

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in TLT Lottotainment Group Limited (the "Company"), you should at once hand this Prospectus to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the securities of the Company may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents registered with the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

**PROPOSED OPEN OFFER
OF 131,294,226 OFFER SHARES
AT HK\$0.50 PER OFFER SHARE ON THE BASIS OF TWO OFFER SHARES
FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE**

Financial adviser to the Company



Underwriter of the Open Offer



Quest Stockbrokers (HK) Limited

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Tuesday, 7 May 2013. The procedures for acceptance of and payment for the Offer Shares are set out on pages 12 to 13 of this Prospectus.

Shareholders and potential investors of the Company should note the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "TERMINATION OF THE UNDERWRITING AGREEMENT" on pages 14 to 15 of this Prospectus). Accordingly, the Open Offer may or may not proceed.

It should be noted that the Shares have been dealt on an ex-entitlement basis from Wednesday, 10 April 2013. If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Open Offer will not proceed. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Open Offer is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Open Offer may not become unconditional or does not proceed. Any Shareholders or other persons contemplating dealing in the Shares are recommended to consult their own professional advisers.

This Prospectus will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of posting and on the Company's website at www.lottotainment.com.hk.

19 April 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company by the Underwriter at any time prior to the Latest Time for Termination or such other date as agreed between the Company and the Underwriter if one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise or exist:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Open Offer; or
- (b) there shall be:
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
 - (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 10 trading days (as defined in the GEM Listing Rules) other than relating to the Open Offer;
 - (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere

which is or are, in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Open Offer or the level of Offer Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer,

TERMINATION OF THE UNDERWRITING AGREEMENT

then the Underwriter may, by notice in writing given to the Company on or before 4:00 p.m. on the 2nd Business Day after the Final Acceptance Date, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches hereof) and the Open Offer shall not proceed.

Upon the giving of such notice, all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission.

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EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

Latest time and date for lodging transfers of the Shares in order to qualify for the Open Offer	4:30 p.m. Thursday, 11 April 2013
Closure of register of members (both dates inclusive)	Friday, 12 April 2013 to Thursday, 18 April 2013
Record Date for the Open Offer	Thursday, 18 April 2013
Register of members re-opens	Friday, 19 April 2013
Despatch of the Prospectus Documents	Friday, 19 April 2013
Latest time and date for acceptance and payment for the Offer Shares	4:00 p.m. Tuesday, 7 May 2013
Latest time and date for termination of the Underwriting Agreement	4:00 p.m., Thursday, 9 May 2013
Announcement of results of the Open Offer	Tuesday, 14 May 2013
Despatch of refund cheques if the Open Offer is terminated	Wednesday, 15 May 2013
Share certificates of the Offer Shares to be posted	Wednesday, 15 May 2013
Expected first day of dealings in the Offer Shares	Thursday, 16 May 2013

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“2011 Share Consolidation”	the consolidation of every five Pre-consolidated 2011 Shares of HK\$0.01 each in the issued and unissued share capital of the Company into one share of HK\$0.05 each in the issued and unissued share capital of the Company, which became effective on 19 October 2011
“2012 Share Consolidation”	the consolidation of every ten Pre-consolidated 2012 Shares of HK\$0.05 each in the issued and unissued share capital of the Company into one Share of HK\$0.50 each in the issued and unissued share capital of the Company, which became effective on 19 September 2012
“Acquisition”	the proposed acquisition of the entire issued share capital of Mass Apex Limited by the Company pursuant to a sale and purchase agreement dated 26 November 2012, details of which are set out in the announcement of the Company dated 4 December 2012
“Application Form”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular in relation to the Open Offer dated 19 March 2013

DEFINITIONS

“CN Amendments”	the change of the terms of the Convertible Note pursuant to the agreement entered into between the Company and the CN Holder dated 8 January 2013 and the further supplemental deed entered into between the Company and the CN Holder dated 1 March 2013, details of which are disclosed in the announcements of the Company dated 8 January 2013, 1 March 2013 and 28 March 2013 and the circular of the Company dated 13 March 2013, which was approved by the Shareholders in the extraordinary general meeting of the Company held on 28 March 2013
“CN Holder”	Mr. Fung Yue Tak, Derek, the holder of the Convertible Note
“Companies Ordinance”	The Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	TLT Lottainment Group Limited (Stock Code: 8022), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Convertible Note(s)”	the zero coupon convertible note(s) due 2013 all issued by the Company on 28 March 2011 in an aggregate principal amount of HK\$60 million held as to HK\$28,080,000 by the CN Holder as at the Latest Practicable Date
“Director(s)”	director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company convened at 11:00 a.m. on 8 April 2013 for approving the Open Offer
“Excluded Shareholders”	those Overseas Shareholder(s) to whom the Company (having obtained relevant and necessary legal opinions) considers it necessary or expedient not to offer the Offer Shares on account of the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Final Acceptance Date”	7 May 2013 or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, the Offer Shares

DEFINITIONS

“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities of GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders and their respective associates or, where there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non- executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the GEM Listing Rules)
“Last Trading Day”	5 February 2013, being the date of the Underwriting Agreement
“Latest Practicable Date”	16 April 2013, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Final Acceptance Date or such other date as the Underwriter may agree in writing with the Company
“Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“Loan Facility”	the loan facility entered into between the Company and Gain All Investments Limited on 30 May 2012
“Offer Price”	HK\$0.50 per Offer Share
“Offer Share(s)”	new Shares to be allotted and issued under the Open Offer
“Open Offer”	the proposed issue of the Offer Shares at the Offer Price on the basis of two (2) Offer Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PRC”	the People’s Republic of China
“Pre-consolidated 2011 Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the 2011 Share Consolidation became effective on 19 October 2011
“Pre-consolidated 2012 Share(s)”	ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company before the 2012 Share Consolidation became effective on 19 September 2012
“Prospectus”	this prospectus to be despatched to the Shareholders containing details of the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	19 April 2013 or such other date as the Underwriter may agree in writing with the Company, as the expected date of despatch of the Prospectus Documents to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders other than the Excluded Shareholders
“Record Date”	18 April 2013, or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	the share registrar of the Company in Hong Kong, being Hong Kong Registrars Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Share Option(s)”	the option(s) granted by the Company to subscribe for Shares under the share option scheme adopted by the Company on 30 July 2001, amended on 2 December 2008 and terminated on 9 May 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Underwriter”	Quest Stockbrokers (HK) Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 5 February 2013 in relation to the Open Offer entered into between the Company and the Underwriter
“Underwritten Shares”	all the Offer Shares other than those Offer Shares to be taken up by the Qualifying Shareholders
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

Executive Directors:

Mr. Zhao Tuanjie (*Chairman*)

Ms. Yip Man Yi

Mr. Chan Yun Fai

Mr. Au Yeung Yiu Chung

Non-executive Director:

Mr. Lau Kin Hon

Independent non-executive Directors:

Mr. Lau Shu Yan

Mr. Li Kwok Chu

Mr. Chiu Koon Shou

Registered office:

Room A, 9th Floor

Fortis Tower

77-79 Gloucester Road

Wanchai

Hong Kong

*Head office and principal place of
business in Hong Kong:*

Room A, 9th Floor

Fortis Tower

77-79 Gloucester Road

Wanchai

Hong Kong

19 April 2013

To the Shareholders

Dear Sir/Madam,

**PROPOSED OPEN OFFER
OF 131,294,226 OFFER SHARES
AT HK\$0.50 PER OFFER SHARE ON THE BASIS OF TWO OFFER SHARES
FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the announcements of the Company dated 7 February 2013 and 5 March 2013 and the Circular of the Company issued on 19 March 2013 in relation to the Open Offer.

