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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)**

### **ANNOUNCEMENT UPDATE OF LITIGATION**

Reference is made to the announcements of the Company 20 June 2013 and 24 June 2013 relating to a writ of summons (the “**Writ**”) has been filed with the High Court of Hong Kong Special Administrative Region whereas the Company is named as one of the defendants in the Writ for claiming a guaranteed reward for the sum of HK\$2,400,000.

Reference is also made to the announcement of the Company dated 28 December 2012 relating the early exercise by the Company of the put option to put back the entire issued share capital of Dragon Gain Worldwide Limited (“**Dragon Gain**”) to their original vendors (the “**Vendors**”) at the put option price of HK\$49,200,000. Dragon Gain is the holder of 51% of the entire issued share capital of Creative Works.

The Board wishes to announce that following the putting back of the entire issued share capital of Dragon Gain to the Vendors, Tang Tsz Hoo Anthony of the Vendors (“**Tang**”) has undertaken to the Company that he will assume the obligations and liabilities of the Company towards the Plaintiff under the Guarantee and to indemnify the Company over the obligations and liabilities of the Company towards the Plaintiff (the “**Undertaking**”).

The Board wishes to announce that after extensive negotiation with the Plaintiff and Tang (the “**Parties**”). On 11 July 2013, the Parties entered into the Settlement Deed pursuant to which, among others, (i) the Company agrees to pay HK\$2,400,000 of all the Plaintiff’s claims (the “**Settlement Sum**”) against the Company under the Action and the Guarantee; (ii) The Plaintiff agrees that upon receipt of the first payment of Settlement Sum within 7 days, it shall withdraw and discontinue its claim against the Company under the Action and the Plaintiff and the Company shall instruct their respective solicitors to endorse and file a consent summons or consent order with the Court of First Instance of the High Court pursuant to the Rules of High Court to apply the Court for the Plaintiff to wholly discontinue its claims

against the Company under the Action with no order as to cost; and (iii) Tang agrees to pay HK\$2,400,000 to the Company (the “**Indemnity Sum**”) in satisfaction of its obligations under the Undertaking Letter signed on 28 December 2013.

Pursuant to the Settlement Deed, the payment of the Settlement Sum and the payment of the Indemnity Sum are in the following manners:

In relating to the Settlement Sum, the Company shall pay to the Plaintiff by way of post-dated cheques:

- (a) HK\$400,000 within 3 days from the date of the Settlement Deed;
- (b) HK\$400,000 within 2 months from the date of the Settlement Deed;
- (c) HK\$400,000 within 4 months from the date of the Settlement Deed;
- (d) HK\$400,000 within 6 months from the date of the Settlement Deed;
- (e) HK\$400,000 within 8 months from the date of the Settlement Deed; and
- (f) HK\$400,000 within 10 months from the date of the date of the Settlement Deed.

In relating to the Indemnity Sum, Tang shall pay to the Company:

- (a) HK\$400,000 upon execution of the Settlement Deed;
- (b) HK\$400,000 within 1 months and 27 days from the date of the Settlement Deed;
- (c) HK\$400,000 within 3 months and 27 days from the date of the Settlement Deed;
- (d) HK\$400,000 within 5 months and 27 days from the date of the Settlement Deed;
- (e) HK\$400,000 within 7 months and 27 days from the date of the Settlement Deed; and
- (f) HK\$400,000 within 9 months and 27 days from the date of the date of the Settlement Deed.

The payment obligations of the Settlement Sum and the Indemnity Sum are independent of each other and they are not inter-dependent on each other whatsoever.

By order of the Board  
**TLT Lottotainment Group Limited**  
**Yip Man Yi**  
*Executive Director*

Hong Kong, 11 July 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Wu Wenbei, Ms. Lin Yan Jenny, Ms. Yip Man Yi, Mr. Chan Yun Fai and Mr. Au Yeung Yiu Chung; the non-executive director is Mr. Lau Kin Hon 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>.*