新濠環彩
MelcoLot

MelcoLot Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 21 June 2010, the Company, Rising Move, an indirect wholly-owned subsidiary of the Company, and the JV Partner entered into the JV Agreement relating to the formation of the Joint Venture which is proposed primarily to be a vehicle for the investment in and operation of the lottery business in the PRC.

The Joint Venture will be beneficially owned as to 60% by the JV Partner and 40% by Rising Move. The consideration payable by the JV Partner for the 60% shareholding in the Joint Venture is HK$1.00 plus the Services to be provided by the JV Partner to the Joint Venture. The consideration payable by Rising Move for the 40% shareholding in the Joint Venture is HK$10,000,000 which will be funded by the Group's internal resources.

As the relevant percentage ratios for the capital commitment payable by the Group in respect of the JV Agreement exceeds 5% but is less than 25%, and as there have been no previous transactions entered into between the Group and the JV Partner that require aggregation, the entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 21 June 2010, the Company, Rising Move, an indirect wholly-owned subsidiary of the Company, and the JV Partner entered into the JV Agreement relating to the formation of the Joint Venture, which is proposed primarily to be a vehicle for the investment in and operation of the lottery business in the PRC.

THE JV AGREEMENT

Date: 21 June 2010

Parties: (i) Rising Move;

(ii) the JV Partner; and

(iii) the Company

The JV Partner is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its ultimate beneficial owners are Independent Third Parties.

THE JOINT VENTURE

The Joint Venture will be a limited company to be incorporated under the laws of Hong Kong.

Share capital and shareholdings of the Joint Venture

The Joint Venture will be beneficially owned as to 60% by the JV Partner and 40% by Rising Move. The authorised share capital of the Joint Venture will be HK$10,000,000 divided into 10,000,000 JV Shares of HK$1.00 each of which (i) 6,000,000 JV Shares will be subscribed by the JV Partner for a consideration of HK$1.00 in cash plus its provision of the Services; and (ii) 4,000,000 JV Shares will be subscribed by Rising Move for HK$10,000,000 in cash which will be funded the Group's internal resources. The Joint Venture will be treated as an associate in the financial statements of the Company. The subscription money payable by the Group will be used as the initial working capital of the Joint Venture.

The subscription money payable by the JV Partner and Rising Move is determined after arm's length negotiations between the JV Partner and Rising Move by reference to the initial working capital requirement of the Joint Venture and parties' further contribution, including the Services to be rendered by the JV Partner, to the business development of the Joint Venture.

Organisation Structure of the Joint Venture

The Joint Venture will hold the JV Shareholders' meetings and form its board of directors and operating management units and the formation, terms of reference and procedures of organisation structure are subject to the articles of association of the Joint Venture and the JV Agreement.

Pursuant to the JV Agreement, the JV Partner will be entitled to appoint 3 directors and Rising Move will be entitled to appoint 2 directors to the Joint Venture. The JV Partner is entitled to appoint the chief executive officer while Rising Move is entitled to appoint the chief financial officer of the Joint Venture.

Principal business of the Joint Venture

The Joint Venture is proposed primarily to be a vehicle for the investment in and operation of the lottery business in the PRC. The Joint Venture Group will be principally engaged in supplying terminals and providing technical support and consultancy services in connection with lottery business in the PRC.

Future capital commitment

In the event that the Joint Venture requires future fund for its operation, the board of directors of the Joint Venture shall try to obtain facilities from banks or financial institutes before requesting the JV Shareholders to advance any shareholder's loan. Apart from the proposed funding contributions set out above, there are no further capital commitments that are required to be contributed by the JV Shareholders at this stage. If there are any further capital commitments to be made by the JV Shareholders, further announcement will be made by the Company as and when appropriate pursuant to the requirements under the GEM Listing Rules.