LETTER FROM THE BOARD

Proposed Open Offer

The Board is pleased to announce that on 5 February 2013 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Open Offer. The Open Offer will be fully underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

The Company proposes to raise approximately HK\$65.6 million before expenses by issuing 131,294,226 Offer Share at the Offer Price of HK\$0.50 per Offer Share on the basis of two Offer Shares for every one existing Share held on the Record Date and payable in full on acceptance. Qualifying Shareholders are not entitled to apply for excess Offer Share not taken up in excess of their respective entitlements under the Open Offer. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with further details regarding the Open Offer, including (i) the procedures for application and payment for the Open Offer; (ii) certain financial information of the Group; and (iii) general information of the Group.

Issue statistics

Basis of the Open Offer	:	Two (2) Offer Shares for every one (1) existing Share held on the Record Date
Offer Price	:	HK\$0.50 per Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	65,647,113 Shares
Number of Offer Shares	:	131,294,226 Offer Shares
Number of Shares in issue upon completion of the Open Offer	:	196,941,339 Shares

As at the Latest Practicable Date, (i) the outstanding principal amount of the Convertible Note is HK\$28,080,000 which entitling the CN Holder to subscribe for 56,160,000 Shares; and (ii) there are 170,736 outstanding Share Options. For further details of the CN Amendments which was approved by the Shareholders on 28 March 2013, please refer to the announcements of the Company dated 8 January 2013, 1 March 2013 and 28 March 2013 and the circular of the Company dated 13 March 2013.

LETTER FROM THE BOARD

The CN Holder has given an irrevocable undertaking to the Company that the CN Holder shall not exercise the conversion rights under the Convertible Note to convert the Convertible Note into new Shares or transfer the Convertible Note to any third party from the date of the Underwriting Agreement up to and including the Record Date.

The number of Offer Shares to be issued pursuant to the terms of the Open Offer represents 200% of the existing issued share capital of the Company and approximately 66.67% of the enlarged issued share capital of the Company immediately upon completion of the Open Offer.

As at the Latest Practicable Date, save for the Convertible Note and the Share Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

The Offer Price

The Offer Price for the Offer Shares is HK\$0.50 per Offer Share payable in cash and in full upon application by a Qualifying Shareholder. The Offer Price of HK\$0.50 per Offer Share represents:

- (a) a premium of approximately 11.11% over the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 49.25% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 47.93% over the average closing price of approximately HK\$0.338 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 44.93% over the average closing price of approximately HK\$0.345 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 36.61% over the average closing price of approximately HK\$0.366 per Share as quoted on the Stock Exchange for the six months up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (f) a discount of approximately 47.42% to the average closing price of approximately HK\$0.951 per Share as quoted on the Stock Exchange (taking into account the 2012 Share Consolidation adjustment) for the twelve months up to and including the Last Trading Day; and
- (g) a premium of approximately 12.36% over the theoretical ex-entitlement price of approximately HK\$0.445 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

The Offer Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price and trading liquidities of the Shares under the prevailing market conditions and the par value of the Shares. To assess the fairness and reasonableness of the Offer Price, the Board has considered the par value of the Shares and the closing price of the Shares for the 12-month period prior to the date of the Underwriting Agreement (the "Review Period"). During the Review Period, the highest closing price of the Shares was HK\$3.2 on 7 February 2012 as quoted on the Stock Exchange and the 12-month average closing price of the Shares was HK\$0.951. The Offer Price represents a 84.38% discount to the highest closing price of the Shares and a 47.42% discount to the 12-month average closing price of the Shares. The Directors are of the view that reviewing a longer period of the market price of the Shares would be more appropriate for determining the Offer Price given the thin trading liquidity of the Shares. Having considered the above and the funding needs of the Group, the Board considers that the Offer Price is fair and reasonable and that it is in the best interests of the Company and the Independent Shareholders as a whole. The net price per Offer Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) will be approximately HK\$0.48.

Status of the Offer Shares

The Offer Shares when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment of the Offer Shares, including the right to receive all future dividends and distributions of which are on or after the date of allotment and issue of the Offer Shares.

LETTER FROM THE BOARD

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date. In order to be registered as member of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on 11 April 2013.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company on the Latest Practicable Date, there were no Overseas Shareholder.

No excess application for the Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures including the preparation, printing, posting of excess application form for the Offer Shares and handling of any excess application for the Offer Shares. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

The Board considers that the absence of the excess application arrangement can save additional efforts and costs which is in the interest of the Company. The Offer Shares are offered to all Qualifying Shareholders on an equal basis, hence, it is fair to all Qualifying Shareholders including the Independent Shareholders. Therefore, the Board considers it is fair and reasonable for the Company not to have excess application arrangement in order to lower the administrative costs in view of the loss making track record and present financial position of the Company and the absence of the excess application arrangement under the Open Offer is acceptable.

LETTER FROM THE BOARD

Fractions of Offer Shares

Entitlement to the Offer Shares will be rounded down to the nearest whole number. Fractional entitlements of the Offer Shares will not be allotted and will be aggregated and taken up by the Underwriter in accordance to the terms and conditions of the Underwriting Agreement.

Certificates of the fully-paid Offer Shares

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" below, share certificates for the fully paid Offer Shares are expected to be posted on or before Wednesday, 15 May 2013 to those Qualifying Shareholders who have accepted and paid for the Offer Shares by ordinary post at his/her/its own risk.

Application for listings

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in the Offer Shares. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Offer Shares may be settled through CCASS.

Procedures for acceptance and payments or transfer

Qualifying Shareholders will find enclosed with this Prospectus and the Application Form which entitle the Qualifying Shareholders to subscribe, subject to payment, for the number (or any lesser number) of Offer Shares shown therein. If a Qualifying Shareholder wishes to exercise his/her/its rights to subscribe for the Offer Shares specified in the Application Form (or a number of Offer Shares less than that specified in the Application Form), the Qualifying Shareholder must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Tuesday, 7 May 2013. All remittances must be made by cheques or cashier's orders in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by a licensed bank in Hong Kong and made payable to "TLT Lottotainment Group Limited — Open Offer Account" and crossed "Account Payee Only".

LETTER FROM THE BOARD

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Tuesday, 7 May 2013, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment.

All cheques and cashier's orders accompanying completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a cashier's order, will constitute a warranty by the applicant that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Application Form in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any acceptance monies received. If the conditions of the Underwriting Agreement are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be returned to the Qualifying Shareholders or, in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk as soon as practicable thereafter.

Taxation

The Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, holding, disposing of or dealing in the Offer Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Open Offer accepts responsibility of any tax effects or liabilities of holders of the Offer Shares resulting from the application for, holding, disposal of, or dealing in the Offer Shares.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENTS FOR THE OPEN OFFER

The Underwriting Agreement

Date	:	5 February 2013
Underwriter	:	Quest Stockbrokers (HK) Limited
Underwriting commitment of the Underwriter	:	All the Offer Shares, being not less than 131,294,226 Offer Shares and not more than 131,635,698 Offer Shares
Commission	:	3% of the aggregate Offer Price of the Underwritten Shares actually taken up by the Underwriter

The commission rate was determined between the Company and the Underwriter by reference to the market rate. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the Latest Practicable Date, the Underwriter is not interested in any Shares. Pursuant to the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter.

Termination of the Underwriting Agreement

If at any time on or before 4:00 p.m. on the 2nd Business Day following the Final Acceptance Date:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Open Offer; or
- (b) there shall be:
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;

LETTER FROM THE BOARD

- (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 10 trading days (as defined in the GEM Listing Rules) other than relating to the Open Offer;
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere

which is or are, in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Open Offer or the level of Offer Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer,

then the Underwriter may, by notice in writing given to the Company on or before 4:00 p.m. on the 2nd Business Day after the Final Acceptance Date, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches hereof) and the Open Offer shall not proceed.

Upon the giving of such notice, all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission.

