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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED ACQUISITION

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board is pleased to announce that the Company on 10 January 2011 entered into a MOU with the Vendor in relation to the Proposed Acquisition of not less than 20% issued share capital of the Target Company. The Target Company is principally engaged in the organisation, production and management of stage drama in Mainland China and Asian region.

The entering into the MOU does not constitute the parties' legally binding commitment in respect of the Proposed Acquisition that is subject to the execution of the Formal Agreement in relation thereto by the parties.

Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialize. The Proposed Acquisition, if materializes, may constitute a notifiable transaction for the Company under the GEM Listing Rules and the Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the GEM Listing Rules where appropriate. **Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules").

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of TLT Lottotainment Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that on 10 January 2011, the Company entered into the memorandum of understanding (the “**MOU**”) with Dragon Gain Worldwide Limited (the “**Vendor**”), which is a company incorporated in the British Virgin Islands and an independent third party of the Company, in relation to the proposed acquisition (the “**Proposed Acquisition**”) of not less than 20% issued share capital of a company (the “**Target Company**”). The Target Company is principally engaged in the organisation, production and management of stage drama in Mainland China and Asian region.

Pursuant to the MOU, the Vendor and the Company will negotiate in good faith the terms of the Proposed Acquisition with the intention that a definitive and legal binding agreement in respect of the Proposed Acquisition (the “**Formal Agreement**”) will be entered into by the parties within the period of three (3) months (or such other later date as agreed by the parties) from the date of the MOU (“**Relevant Period**”).

The Company will conduct and the Vendor will provide assistance to the Company to conduct due diligence exercise on the Target Company. The Vendor has undertaken during the Relevant Period, it will not initiate or continue negotiations or discussions with or enter into any agreement or statement of intent or memorandum of understanding with any person or entity other than the Company with respect to the sale of the issued share capital of or business of the Target Company.

The Company has paid a sum of HK\$2.5 million as refundable earnest money (the “**Earnest Money**”) to the Vendor upon execution of the MOU. If the parties could enter into the Formal Agreement, the Earnest Money will be transferred to the Vendor as deposit and part payment of the purchase price thereof, or otherwise the Earnest Money will be refunded to the Company in full without interest within 3 business days upon expiry of the Relevant Period.

Save for the matters disclosed above, the entering into the MOU does not constitute the parties’ legally binding commitments as to the Proposed Acquisition.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the provision of lottery-based mobile online game recharge services, internet e-gaming, rendering of travel agent services, entertainment, programme production, events organisation, and operation of an artist training school.

In order to seek for more business opportunities and to maximize return to the Company and its shareholders in the long run, the Company has decided to enter into the MOU with the Vendor to explore the possibility of diversification of the business of the Group.

GENERAL

Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialize. The Proposed Acquisition, if materializes, may constitute a notifiable transaction for the Company under the GEM Listing Rules and the Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules where appropriate. **Shareholders and potential investors of the Company should 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, 10 January 2011

As of the date hereof, the executive Directors are Mr. Wong Wai Sing, Mr. Cheung Man Yau, Timothy, Mr. Chan Kin Yip, Mr. Cheng Wing Hong and Mr. Lai Chun Hung; while the independent non-executive Directors 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 or deceptive; and (2) 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 7 days from the date of its posting and on the website of the Company at <http://www.lottotainment.com.hk>.