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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF RCG SHARES

The Board announces that on 20 June 2012, a subsidiary of the Company completed the Acquisition of 1,000,000 RCG Shares which is classified as investment at fair value through profit and loss, at a price of HK\$1.00 per RCG Share on open market, representing approximately 0.20% of RCG's issued share capital. The value of the consideration is HK\$1,000,000 (exclusive of transaction costs).

As the relevant percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but are not more than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION

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As the Acquisition was made on the open market through the trading system of the Stock Exchange, the Group is unable to know the identity of market vendor(s) and whether such vendor(s) is (are) connected person(s) of the Company. In the event that the Company becomes aware that any vendor of the Acquisition is a connected person of the Company, the Company shall strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INFORMATION ON RCG GROUP

RCG Group is principally engaged in the provision of biometric and RFID (Radio Frequency Identification) products and solution services as well as investment holding.

According to the latest audited consolidated financial statements of RCG Group for the year ended 31 December 2011, the value of the net assets of RCG Group as at 31 December 2011 was approximately HK\$2,902,644,000.

The following table sets out the audited consolidated net losses (before and after taxation) of RCG Group for the two years ended 31 December 2011 and 31 December 2010:

	Year ended 31 December	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Loss before taxation	(1,549,683)	(2,711)
Loss after taxation	(1,550,774)	(6,974)

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of travel agent services, artist management services, advertising and marketing services, operation of stage drama and securities investment.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As announced by the Company on 24 July 2012, a wholly-owned subsidiary of the Company has adopted a treasury policy to engage in securities investment as a principal business activity. The Group intends to invest mainly in equity securities and debt securities of publicly listed companies in Hong Kong.

The Directors consider that since the current economy is at the recovery stage, the Acquisition would provide the Group a reasonable chance of capital appreciation.

Given the RCG Shares were purchased on open market, the Directors consider that the Acquisition was made at the then prevailing market price and the terms of the Acquisition are fair and reasonable. The Directors are in the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

As the relevant percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but are not more than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Acquisition”	the on-market acquisition of a total number of 1,000,000 RCG Shares on 20 June 2012 by the Group
“Board”	the board of Directors
“Company”	TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RCG”	RCG Holdings Limited (Stock Code: 802), a company incorporated in Bermuda with limited liability, the shares of which are listed on main board of the Stock Exchange
“RCG Group”	RCG and its subsidiaries
“RCG Share(s)”	ordinary share(s) of RCG with a par value of HK\$0.01 each in the issued share capital of RCG
“Shareholders”	holders of the ordinary shares with a par value of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 14 August 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. Lau Shu Yan, 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>.