LETTER FROM THE BOARD

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the GEM Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on the earliest of (i) the Prospectus Posting Date; (ii) the date required for posting of the Prospectus to comply with the Companies Ordinance; (iii) the date required for posting of the Prospectus to comply with the GEM Listing Rules; or (iv) on or before the 2nd Business Day after the Record Date;
- (c) the passing by the Shareholders at the EGM of an ordinary resolutions to approve the Open Offer and the increase in authorised share capital from HK\$100,000,000 to HK\$1,000,000,000 by the creation of 1,800,000,000 new Shares of HK\$0.50 each;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Offer Shares; and
- (e) the Underwriting Agreement not being terminated in accordance with the section headed "Termination of the Underwriting Agreement" above

and that in the event any of the above conditions (a) to (e) not being fulfilled on or before the Final Acceptance Date (or such later date or dates as may be agreed between the Company and the Underwriter) or if the Underwriting Agreement shall be rescinded pursuant to clause which stating that the Company shall not issue any announcement or circular relating to the Open Offer from the date thereof up to and including the completion of the Open Offer without prior consultation with the Underwriter as to the contents thereof and the timing and manner of the making or despatch thereof, and the Company shall take into account requirements on the part of the Underwriter in relation thereto, all obligations and liabilities of the parties thereunder shall forthwith cease and determine and no party shall have any claim against the other (save for any antecedent breaches thereof).

The Company agrees to use its best endeavours to procure fulfilment of all the conditions mentioned above and to do all such other acts and things as may be required to carry into effect the Open Offer. The Underwriter shall give the Company all necessary assistance in this connection.

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REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

As stated in the announcement of the Company dated 4 December 2012 regarding the Acquisition, the Company intends to conduct rights issue around mid-December 2012 to satisfy part of the consideration of the Acquisition, however, as the time took to find a suitable underwriter was longer than expected and due to market environment, the Company is only able to start discussion on the Open Offer until mid-January 2013.

The Directors are of the opinion that, taking into account its internal resources and the presently available credit facilities of the Group, the Group will not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this Prospectus. This is principally due to the Company's liabilities for the next twelve month to pay (i) the Convertible Note in an outstanding principal amount of HK\$28.08 million owing to the CN Holder due on 28 March 2014 if the CN Holder does not convert any of the principal into Shares on or before the maturity date; and (ii) the total drawdown amount of the Loan Facility on or before the maturity date on 29 May 2013 (as at the Latest Practicable Date, the outstanding amount of the Loan Facility is HK\$118.4 million); and (iii) HK\$7.2 million to the vendor upon completion of the Acquisition.

The Directors are aware that the Group's liquidity position would depend largely on the successful conclusion of future equity fund raising activities, and the extension of the Loan Facility. As at the Latest Practicable Date, the extension of the Loan Facility is still under negotiation and there is no conclusion or proposal or concrete terms has been made. Failure to obtain future financing may adversely affect the working capital position of the Group and the Directors consider that the Open Offer enable the Company to improve its liquidity position.

The Open Offer is on a fully underwritten basis. This will remove to a certain degree, the completion risk associated with a fund raising exercise such as a private placement on a best-efforts basis. In addition, the Open Offer will not incur any interest expense burden to the Group if compared to bank borrowings. Since the Company cannot issue shares at a discount to par value under the Companies Ordinance, the Offer Price is at a premium over the closing price of the Shares on the Last Trading Day. The Company considers that there may not be trading of the nil-paid rights attached in rights issue in view of the premium of the Offer Price over the recent closing price of the Shares, therefore, the Company conducts the fund raising exercise by way of Open Offer. Although the Offer Price is above the market price of the Shares on the Last Trading Day, the Company considers that the Offer Price should not be the only factor to be considered in assessing the fairness and reasonableness of the Open Offer. Having considered that the Open Offer enable the Company to strengthen its financial position and discharge part of its indebtedness which will lessen its financial burden and in turn beneficial to the future development of the Group, all the Qualifying Shareholders are given equal opportunities to decide whether to participate in the Open Offer, the Board considers that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Group should they wish to do so.

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The Board has considered several alternatives for raising funds, such as bank borrowings, debt financings, pro-rata equity fund raising exercise and placing of new Shares under the general mandate. Bank borrowings and debt financing would, however, be difficult provided that the unfavorable financial performance of the Group in the past few years, and the possibility in inducing significantly high interest expenses to the Group. The Board has also considered raising funds by way of placing of new Shares. However, under the existing general mandate of the Company which was refreshed and approved by the Shareholders in the extraordinary general meeting held on 4 January 2013, only 13,129,422 new Shares, representing 20% of the issued share capital of the Company as at the date of the extraordinary general meeting for approving the general mandate, can be issued in which the amount to be raised could only meet the Company's working capital requirement and is insufficient for the repayment of principal and interests amount under the Loan Facility. As at the Latest Practicable Date, the Company does not have any plan to utilize the existing general mandate.

In light of the above, the Company considers pro-rata equity fund raising such as rights issue/open offer which would incur underwriting commission and generally higher documentation preparation costs and professional fees.

The estimated gross proceeds from the Open Offer will be approximately HK\$65.6 million. The estimated net proceeds (after deduction of expenses which include the underwriting commission and legal and professional fees related to the Open Offer) from the Open Offer of approximately HK\$62.6 million will be applied as follows:

- (a) approximately HK\$60 million will be used for the repayment of part of the principal amount of the Loan Facility upon receipt of the proceeds from the Open Offer; and
- (b) the remaining balances will be used for general working capital, including (i) approximately HK\$1 million for administrative expenses and (ii) approximately HK\$1.6 million for accounts payable of the Company.

As at the Latest Practicable Date, there is no concrete repayment schedule for the remaining principal amount of the Loan Facility since the extension of the Loan Facility is still under negotiation and there is no conclusion or proposal or concrete terms has been made.

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CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and the possible changes upon completion of the Open offer:

Assuming no other issue of Shares on or before the Record Date:

	Immediately after completion of the Open Offer					
	As at the Latest Practicable Date		Assuming all Shareholders take up all the Offer Shares at HK\$0.50 each		Assuming nil acceptance by the Shareholders and the Underwriter and/or sub-underwriters take up all of the Offer Shares at HK\$0.50 each	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public Shareholders	64,993,113	99.00	194,979,339	99.00	64,993,113	33.00
CN Holder	654,000	1.00	1,962,000	1.00	654,000	0.33
The Underwriter and/or sub-underwriters and subscribers procured by them	0	0.00	0	0.00	131,294,226	66.67
	65,647,113	100.00	196,941,339	100.00	196,941,339	100.00

Note:

The Underwriter has undertaken with the Company (i) that it shall, whether by itself or together with the parties acting in concert with it (if any), be under no circumstances hold 30% or more of the issued share capital of the Company immediately after completion of the Open Offer; and (ii) that it shall, in fulfillment of its obligations pursuant to the Underwriting Agreement to subscribe for (or procure subscribers for) any Underwritten Shares, procure that the subscribers procured by it and/or its sub-underwriter(s) and/or the subscribers procured by such sub-underwriter(s), are not parties acting in concert with it, so that it, together with parties acting in concert with it (if any) will not become the controlling Shareholder immediately after completion of the Open Offer.

In addition, the Underwriter undertakes to the Company that in fulfillment of its obligations pursuant to the Underwriting Agreement to procure subscribers for any Underwritten Shares, it shall ensure that the subscribers procured by it and/or its sub-underwriter(s) and/or the subscribers procured by such sub-underwriter(s) are independent of and not connected with the Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates such that the Company will be able to comply with the minimum public float requirement set out in Rule 11.23 of the GEM Listing Rules.

