date of issue of the Convertible Bonds
Conversion price	The initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments upon the occurrence of subdivision or consolidation of Shares, capitalisation issues, rights issues and other dilutive events) represents: (a) a premium of approximately 3.09% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Last Trading Day; (b) a premium of approximately 3.31% to the average closing price of approximately HK\$0.484 per Share for the last five trading days immediately prior to the date of Acquisition Agreement; and (c) a premium of approximately 3.20% to the average closing price of approximately HK\$0.4845 per Share for the last ten trading days up to and including the Last Trading Day.

The conversion price was arrived at after arm's length negotiations between the Purchaser and the Vendors, after taking into account the prevailing market price of the Shares and the financial position of the Company as at 30 June 2013.

Conversion rights

The holder of the Convertible Bonds shall, subject to compliance with the procedures set out in the conditions to the Convertible Bonds, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into Shares, provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted. The Convertible Bonds will not be capable of exercise by holder of the Convertible Bonds if and to the extent:

- (i) the Company's non-compliance with the minimum public shareholding requirement stipulated under Rule 11.23 of the GEM Listing Rules following the issue of the relevant Conversion Shares by exercising the conversion rights attached to the Convertible Bonds; or
- (ii) the holder of the Convertible Bonds and parties acting in concert with him/her/it (within the meaning under the Takeovers Code) will directly or indirectly control or be interested in such percentage of voting rights of the Company which the holder of the Convertible Bonds and parties acting in concert with him/her/it would be obliged to make a general offer under the Takeovers Code; or
- (iii) the holder of the Convertible Bonds will as a result of the issue of the relevant Conversion Shares by exercising the conversion rights attached to the Convertible Bonds, becomes the largest Shareholder; or
- (iv) the holder of the Convertible Bonds will as a result of the issue of the relevant Conversion Shares by exercising the conversion rights attached to the Convertible Bonds, be in breach of the GEM Listing Rules, the Takeovers Code or any applicable laws or regulations.

The conversion rights attaching to the Convertible Bonds may, subject to the terms and conditions therein, be exercised on any Business Day following the first anniversary of the date of issue of the Convertible Bonds until the date 7 Business Days before (and excluding) the maturity date (unless the Convertible Bonds shall have been called for redemption before the maturity date).

Conversion Shares	<p>The 140,000,000 Conversion Shares represent (i) approximately 66.65% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 34.14% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares upon conversion of the Convertible Bonds in full.</p> <p>The Conversion Shares will be issued under the Specific Mandate which will be sought at the EGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon conversion of the Convertible Bonds.</p>
Status of the Convertible Bonds	The Conversion Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Shares.
Transferability	The holder of the Convertible Bonds may freely transfer the Convertible Bonds provided that any transfer to a connected person of the Company (as defined in the GEM Listing Rules) be notified to the Company in advance and is in compliance with the GEM Listing Rules.
Voting rights	The Convertible Bonds does not confer any voting rights at any meetings of the Company.
Redemption	The Company shall have the right to redeem by cash payment the whole or part of the Convertible Bonds outstanding at an amount equal to 100% of the principal amount of the Convertible Bonds to be redeemed at any time and from time to time prior to the maturity date of the Convertible Bonds.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Details of the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon the issue of the Consideration Shares; and (iii) upon the full conversion of the Convertible Bonds together with the issue of the Consideration Shares to the Vendors (assuming there is no other change in the share capital of and shareholding in the Company, from the date of this announcement to Completion) are set out below:

	As at the date of this announcement		Upon Completion, assuming the issue of the Consideration Shares at HK\$0.50 each		Upon Completion, assuming the issue of the Consideration Shares at HK\$0.50 each and assuming full conversion of the Convertible Bonds	
	<i>Number of Shares</i>	<i>% (Approx.)</i>	<i>Number of Shares</i>	<i>% (Approx.)</i>	<i>Number of Shares</i>	<i>% (Approx.)</i>
Chong Chin	17,180,000	8.18	17,180,000	6.36	17,180,000	4.19
Lin Rong Zhen and his associates (<i>Note 1</i>)	10,681,000	5.08	40,681,000	15.06	110,681,000	26.99
Vendor B	–	–	30,000,000	11.11	100,000,000	24.39
Public	182,190,339	86.74	182,190,339	67.47	182,190,339	44.43
Total	<u>210,051,339</u>	<u>100.00</u>	<u>270,051,339</u>	<u>100.00</u>	<u>410,051,339</u>	<u>100.00</u>

