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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)

THE MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

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

The Board is pleased to announce that on 18 July 2013 (after trading hours), the Company and the Prospective Vendor entered into the MOU in relation to the Proposed Acquisition.

The MOU is not legally binding with regard to the Proposed Acquisition, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

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The Board is pleased to announce that on 18 July 2013 (after trading hours), the Company and the Prospective Vendors entered into the MOU in relation to the Proposed Acquisition.

Subject to the satisfaction of due diligence result on the Target Company, the Company will consider further negotiation with the Prospective Vendors on the Proposed Acquisition. The Target Group holds an exclusive franchise right to manufacture and sell the “HIWI” brand of kids clothing within the southern area from Changjiang River of Mainland China (“Franchise Right”).

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Prospective Vendors and its ultimate beneficial owners are Independent Third Parties.

The MOU does not create legally binding obligations on the parties in relation to the Proposed Acquisition but is legally binding as to exclusivity period which is of three months commencing on the date of the MOU. The Proposed Acquisition is subject to the negotiation and entering into of the Definitive Agreement. The terms and consideration for the Proposed Acquisition will be subject to further negotiation between the Prospective Vendors and the Company.

The MOU shall remain in effect for three months from the date of the MOU (or such longer period as the parties may mutually agree in writing) unless the Company gives written notice to the Prospective Vendors of its intention to abandon further negotiations, or until superseded by the execution of the Definitive Agreement. The MOU is not legally binding with regard to the Proposed Acquisition, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

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|--------------------------------|--|
| “Board” | the board of Directors |
| “Company” | TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on GEM |
| “connected person” | has the meaning ascribed to it under the GEM Listing Rules |
| “Definitive Agreement” | the formal sale and purchase agreement to be entered into between the Company and the Prospective Vendors in relation to the Proposed Acquisition |
| “Director(s)” | director(s) of the Company |
| “GEM” | the Growth Enterprise Market operated by the Stock Exchange |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on GEM |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules) |
| “MOU” | the memorandum of understanding dated 18 July 2013 entered into between the Company and the Prospective Vendor in relation to Proposed Acquisition |

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|-------------------------|---|
| “Proposed Acquisition” | the proposed acquisition of 100% of the entire issued share capital in the Target Company by the Company from the Prospective Vendors as contemplated under the MOU |
| “PRC” | the People’s Republic of China |
| “Share(s)” | the ordinary share(s) of HK\$0.5 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Grace Profit Corporation Limited, a company incorporated in Hong Kong with limited liability |
| “Prospective Vendor(s)” | China Well Investments Reward Inc. and United Path Inc., which both companies are incorporated in Vanuatu with limited liability |
| “%” | per cent |

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

Hong Kong, 18 July 2013

As of the date hereof, 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 of the Company is Mr. Lau Kin Hon and the independent non-executive directors of the Company are Mr. Li Kwok Chu, Mr. Chiu Koon Shou and Mr. Lau Shu Yan.

This announcement, for which the directors of the Company 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 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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at <http://www.lottotainment.com.hk>.