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The Company received confirmation letters from the Underwriter that save for two potential subscribers (the "Subscribers"), both are Independent Third Parties, who may hold more than 10% issued share capital of the Company, none of the Underwriter, sub-underwriters and/or any subscribers procured by it/sub-underwriters will become a substantial Shareholder upon completion of the Open Offer. The Subscribers and their respective associates are independent and not connected with each other and have no personal or business relationship with each other in the past 24 months from the Latest Practicable Date. The Subscribers will not individually or in aggregate hold 30% or more of the issued share capital of the Company. The Subscribers may become substantial Shareholders when there is under-subscription of the Offer Shares by the existing Shareholders. As at the Latest Practicable Date, no agreement or arrangement has been made between each of the Subscribers and the Underwriter and/or sub-underwriters. Each of the Subscribers confirms that he and his associates do not have any relationship, either personal or business, directly or indirectly, with (i) the Group and its connected persons; (ii) the CN Holder and his associates; (iii) the vendor of the Acquisition and his associates; and (iv) any vendors of and/or any parties involved and their respective associates in the corporate transactions conducted by the Group in the past 24 months from the Latest Practicable Date.

The Company will make further announcement if the Subscribers become substantial Shareholders upon completion of the Open Offer.

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FUND-RAISING EXERCISE OF THE COMPANY IN THE PAST TWENTY FOUR MONTHS

Set out below is the fund raising exercises conducted by the Company since 1 February 2011.

	1	2	3	4	5	6	7
Date of announcement and/or circular	6 April 2011	29 April 2011	4 August 2011	8 August 2011, 23 August 2011 and 3 October 2011	23 May 2012	8 June 2012, 20 June 2012, 4 July 2012, 6 July 2012, 18 July 2012, 24 July 2012 and 3 August 2012	4 October 2012
Fund raising activity	Top-up placing of 100,000,000 Pre-consolidated 2011 Shares	Top-up placing of 65,000,000 Pre-consolidated 2011 Shares	Top-up placing of 86,000,000 Pre-consolidated 2011 Shares	Issue of HK\$50 million convertible bonds	Placing of 65,647,113 Pre-consolidated 2012 Shares	Rights issue of 196,941,341 Pre-consolidated 2012 Shares	Placing of 6,564,711 Shares
Individual dilution effect (calculated by dividing the increase in Shares/Pre-consolidated 2011 Shares/Shares (as the case maybe) with the aggregate number of Pre-consolidated 2011 Shares/Pre-consolidated 2012 Shares /Shares (as the case maybe) immediately after the event)	8.61%	4.71%	5.24%	45.84% based on the maximum number of 277,777,777 Pre-consolidated 2012 Shares converted at the minimum conversion price of HK\$0.18 per conversion share and the enlarged issued share capital of the Company as 606,013,346 Pre-consolidated 2012 Shares	16.67%	33.33%	10.00%
Accumulated dilution effect with reference to the number of Pre-consolidated 2011 Shares in issue of the Company as at 1 February 2011 (i.e. 954,424,242 Pre-consolidated 2011 Shares)	9.48%	14.74%	20.82%	63.21%	67.34%	75.57%	77.47%

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1	2	3	4	5	6	7
<p>Net proceeds (approximately)</p>	<p>Approximately HK\$28,700,000</p>	<p>Approximately HK\$15,350,000</p>	<p>Approximately HK\$8,250,000</p>	<p>Approximately HK\$49,600,000</p>	<p>Approximately HK\$7,320,000</p>	<p>Approximately HK\$8,700,000</p>
<p>Intended Uses</p>	<p>For financing possible future investments which may include the acquisition of up to 30% of issued share capital of Galaxy Mount International Limited should such transaction is consummated, repayment of promissory notes, repayment of other borrowings and/or for general working capital purposes of the Group</p>	<p>For financing possible future investments which may include the acquisition of up to 25% of issued share capital of Galaxy Mount International Limited, repayment of promissory notes, repayment of other borrowings and/or for general working capital purposes of the Group</p>	<p>For financing future investment, repayment of promissory notes, repayment of other borrowings and/or for general working capital purpose of the Group</p>	<p>For financing (i) the subscription for a new joint venture company as announced on 25 August 2011 at a consideration of approximately HK\$1.5 million, details of which have been set out in the announcement made by the Company on 25 August 2011; (ii) acquisition and investment within the scope of major business of the Group when suitable opportunity arises; and (iii) the general working capital of the Group, including but not limited to the operation and/or expansion of the Group's existing operating business.</p>	<p>The payment of the interest and/or the principal due under the Loan Facility</p>	<p>For financing the general working capital needs of the Group</p>

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1	<p>Funds of around HK\$15 million and HK\$5 million out of the net proceeds were respectively used for early repayment of promissory notes and as refundable consultancy service deposit. Funds of HK\$5.5 million were used for payment as part of consideration for acquisition of 25% issued share capital of Galaxy Mount International Limited and repayment of other borrowings. The remaining balance of approximately HK\$350,000 was used as general working capital of the Group.</p> <p>Funds of around HK\$338,000 were used for payment of legal fees. Funds of around HK\$1.4 million were used as financial advisory service fee and consultancy fee. Funds of around HK\$1.0 million were used for payment of accrued salary for Mr. Wong Wai Sing upon his resignation. Funds of around HK\$258,000 were used for payment of salaries in April.</p> <p>The remaining balance was used for payment of other professional fees.</p>	2	<p>Funds of around HK\$14.5 million and HK\$0.5 million out of the net proceeds were used respectively for payment as part of the consideration for acquisition of 25% issued share capital of Galaxy Mount International Limited and repayment of other borrowings. The remaining balance of approximately HK\$350,000 was used as general working capital of the Group.</p>	3	<p>Funds of around HK\$2.8 million and HK\$1.9 million were used respectively for operation of stage drama and for system development.</p> <p>Funds of HK\$1.5 million and HK\$2.05 million were used respectively as capital contribution for a new joint venture company as announced on 25 August 2011 and as payment of general operating expenses including legal and professional assurance service costs, printer costs and salary.</p>	4	<p>Funds of HK\$5 million were used as refundable deposit for possible acquisition of 100% issued share capital of Creative Star Limited, details of which were set out in the Company's announcement dated 14 November 2011.</p> <p>Funds of around HK\$5.5 million were used for operation of stage drama.</p> <p>Funds of around HK\$6.3 million were used for the operation of artist school.</p> <p>Funds of around HK\$2 million were used for repayment of other borrowings.</p> <p>Furthermore, funds of approximately HK\$5 million were used for payment of operating expenses of the Group.</p> <p>Funds of HK\$15 million were used as remaining balance payment of the cash consideration for the possible acquisition of the entire issued share capital of Creative Star Limited (as announced on 14 November 2011) and the remaining balance was applied for the Group's general working capital purpose.</p>	5	<p>Funds of HK\$7.32 million were used for payment of operating expenses of the Group including the payment of rent, building management fee, salary, legal and professional fee and interest expenses.</p>	6	<p>Funds of HK\$8.7 million were used for the payment of interest due under the Loan Facility.</p>	7	<p>Funds of HK\$2.98 million were used for payment of operating expenses of the Group including the payment of rent, building management fee, salary, legal and professional fee and interest expenses.</p>
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LETTER FROM THE BOARD

THE ACCUMULATED POTENTIAL DILUTION EFFECT ON ISSUE OF NEW SHARES/CONVERTIBLE SECURITIES (INCLUDING THE OPEN OFFER) IN THE PAST 24 MONTHS

Since 1 February 2011:

1. an aggregate of 251,000,000 Pre-consolidated 2011 Shares have been issued in relation to placings and top-up subscriptions (Note 1);
2. an aggregate of 262,588,454 Pre-consolidated 2012 Shares have been issued in relation to placings and rights issue (Note 1);
3. 6,564,711 Shares have been issued in relation to placing (Note 1);
4. an aggregate of 321,753,606 Pre-consolidated 2011 Shares have been issued as consideration shares (as to the issue of 145,283,018 Pre-consolidated 2011 Shares as partial consideration for the acquisition of 100% interest in Dragon Gain Worldwide Limited as disclosed in the Company's announcement dated 16 February 2011; and as to the issue of 176,470,588 Pre-consolidated 2011 Shares as consideration for the acquisition of 100% interest in Solution Gold Limited as disclosed in the Company's announcement dated 25 May 2011);
5. the Company issued a convertible note on 28 March 2011 in the principal amount of HK\$60,000,000 in partial early redemption of a promissory note due in 2012. In case where the conversion rights attached to such convertible note are exercised in full, a maximum of 214,285,714 Pre-consolidated 2011 Shares will fall to be allotted and issued (Note 2);
6. the Company issued a convertible note in the principal amount of HK\$50,000,000 on 28 October 2011 (the "Bonds"). In case where the conversion rights attached to such convertible note are exercised in full and assuming that all conversion shares are issued at a minimum conversion price of HK\$0.18 per conversion share, a maximum of 277,777,777 Pre-consolidated 2012 Shares will fall to be allotted and issued (Note 3);
7. On 24 May 2012, the Company received a letter from the holder of the Bonds stating that the instrument dated 28 October 2011 constituting the Bonds had already been terminated. After careful consideration by the Board, the Company accepted the Bonds holder's position regarding the termination of the said instrument on 25 May 2012.
8. Based on 131,294,226 Shares to be allotted and issued under the Open Offer, the individual dilution effect immediately after the Open Offer is 66.67% and the accumulated dilution effect with reference to the number of Pre-consolidated 2011 Shares in issue of the Company as at 1 February 2011 (i.e. 954,424,242 Pre-consolidated 2011 Shares) is 91.16%.

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- Note 1:* For the individual and accumulative dilution effects for each issue, please refer to page 21 of this Prospectus.
- Note 2:* For this convertible note, the dilution effect is 18.34% based on a maximum of 214,285,714 Pre-consolidated 2011 Shares which may fall to be allotted and issued and the enlarged issued share capital of the Company as 1,168,709,956 Pre-consolidated 2011 Shares (being the sum of the said 214,285,714 Pre-consolidated 2011 Shares and the number of Pre-consolidated 2011 Shares in issue of the Company as at 28 March 2011 (i.e. 954,424,242 Pre-consolidated 2011 Shares)).
- Note 3:* For this convertible note, the dilution effect is 45.84% based on a maximum of 277,777,777 Pre-consolidated 2012 Shares which may fall to be allotted and issued and the enlarged issued share capital of the Company as 606,013,346 Pre-consolidated 2012 Shares (being the sum of the said 277,777,777 Pre-consolidated 2012 Shares and the number of Pre-consolidated 2012 Shares in issue of the Company as at 28 October 2011 (i.e. 328,235,569 Pre-consolidated 2012 Shares)).

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Open Offer, the exercise price and the number of Shares to be issued pursuant to the outstanding Share Options may be adjusted in accordance with the terms and conditions of the share option scheme of the Company and the GEM Listing Rules or guidelines issued by the Stock Exchange from time to time. The Board will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the outstanding Share Options and will inform the holders of the outstanding Share Options of the adjustments, if any, accordingly. Further announcement will be made by the Company in respect of such adjustments upon completion of the Open Offer.

WARNING OF THE RISK OF DEALING IN THE SHARES

If the Underwriter terminates the Underwriting Agreement or the conditions of the Open Offer are not fulfilled, the Open Offer will not proceed. Accordingly, the Open Offer may or may not proceed and the Shareholders and potential investors are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions. Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Wednesday, 10 April 2013 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer are subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 9 May 2013), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

RISK FACTORS

Shareholders and prospective investors should consider carefully all the information set out in this Prospectus and, in particular, should evaluate the following

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risks in connection with an investment in the Company before making any investment decision (including the Open Offer) in relation to the Company.

RISKS RELATING TO THE OPEN OFFER

Termination of the Underwriting Agreement

Shareholders and prospective investors of the Offer Shares should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreement giving notice in writing to the Company upon the occurrence of any of the events stated in the section headed "TERMINATION OF THE UNDERWRITING AGREEMENT" of this Prospectus on or before 4:00 p.m. on the 2nd Business Day following the Final Acceptance Date.

Dilution of the Shareholders' equity interests

The Group may require additional funds in the future to finance its expansion of business and operations. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the interests of the existing Shareholders may be diluted as a result of such equity fund raising.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group maintains a significant level of liabilities and the business of the Group may be adversely affected by the lack of refinancing options

The Group has been building up significant level of liabilities, which is mainly attributable to the outstanding Convertible Note in the principal amount of HK\$28.08 million and the total drawdown amount of the Loan Facility of approximately HK\$118.4 million as at the Latest Practicable Date. Upon completion of the Open Offer, although it is expected that there will be substantial debt reduction of the Loan Facility, there remains of significant amount of the Convertible Note that are outstanding and are expected to mature on 28 March 2014 and there is uncertainty as to how much of the Loan Facility will remain outstanding. The Group is well conscious of the risk that the Company may not be able to obtain the necessary funding, either through debt or equity financing or both, to re-finance the Loan Facility and to redeem the Convertible Note as and when they fall due. The current level of gearing could potentially constrain the Group's operation with significant consequences such as, among others, (i) constrains on the Group's working capital position and capital expenditures due to the use of a substantial portion of the Group's cash flows for debt servicing, and (ii) limit the Group's ability to obtain, as well as an increase in the cost of, additional financing to fund future working capital and capital expenditures. Hence, the Directors cannot provide absolute assurance that the Group will have the ability to raise necessary financing to fund the Group's working capital, capital expenditures and other debt obligations. As such, the Group's business, prospects and financial condition may be materially and adversely affected.

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Reliance on key executives and personnel

The future success of the Group will depend to a large extent on the continued efforts of the Directors and senior management of the Group as a whole. There is no assurance that these key executives or personnel will not voluntarily terminate their employment with the Group. Although the Group does not rely on any one particular Director or senior management staff of the Group, the loss of any of the Group's key executives or personnel could be detrimental to the ongoing success of the Group's operations.

The Group's continued success will also depend on its ability to attract and retain qualified personnel in order to manage its existing operations as well as its future growth. The Group may not be able to successfully attract, assimilate or retain the personnel they need and this could negatively impact on the Group's ability to expand their business effectively.

Termination of conditional sale and purchase agreement regarding the Acquisition

The Group expected that the Acquisition will diversify and expand the source of income of the Group and will also generate additional and stable cash flow. As the Group has exercised its rights to put back those under-performing subsidiaries, the growth of the Group depends on the performance of the target of the Acquisition. Should the Acquisition not be approved by the Shareholders or not to proceed, this adversely affects the Group's development and performance.

GENERAL

As the Open Offer will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.39 of the GEM Listing Rules, the Open Offer must be made conditional on approval by the Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer.

The Open Offer was approved by the Independent Shareholders by way of poll at the EGM held on 8 April 2013.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
By order of the Board
TLT Lottotainment Group Limited
Zhao Tuanjie
Chairman and Executive Director

1. THREE YEARS FINANCIAL INFORMATION

Financial information of the Group for the year ended 31 December 2010, year ended 31 December 2011 and year ended 31 December 2012 are disclosed on pages 30-112 of the 2010 annual report published on 30 March 2011, pages 36-124 of the 2011 annual report published on 2 April 2012 and pages 46-176 of the 2012 annual report published on 27 March 2013 of the Company respectively, which were published on both the GEM website (www.hkgem.com) and the Company's website (www.lottotainment.com.hk).

Events since 31 December 2012*Acquisition of Mass Apex Limited*

On 26 November 2012, the Group entered into a sale and purchase agreement with a vendor to acquire the entire issued share capital of Mass Apex Limited at a total consideration of HK\$68,000,000 (subject to downward adjustment). As at the Latest Practicable Date, HK\$2,000,000 was paid by the Company as refundable cash deposit upon signing of the sale and purchase agreement. Mass Apex Limited together with its subsidiaries are principally engaged in the trading of raw food materials business in Hong Kong. The Acquisition constitutes a very substantial acquisition for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules. For more details of the Acquisition, please refer to the announcements of the Company dated on 4 December 2012, 27 December 2012, 25 January 2013, 8 February 2013, 8 March 2013, 25 March 2013 and 8 April 2013.

