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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)

FURTHER UPDATE ON THE REFUNDABLE DEPOSIT OF HK\$41 MILLION

Reference is made to the announcement of TLT Lottotainment Group Limited (the “Company”) dated 26 June 2012 (the “Announcement”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to announce that the Company has been engaging in negotiation with Mr. Gao to resolve on the full refund of the Outstanding Deposit.

On 3 July 2012, the Company and Mr. Gao has agreed to proceed with further negotiation to resolve on the full refund of the Outstanding Deposit on the following principles:

1. Mr. Gao shall make full refund of the Outstanding Deposit to the Company;
2. the Company and Mr. Gao shall work out a reasonable payment schedule for the refund of the Outstanding Deposit; and
3. Mr. Gao shall provide sufficient equity interests in his companies to the Company as collateral to secure full refund of the Outstanding Deposit, provided Mr. Gao’s equity interests in his companies are to be assessed by an independent valuer to the satisfaction of the Company.

The further negotiation between the Company and Mr. Gao will be conducted on a without prejudice and subject to contract basis. Based on the abovementioned principles, the Company has agreed to refrain from taking legal action against Mr. Gao for a period of 21 days until 24 July 2012 to allow further time for the parties to finalize details on the arrangements for the full refund of the Outstanding Deposit and the provision of collateral to secure full refund of the Outstanding Deposit between Mr. Gao and the Company.

Shareholders of the Company and investors in general shall note that the further negotiation between the Company may or may not materialize into a final settlement between the Company and Mr. Gao on the full refund of the Outstanding Deposit and in the event the said further negotiation does not materialize into a final settlement between the Company and Mr. Gao, the Company may have to take legal action against Mr. Gao to recover the Outstanding Deposit.

The Company will make further announcement on the progress of the further negotiation with Mr. Gao on the refund of the Outstanding Deposit in due course.

By the order of the Board
TLT LOTTOTAINMENT GROUP LIMITED
Yip Man Yi
Chairman and Executive Director

Hong Kong, 4 July 2012

As at the date of this announcement, the executive Directors of the Company are Ms. Yip Man Yi, Mr. Chan Yun Fai and Mr. Au Yeung Yiu Chung; and the independent non-executive Directors of the Company are Mr. Fung Wai Shing, Mr. Li Kwok Chu and Mr. Chiu Koon Shou.

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 of 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 aspects 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 for at least 7 days from its date of its posting and on the Company’s website at <http://www.lottotainment.com.hk>.