

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8022)

EXERCISE OF PUT OPTION

Reference is made to the clarification announcement of TLT Lottotainment Group Limited (the “Company”) dated 26 June 2012 and the announcement of the Company dated 12 December 2012 relating to the update on the negotiations relating to exercise of put options and the Third Quarterly Report of the Company dated 12 November 2012.

Reference is also made to the announcement of the Company dated 16 February 2011 (the “Announcement”) and the circular of the Company dated 25 March 2011 (the “Circular”) relating to the discloseable transaction involving issue of consideration shares under a specific mandate for the acquisition of the entire issued share capital of Dragon Gain Worldwide Limited. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

The Board wishes to announce that, on 28 December 2012, the Company and the Vendors have agreed on the early exercise by the Company of the Put Option to put back the Sale Shares to the Vendors at the Put Option Price of HK\$49,200,000 as the Vendors had acknowledged that it was their assessment that Consolidated Net Profit would not be able to meet with the Profit Guarantee. According to the Put Option Deed, the Company may only exercise the Put Option at any time when an audited accounts for the two years during the Profit Guarantee Period are delivered to the Company until 30 days thereafter, which would be sometime within the third quarter of 2013. In view of the under performance of Dragon Gain Worldwide Limited, both the Company and the Vendors considered that it would be to the mutual benefit of all parties for the Put Option Shares to be put back by the Company to the Vendors early instead of waiting until the third quarter of 2013.

Under the agreement for the early exercise by the Company of the Put Option, the Company will put back the Sale Shares to the Vendors or their nominee on 28 December, 2102 at the Put Option Price of HK\$49,200,000 which will be settled by the Vendors to the Company in the following manner:

1. a sum of HK\$7,000,000 shall be paid upon the Put Option Shares being put back by the Company to the Vendors or their nominee;
2. a further sum of HK\$10,000,000 shall be paid on or before 28 February 2013;
3. a further sum of HK\$10,000,000 shall be paid on or before 30 April 2013;
4. a further sum of HK\$10,000,000 shall be paid on or before 30 June 2013; and
5. a final sum of HK\$12,200,000 shall be paid on or before 31 August 2013.

The Vendors has effected payment of HK\$7,000,000 to the Company on 28 December 2012 and the Sale Shares have been put back by the Company to the Vendor's nominee on 28 December 2012.

The Company will make further announcement to update on the progress of the settlement of the Put Option Price by the Vendors to the Company in due course.

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

Hong Kong, 28 December 2012

As of 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. Chiu Koon Shou and Mr. Li Kwok Chu.

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 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>.