Purchase, Redemption or Sale of Listed Securities of the Company

During the period from 1 January 2013 to the Latest Practicable Date, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

2. STATEMENT OF INDEBTEDNESS

Borrowing

At the close of business on 28 February 2013, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group had total borrowings amounted to HK\$146,844,688 comprising, (i) the Loan facility of approximately HK\$118,400,000 were secured by debenture of the Company dated 20 June 2012 under which all the undertaking property, assets, goodwill, rights and revenues of the Company; (ii) obligation under finance lease of approximately HK\$364,688 were secured by motor vehicles and equipment; and (iii) liability component of the Convertible Note of approximately HK\$28,080,000, which were unsecured, transferable and interest free.

Commitments and contingent liabilities

As at 28 February 2013, the Group did not have any significant commitments and contingent liabilities.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business on 28 February 2013, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other material contingent liabilities. Save as aforesaid, the Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Group since 28 February 2013 and up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into account its internal resources, the proceeds from the Open Offer and the presently available credit facilities of the Group, the Group will not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this Prospectus. This is principally due to the Company's liabilities for the next twelve months to pay (i) the Convertible Note in an outstanding principal amount of HK\$28.08 million owing to the CN Holder due on 28 March 2014 if the CN Holder does not convert any of the principal into Shares on or before the maturity date; and (ii) the total drawdown amount of the Loan Facility on or before the maturity date on 29 May 2013 (as at the Latest Practicable Date, the outstanding amount of the Loan Facility is HK\$118.4 million); and (iii) HK\$7.2 million to the vendor upon completion of the Acquisition. The cash and cash equivalents of the Group as at 28 February 2013 was approximately HK\$4 million.

In view of the foregoing, on one hand, the Company is actively exploring other measures to fulfill the future working capital requirement such as additional equity fund raising. On the other hand, the Company has extended the repayment of the Convertible Notes for one year which was approved by the Shareholders in the extraordinary general meeting held on 28 March 2013 (please refer to the announcements of the Company dated 8 January 2013, 1 March 2013 and 28 March 2013 and the circular of the Company dated 13 March 2013) and considers the necessity to extend the Loan Facility. As at the Latest Practicable Date, the extension of the Loan Facility is still under negotiation and there is no conclusion or proposal or concrete terms has been made. As at the Latest Practicable Date, there is no discussion, negotiation or arrangements in respect of aforesaid fund raising measures or timetable and no contracts or agreements or concrete terms has been entered into in respect of any fund raising measures. Moreover, the Directors expect that the acquisition of Mass Apex Limited will increase the income stream and bring additional stable earnings to the Group in the near future.

The Directors are aware that the Group's liquidity position would depend largely on the successful conclusion of future equity fund raising activities and the extension of the Loan Facility. Failure to obtain future financing may adversely affect the working capital position of the Group.

Subject to the successful conclusion of the aforesaid future equity fund raising activities and the extension of the Loan Facility, the Directors believe that the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

Save as disclosed below, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group was made up.

As stated in the profit warning announcement of the Company dated 18 March 2013 and the 2012 annual report of the Company for the year ended 31 December 2012 dated 27 March 2013, there was a decrease in the Group's audited consolidated net loss for the year ended 31 December 2012 as compared to the audited results for the corresponding period in 2011 due to the reversal of impairment loss in 2011.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As at the Latest Practicable Date, the Company is principally engaged in travel agent business, advertising and marketing business and securities trading business. Set out below is a detailed discussion on the performance of various business segments of the Company:

Travel agent business

Travel agency business operates with stable and internally generated cash flow and ranks first in revenue contribution to the Group. Business environment of the PRC travel industry remains competitive and the Group has to face a difficult environment, in particular, continuous growth in the operating costs due to inflation. However, given that annual disposal income per capita continues to grow in the PRC and more and more overseas locations are freely open for PRC citizens, the travel agency business has arranged more tours in overseas locations especially Europe, Taiwan and Japan to generate higher tour income than domestic one. In addition, in view of continuously increasing purchase power of PRC citizens, the demand of privilege service and arrangement for tour is robust. The traveling agency business will re-design and re-structure its tour package to capture this segment market. The Directors are from time to time to review the performance of each tours and will stream down and/or suspense tour(s) with poor performance or less profitable to concentrate its resource to expand the segment market as mentioned. Given operating with stable and internally generated cash flow, the funding and cash flow requirement is comparatively lower, the Directors are optimistic in the business growth of its travel agency operation.

Entertainment business (Discontinued)

The uncertainty of granting the official school license to Macau Talent Academy Limited leads to serious deferment of the development and has adverse effect on financial performance of this segment. Entertainment business has failed to provide any profits to the Group. As such, on 28 December 2012, the Group took corrective action by exercising the put-option on to put back 51% of the entire issued shares of Fountain City Holdings Limited and the whole entertainment business to their original vendor to mitigate the loss. Disposal of the entertainment business will be subject to the Shareholders' approval. The Company will make further announcement to update the Shareholders on the progress of the repayment schedule from the original vendor of the disposal.

Stage drama business (Discontinued)

In view of the unsatisfactory sales performance, failure to secure sponsorship and unexpected increase of operating cost, despite the Group's effort in tightening the cost control, stage drama business has failed to bring in economic benefits to the Group and has caused adverse financial result to the Group. As a result of unsatisfactory result of the stage drama business, on 28 December 2012, the Group has exercised a put option to transfer back all the shares of Dragon Gain Worldwide Limited and the whole business to the vendors and discontinued stage drama operation. As at the Latest Practicable Date, the Company received approximately HK\$17 million from the exercise of the abovementioned put option. The remaining portions will be settled in the following manner: (i) a sum of HK\$10 million will be received on or before 30 April 2013; (ii) a further sum of HK\$10 million will be received on or before 30 June 2013; and (iii) a final sum of HK\$12.2 million will be received on or before 31 August 2013. For further details of the receipt schedule, please refer to the announcement of the Company dated 28 December 2012.

Advertising and marketing business

Advertising and marketing business generates stable cash flow which ranks second in revenue contribution to the Group and becomes one of the core businesses of the Group. Following disposal of underperforming entertainment and stage drama businesses, the Group will focus and reallocate its resources for pursuing business development in advertising and marketing business, including reposition of its service mix and widening its scope of services to capture potential business opportunities in function organization for enhancing its performance with its internally generated cash flow. In view of continuous prosperity of domestic music concert performance, this segment started penetrating in the business of concert production and coordination. This segment has successfully secured contracts for production and coordination of three music concerts and one talk show. In addition, this segment plans to have five to eight more engagement of this. In view of the popularity of smart phone devices, the Board intends to produce game or game platform to generate 1) downloading sharing income 2) advertising income through game/game platform and 3) sponsorship or advertising income from advertisers. The Directors are of the view that there is a strong potential growth of this segment.

Securities trading business

Due to the economic downturn in the United States and triggered by the unresolved European debt issue, the condition of Hong Kong stock market is relatively volatile. The Group will keep focusing and balancing the risk and return from its investment and will closely monitor the performance of its investment portfolio. Furthermore, the Group will put more effort in the analysis of the stock market to ensure the Group can take corrective action to change its investment portfolio to minimize the risk and maximize the return when appropriate.

Looking into the future, the Group will continue to review its existing businesses from time to time and strive to improve the efficiency and effectiveness of the business operation and enhance financial position of the Group.

In coming year, after completion of the Acquisition and the disposal of 51% interests in the issued share capital of Fountain City Holdings Limited (the "Disposal"), details of which are set out in the announcement of the Company dated 7 January 2013, the Group will continue to develop and rationalize its existing businesses and will allocate appropriate resources to different business segments of the Group depending on the then business environment and performance of each segment with the view of improving its business performance. The Directors also consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden its source of income for generating profits and return for the Company and the Shareholders.