Transfer of interest in the Joint Venture

Pursuant to the JV Agreement, (i) if the Joint Venture Group fails to enter into the Supply Agreement on or before 30 June 2011, the JV Partner is obliged to transfer its entire shareholding, i.e. the 60% shareholdings in the Joint Venture, to Rising Move at a cash consideration of HK$1.00; or (ii) if the Joint Venture Group enters into the Supply Agreement on or before 30 June 2011, Rising Move shall have the right to give a notice to the JV Partner for the Share Swap. Upon receipt of such notice in respect of the Share Swap from Rising Move, the JV Partner and the Company shall negotiate in good faith for the Share Swap Agreement. If the JV Partner and the Company have entered into the Share Swap Agreement, the Company will comply with the requirements under the GEM Listing Rules and make further announcement as and when appropriate.

REASONS FOR ENTERING INTO THE JV AGREEMENT

The Group is principally engaged in the lottery business. The subsidiaries of the Company are engaged in various lottery related businesses and ventures in the PRC and other Asian countries, as well as in the manufacturing of lottery terminals for the sports and welfare lottery businesses in the PRC.

The Group always proactively expands its lottery business horizon in the PRC and other Asian countries. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its ultimate shareholders have established business network relating to lottery industry in the PRC. The formation of the Joint Venture will have synergic effect for the Group to develop its lottery business in the PRC.

It is expected that lottery industry in the PRC will grow continuously. The demand for advanced lottery terminals, systems and technologies will be accelerating in order to cope the rapid growth in the industry. The entering into of the Supply Agreement will not only help the Group to capture the growing lottery market but also enable the Group to establish business relationship with key lottery industry players in the PRC. The Directors believe that the Supply Agreement will be a crucial stepping stone for the Group to deploy in the lottery business in the PRC.

As such, the Directors consider that the terms and conditions of the JV Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the capital commitment payable by the Group in respect of the JV Agreement exceeds 5% but is less than 25%, and as there have been no previous transactions entered into between the Group and the JV Partner that require aggregation, the entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"Company"	MelcoLot Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
"Directors"	the directors of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons

"Joint Venture"	a company to be incorporated in Hong Kong with limited liability, as to which 60% of the entire issued share capital will be owned by the JV Partner and 40% the entire issued share capital will be owned by Rising Move
"Joint Venture Group"	the Joint Venture and its subsidiaries to be incorporated or established
"JV Agreement"	the joint venture agreement dated 21 June 2010 entered into between the Company, Rising Move and the JV Partner in relation to the formation of the Joint Venture
"JV Partner"	Calo Investments Limited, a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
"JV Share(s)"	ordinary share(s) of HK$1.00 each in the capital of the Joint Venture
"JV Shareholders"	the holder of the JV Shares
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Rising Move"	Rising Move International Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company
"Services"	the services to be provided by the JV Partner as part of the consideration, including but not limited to (i) provision of consultancy service to the Joint Venture Group in relation to the lottery business operation and the business development network; (ii) procurement of the entering into of the Supply Agreement by the Joint Venture Group; (iii) assisting the Joint Venture Group in deployment of the lottery business in Hainan Province, the PRC; and (iv) assisting the Joint Venture Group in business development relating to lottery industry

"Share(s)"	ordinary share(s) of HK$0.01 each in the capital of the Company
"Share Swap"	the transfer of maximum 20% shareholding in the Joint Venture by the JV Partner to Rising Move or its nominee for cash consideration or in consideration of the Company issuing certain number of Shares to the JV Partner or its nominee pursuant to the Share Swap Agreement or a combination of cash and/or Shares
"Share Swap Agreement"	a conditional agreement to be entered into between the JV Partner and the Company in relation to the Share Swap
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supply Agreement"	a supply agreement or other form of agreement to be entered into by the Joint Venture Group in relation to the supply of the lottery terminal, provision of technical support, operation consultation and fund raising solution to the potential lottery operator in the PRC on an exclusive basis
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By order of the Board
MelcoLot Limited
Ko Chun Fung, Henry
Executive Director and Chief Executive Officer

Hong Kong, 21 June 2010

As at the date of this announcement, the Board consists of two executive Directors, namely, Mr. Ko Chun Fung, Henry and Mr. Moumouris, Christos; two non-executive Directors, namely, Mr. Chan Sek Keung, Ringo and Mr. Wang, John Peter Ben and three independent non-executive Directors, namely, Mr. Tsoi, David, Mr. Pang Hing Chung, Alfred and Mr. So Lie Mo, Raymond.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.melcolot.com.