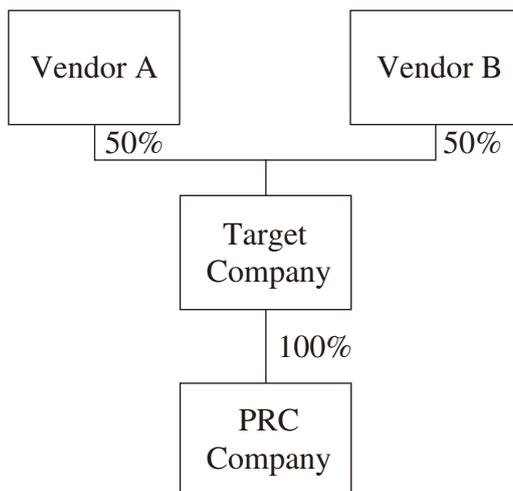
Note:

1. Mr. Lin Rong Zhen, being the beneficially owner of Vendor A, personally holds 5.08% of the Company's Shares before the Acquisition.

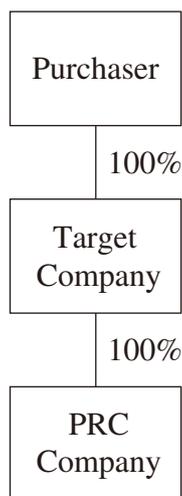
SHAREHOLDING STRUCTURE IMMEDIATELY BEFORE AND IMMEDIATELY UPON COMPLETION

The following diagrams set out the shareholding structure of the Target Group immediately before and immediately upon Completion:

Immediately before Completion



Immediately upon Completion



INFORMATION ON THE TARGET GROUP

The Target Company

The Target Company is an investment holding company incorporated in Hong Kong on 2 November 2012 with limited liability and is owned as to 50% by Vendor A and 50% by Vendor B. Apart from its 100% shareholding interest in PRC Company, the Target Company does not have any business operation.

The PRC Company

The PRC Company is a company incorporated in the PRC on 11 April 2013. The PRC Company has a registered capital of HK\$1,500,000 and it is a wholly-owned subsidiary of the Target Company. The PRC Company is principally engaged in fashion wholesale, distribution and trading. The PRC Company holds an exclusive right to procure and sell the “HIWI” brand of kids clothing within the southern area from Changjiang River of Mainland China. The “HIWI” brand is a kids clothing brand name in the PRC, focus on manufacturing and sales of kids clothing which the PRC Company has the right to use the “HIWI” brand.

The Target Group

The unaudited consolidated net profit of the Target Group for the period from 2 November 2012 (being the date of incorporation of the Target Company) to 31 August 2013 before and after taxation and extraordinary items prepared by the Company in accordance with HKGAAP were approximately RMB831,599 (equivalent to approximately HK\$1,056,131) and approximately RMB769,128 (equivalent to approximately HK\$976,793), respectively. Unaudited consolidated revenue of the Target Group since its incorporation was approximately RMB7,761,338 (equivalent to approximately HK\$9,856,899). Unaudited consolidated net assets value of the Target Group as at 31 August 2013 was approximately RMB769,130 (equivalent to approximately HK\$976,795).

REASONS OF AND BENEFITS FOR THE ACQUISITION

The Group is principally engaged in the provision of travel agent services, advertising and marketing services and trading of securities. The Group has been seeking different investment opportunities which are expected to have future growth and will enhance Shareholders’ value. The Group is exploring opportunities to expand the Group’s business operations for achieving financial growth for the Group and to maximize Shareholders’ value.

The Directors consider the Acquisition is in line with the Group’s business diversification strategy and represents an attractive investment opportunity for the Group to diversify and further expand its business portfolio into kids wear sector. It is expected that the Acquisition will diversify and expand the source of income of the Group and will also generate additional and stable cashflow.

Having considered (i) the one child policy in the PRC encourages Chinese parents to spend more on their children; (ii) the population of people from age 0 to 14 encountered approximately 17% of the total population of the PRC¹; and (iii) the real GDP growth of 7.8% in 2012¹, the Directors are optimistic about the future prospect of the kids wear industry which the Target Group participated in.

In addition, the Target Group has been generating profit since its establishment. The Directors believe that Acquisition will enhance the financial performance of the Group and bring investment returns to Shareholders.

Note:

1. Sources from CIA Factbook, <http://www.cia.gov/library/publications/the-world-factbook/geos/ch.html>

Upon Completion, the Target Company will become a subsidiary of the Group and the financial results of the Target Group will be consolidated into the Group's financial statements. However, should suitable business opportunities arise in the future, the Group will continue to explore and consider any of such business opportunities, including acquisitions or realisations, which are in line with the Group's business strategies and may enhance the Group's future business development. As at the date of this announcement, the Company has no intention to change the composition of its Board upon Completion.

The Directors consider that the terms of the Acquisition Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Apart from the Acquisition, up to the date of the announcement, the Company does not have any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) on any further acquisition of business and/or assets or investment opportunity.