Upon completion of the Acquisition, the Directors consider that the Acquisition will enable the Group to broaden its business offering and tap into a new line of business in raw food materials trading. The Acquisition will enhance the operation base and future income base of the Group. Furthermore, given the financial performance of the target group of the Acquisition, the Directors expect that the Acquisition represents an opportunity for the Group to diversify from its existing business to a profitable business which will meet the Group's investment objectives and bring immediate contributions to the Group for achieving improved return for the Group.

As at the Latest Practicable Date, save for the Acquisition as disclosed in the announcements of the Company dated 4 December 2012, 27 December 2012, 25 January 2013, 8 February 2013, 8 March 2013, 25 March 2013 and 8 April 2013, the Company had not identified any suitable investment opportunities and was not in discussions for any investment projects.

Save for the Acquisition as disclosed in the announcements of the Company dated 4 December 2012, 27 December 2012, 25 January 2013, 8 February 2013, 8 March 2013, 25 March 2013 and 8 April 2013 and the Disposal as disclosed in the announcements of the Company dated 28 December 2012, 7 January 2013, 28 January 2013, 8 February 2013, 8 March 2013 and 8 April 2013, the Group does not have any agreement, arrangement, understanding intention or negotiation (concluded or otherwise) about (i) any fund-raising plan (including the issue of new Shares and/or convertible securities; (ii) any issue of new Shares and/or convertible securities for cash and/or as consideration; (iii) any acquisition and/or investment in new business and/or material assets from independent third parties or connected persons; and (iv) any disposal, termination, and/or scaling-down of the existing businesses and major assets of the Group as at the Latest Practicable Date.

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus from the independent reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong.



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

The Board of Directors
TLT Lottotainment Group Limited
Room A, 9th Floor,
Fortis Tower,
77-79 Gloucester Road,
Wanchai
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information (the “Unaudited Pro Forma Net Tangible Asset/(Liabilities)”) of TLT Lottotainment Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) which has been prepared by the directors of the Company for illustrative purpose only, to provide information about how the proposed open offer of not less than 131,294,226 offer shares and not more than 131,635,698 offer shares at an offer price of HK\$0.50 each on the basis of two offer shares for every one share held on the record date as defined in an announcement dated 7 February 2013, might have affected the financial information presented, for the inclusion in Appendix II of the prospectus dated 19 April 2013 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Net Tangible Asset/(Liabilities) is set out in Appendix II to the Prospectus.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Net Tangible Asset/(Liabilities) in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Net Tangible Asset/(Liabilities) and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unaudited financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Net Tangible Asset/(Liabilities) with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Net Tangible Asset/(Liabilities) has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Net Tangible Asset/(Liabilities) as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

The Unaudited Pro Forma Net Tangible Asset/(Liabilities) is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2012 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Net Tangible Asset/(Liabilities) has been properly complied by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Net Tangible Asset/(Liabilities) as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules

Your faithfully,

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE (LIABILITIES) OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE
COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible (liabilities) attributable to owners of the Company has been prepared in accordance with paragraph 31(1) of Chapter 7 of the GEM Listing Rules set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible liabilities of the Group as if it had taken place on 31 December 2012.

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the Open Offer been completed as at 31 December 2012 or at any future date.

The following unaudited pro forma statement of the adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2012, extracted from the published annual report of the Group for the year ended 31 December 2012, with adjustment described below:

	Audited consolidated net tangible (liabilities) attributable to owners of the Company as at 31 December 2012 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible asset attributable to owners of the Company as at 31 December 2012 <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible (liabilities) attributable to owners of the Company per Share before the completion of the Open Offer <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible asset attributable to owners of the Company per Share immediately after the completion of the Open Offer <i>HK\$</i> <i>(Note 4)</i>
Based on 131,294,226 Offer Shares at offer price of HK\$0.5 per Offer Share ("Minimum Open Offer")	(49,650)	62,647	12,997	(0.76)	0.07
Based on 131,635,698 Offer Shares at offer price of HK\$0.5 per Offer Share ("Maximum Open Offer")	(49,650)	62,818	16,944	(0.76)	0.09

Notes:

- 1) The audited consolidated net tangible liabilities attributable to the owners of the Company as at 31 December 2012 has been extracted from the published annual report of the Company for the year ended 31 December 2012 after deducting intangible assets of approximately HK\$181,000 and goodwill of approximately HK\$20,402,000.
- 2) The estimated net proceeds from the Open Offer of
 - i) approximately HK\$62,647,000 are based on the minimum number of 131,294,226 Offer Shares to be issued at the Offer Price of HK\$0.50 per Offer Share (assuming outstanding Share Options are not exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$3,000,000 attributable to the Open Offer.
 - ii) approximately HK\$62,818,000 are based on maximum number of 131,635,698 Offer Shares to be issued at the Offer Price of HK\$0.50 per Offer Share (assuming outstanding Share Options are fully exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$3,000,000 attributable to the Open Offer.
- 3) The unaudited pro forma adjusted consolidated net tangible (liabilities) of the Group per share attributable to the owners of the Company before the completion of the Open Offer is determined based on the unaudited pro forma adjusted consolidated net tangible (liabilities) of the Group attributable to the owners of the Company as at 31 December 2012 of approximately HK\$49,650,000 as disclosed in note 1 above, divided by 65,647,113 shares of the Company in issue as at 31 December 2012.
- 4) For Minimum Open Offer, the calculation of the unaudited pro forma adjusted consolidated net tangible asset per share is based on 196,941,339 shares which comprise 65,647,113 shares in issue as at 31 December 2012 and 131,294,226 Offer Shares assuming no exercise of the outstanding Share Options, after the completion of the Open Offer.

For Maximum Open Offer, the calculation of the unaudited pro forma adjusted consolidated net tangible asset per share is based on 197,453,547 shares which comprise 65,647,113 shares in issue as at 31 December 2012, full exercise of the outstanding Share Options with proceeds of HK\$3,776,000 and 131,635,698 Offer Shares, after the completion of the Open Offer.

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>200,000,000</u>	Shares	<u>100,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>65,647,113</u>	Shares	<u>32,823,557</u>

All Shares currently in issue rank pari passu in all respects with each others, including, in particular, as to dividends, voting rights and return of capital.

- (A) No capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.
- (B) The Shares are listed and traded on the GEM of the Stock Exchange. None of the Shares is listed, or dealt in, or any other exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be, sought on any other stock exchange.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

Interests and Short Positions of Substantial Shareholders

As at the Latest Practicable Date, the Directors or chief executives of the Company were not aware of any party who had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. LITIGATION

On 10 October 2012, a writ of summon (the "Writ") was served on the Company. The Writ was issued on 21 September 2012 by Song Zizhang (the "Plaintiff") against: (i) Cheung Man Yau, Timothy (the former CEO and Executive Director) as 1st defendant, (ii) Glorison Development Limited as 2nd defendant (a company owned by 1st defendant) and the Company as 3rd defendant.

Pursuant to the Writ, the Plaintiff claims, among other things, against the Company for (i) a declaration that the Company do cause the transfer of all TLT Services (Shanghai) Limited's shares to the Plaintiff; and (ii) an order that the Company do transfer or cause to transfer the Licence (the "Licences", defined in the statement of Claim indorsed to the Writ as to mean the two licenses for the purposes of permission to operate add-value mobile business and permission to use recharging and access code of short message services in China obtained by Shanghai Tang Road Communication Company Limited (whose name was later changed to TLT (Shanghai) Limited)).

On 8 January 2009, the Company had acquired an indirect equity interest of TLT Services (Shanghai) Limited through the acquisition of 65% share capital in Wisdom In Holdings Limited and reference is made to the announcements of the Company dated 30 July 2008, 15 October 2008 and 8 January 2009 and the circular of the Company dated 5 November 2008 for details of the relevant acquisition.