GENERAL

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Acquisition Agreement exceed 25% and below 100%, the entering into of the Acquisition Agreement constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. The Acquisition is therefore subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mr. Lin Rong Zhen being the beneficially owner of Vendor A, holds 5.08% of the Company's Shares before the Acquisition, and Vendor B and their associates (as defined under the GEM Listing Rules) do not hold any Shares and no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Acquisition Agreement; (ii) the financial and other information on the Group; (iii) the financial information on the Target Group; (iv) the valuation report on the Target Group; and (v) the notice convening the EGM is expected to be despatched to the Shareholders on or before 19 November 2013 in accordance with the requirement under the GEM Listing Rules.

Shareholders and investors should note that Completion is subject to various conditions as stated in the section headed "Conditions Precedent". The Acquisition Agreement and the transactions contemplated thereunder may or may not proceed to Completion. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Sale Interest and the Sale Loan from the Vendors by the Purchaser pursuant to the Acquisition Agreement
“Acquisition Agreement”	conditional agreement dated 29 October 2013 entered into by the Purchaser and the Vendors pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Sale Interest for an aggregate consideration of HK\$100,000,000
“Anniversary Date”	the first anniversary of Completion
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day (excluding Saturdays and Sundays) on which banks in Hong Kong are open for business
“Company”	TLT Lottainment Group Limited (stock code: 8022), a company incorporated Hong Kong with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Acquisition in accordance with the terms of the Acquisition Agreement
“connected person(s)”	has the same meaning ascribed under the GEM Listing Rules
“Consideration”	an aggregate consideration of HK\$100,000,000 payable by the Purchaser to each of the Vendors, respectively for the Sale Interest pursuant to the Acquisition Agreement
“Consideration Shares”	the new Shares to be issued and allotted to the Vendors in partial satisfaction of the Consideration
“Conversion Shares”	the new Shares issuable upon exercise of conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	an interest rate of 2% per annum convertible redeemable bond to be issued by the Company in partial satisfaction of the Consideration in the principal amount of HK\$70,000,000
“Director(s)”	director(s) of the Company

“EGM”	extraordinary general meeting of the Shareholders to be convened by the Company to consider and, if thought fit, to approve, among other things, the Acquisition Agreement and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKGAAP”	Hong Kong Generally Accepted Accounting Principles
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	28 October 2013, being the last trading day prior to this announcement
“Listing Committee”	the Listing Committee of the board of directors of the Stock Exchange
“Long Stop Date”	28 April 2014, or such other date/time as the Vendors and the Purchaser may agree in writing
“PRC”	the People’s Republic of China
“PRC Company”	吉潤(吉安)輕工實業有限公司 (Grace (Jian) Industrial Co., Ltd.), a company incorporated in the PRC on 11 April 2013 and has a registered capital of HK\$1,500,000 and is principally engaged in fashion wholesale, distribution and trading
“Purchaser”	Prosperous Link Investments Limited (連昌投資有限公司), a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Interest”	the Sale Shares and the Sale Loan
“Sale Loan”	the entire unsecured, interest free shareholder’s loan owing by the Target Company to Vendor A in the principal amount of HK\$1,528,364.75 on the date of the Acquisition Agreement
“Sale Shares”	the entire issued share capital of the Target Company currently legally and beneficially owned as to 50% by Vendor A and 50% by Vendor B
“Share(s)”	ordinary share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Consideration Shares and Conversion Shares pursuant to the Acquisition Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Grace Profit Corporations Limited, an investment holding company incorporated in the Hong Kong on 2 November 2012 with limited liability and is wholly-owned by the Vendors
“Target Group”	the Target Company and its subsidiary(ies)
“Vendor A”	China Well Investments Reward Inc., an investment holding company incorporated in Vanuatu, with Mr. Lin Rong Zhen as the sole shareholder
“Vendor B”	United Path Inc., an investment holding company incorporated in Vanuatu, with Mr. Lai Kei Yan and Mr. Chan Ying Tung as the shareholders
“Vendors”	Vendor A and Vendor B collectively
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1=HK\$1.27. Such translation should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.

By the order of the Board
TLT Lottotainment Group Limited
Lin Yan Jenny
Executive Director

Hong Kong, 29 October 2013

As of the date hereof, the executive directors of the Company are Mr. Wu Wenbei, Ms. Lin Yan Jenny, Mr. Wong Chun Hung, Mr. Chan Yun Fai and Mr. Au Yeung Yiu Chung and the independent non-executive directors of the Company are Mr. Lau Shu Yan, Mr. Chiu Koon Shou, Mr. Li Kwok Chu and Ms. Lam Yuk Ying, Elsa.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.lottotainment.com.hk>.