The abovementioned indirect share equity of TLT Services (Shanghai) Limited was disposed of by the Company on 4 April 2011 through the disposal of the Company's 65% share capital in Wisdom In Holdings Limited and reference is made to the announcements of the Company dated 30 March 2011 and 4 April 2011 for details of the relevant disposal.

The Board is of the view that the Plaintiff's claims against the Company under the Writ are unfounded and the Company has on 13 December 2012 applied to the High Court to strike out the Plaintiff's claim against the Company under the Writ and hearing of the application is scheduled on 22 May 2013.

Details of the litigation were published in the Company's announcements dated 10 October 2012 and 13 March 2013.

As at the Latest Practicable Date, no claim amounts involved in the subject claims.

Save as disclosed above, as at the Latest Practicable Date, the Group was not engaged in any litigation, claim or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, as far as the Directors are aware of, none of the Directors or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2012 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this Prospectus and is significant in relation to the business of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) a supplemental agreement entered into between the Company and Fung Yue Tak, Derek dated 1 March 2013 to further amend the condition of the convertible note by adding three new events of default;
- (b) the Underwriting Agreement;
- (c) the extension agreement entered into between the Company and Fung Yue Tak, Derek date 8 January 2013 to amend the conditions of the convertible note with principal amount of HK\$60,000,000 due 2013 issued by the Company on 28 March 2011;

- (d) letter from the Company to the original vendors of Dragon Gain Worldwide Limited dated 28 December 2012 regarding the put option to transfer back all the shares of Dragon Gain Worldwide Limited to the original vendors at the pre-agreed put option exercise price of HK\$49,200,000;
- (e) letter from the Company to the original vendor of Fountain City Holdings Limited dated 28 December 2012 regarding the put option to transfer back 51% of the entire issued shares of Fountain City Holdings Limited to the original vendor at the option exercise price of HK\$58,650,000;
- (f) the sale and purchase agreement dated 26 November 2012 entered into between Fame Network Limited as purchaser, a wholly owned subsidiary of the Company, and Mr. Ma Chun Loi as vendor in relation to the acquisition of the entire issued share capital of Mass Apex Limited at the consideration of HK\$68 million;
- (g) the repayment agreement entered into between the Company and Mr. Gao Feng dated 26 November 2012 for the full refund of the outstanding deposit of HK\$41 million by Mr. Gao Feng to the Company on or before 31 December 2012 in connection with the Galaxy Mount Acquisition Termination (as defined below);
- (h) the conditional placing agreement entered into between the Company and Freeman Securities Limited dated 4 October 2012 in relation to the placing of 6,564,711 new shares at the placing price of HK\$0.50 per placing share;
- (i) the underwriting agreement dated 8 June 2012 and/or the supplementary underwriting agreement dated 20 June 2012 entered into between the Company and Freeman Securities Limited in relation to the underwriting arrangement in respect of the proposed rights issue of the Company on the basis of one rights share for every two of the then existing share of HK\$0.05 each held on the record date;
- (j) the loan agreement entered between the Company and Gain All Investments Limited dated 30 May 2012 in relation to a loan facility of HK\$165 million for a fixed term of 12 months at an agreed interest rate of 1.5% per month;
- (k) the conditional placing agreement entered into between the Company and Freeman Securities Limited dated 23 May 2012 in relation to the placing of 65,647,113 new shares at the placing price of HK\$0.12 per placing share. The net proceed was approximately HK\$7.32 million;
- (l) the sale and purchase agreement dated 14 November 2011 entered into between Mr. Chang Ka Wai as vendor and the Company as purchaser relating to the sale and purchase of the one ordinary share of US\$1.00 in the issued share capital of Creative Star Limited at the consideration of HK\$20 million. Creative Star Limited owns 60% of the issued share capital of Hong Kong

Marketing Service Limited. The principal business of Hong Kong Marketing Service Limited is product advertising and promotion, marketing agency and planning, function organisation and media project services;

- (m) the supplemental agreement dated 25 November 2011 made between Mr. Chang Ka Wai and the Company to amend and vary terms of the sale and purchase agreement dated 14 November 2011;
- (n) the second supplemental agreement dated 20 January 2012 made between Mr. Chang Ka Wai and the Company to further amend the terms of the sale and purchase agreement dated 14 November 2011;
- (o) the conditional subscription agreement entered into between the Company and Sun Finance Co., Ltd dated 8 August 2011 in relation to the subscription of the convertible bonds issued by the Company due 2012 with an initial conversion price of HK\$0.30 per conversion share and an outstanding principal amount of HK\$50 million, and the supplemental subscription agreement entered into between the Company and Sun Finance Co., Ltd dated 23 August 2011 to amend certain terms of the conditional subscription agreement dated 8 August 2011;
- (p) the memorandum of understanding entered into between the Company and Mr. Chu Wai Hung Stephen dated 5 August 2011 in relation to the proposed acquisition of up to 51% of a company and its subsidiaries principally engaged in the music and entertainment business for the consideration in the range between HK\$25 million to HK\$30 million, and the termination agreement entered into between the Company and Mr. Chu Wai Hung Stephen dated 25 August 2011 to terminate the memorandum of understanding entered into between them on 5 August 2011;
- (q) the conditional placing agreement entered into between the Company, Mr. Luk Wing Kwong, Quintin and Quest Stock Brokers (HK) Limited dated 4 August 2011 in relation to the placing of a maximum of 86,000,000 new shares at the placing price of HK\$0.10 per placing share. The net proceed was approximately HK\$8.25 million;
- (r) the conditional agreement for the sale and purchase entered into between the Company and Mr. Lui Bing Kin, Michael dated 25 May 2011 in relation to the acquisition of the entire share capital of Solution Gold Limited at the consideration of HK\$30 million. Solution Gold Limited owns 30% of the issued share capital of Star Most Limited, which in turn owns 87.5% interest in Fiorucci Limited (the "Star Most Group"). The principal business of the Star Most Group is wholesale, retail distribution, franchising of fashion products, including fashion products under the brand name "Fiorucci";

- (s) the conditional placing agreement entered into between the Company, Mr. Luk Wing Kwong, Quintin and VC Brokerage Limited dated 29 April 2011 in relation to the placing of a maximum of 90,884,000 new shares at the placing price of HK\$0.25 per placing share, the amendment agreement entered into between the Company, Mr. Luk Wing Kwong, Quintin and VC Brokerage Limited dated 2 May 2011 to amend the conditional placing agreement entered into between the parties dated 19 January 2011 by amending, modifying, supplementing and superseding the placing price of HK\$0.32 per placing share by the new placing price of HK\$0.295 per placing share. The net proceed was approximately HK\$15.35 million; and
- (t) the conditional sale and purchase agreement for a potential investment in a paid digital television channel in the PRC entered into between the Company and Mr. Gao Feng dated 27 April 2011 in relation to the acquisition of 25% share capital of Galaxy Mount International Limited for the consideration of HK\$212 million, and the termination agreement entered into between the Company and Mr. Gao Feng dated 5 August 2011 to terminate the acquisition of 25% share capital of Galaxy Mount International Limited and refund of deposit of HK\$46,000,000 (the “Galaxy Mount Acquisition Termination”), and addendum to the termination agreement in relation to the acquisition of 25% issued share capital of Galaxy Mount International Limited entered into between the Company and Mr. Gao Feng dated 12 August 2011 to provide for the refund of deposit of HK\$46,000,000 on or before 10 November 2011.

9. EXPERT AND CONSENT

The following are the qualification of the expert who has given opinions or advice which are contained in this Prospectus:

Name	Qualifications
Elite Partners CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert does not have any interest, either direct or indirect, in any assets which have been, since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group nor had any shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. EXPENSES

The estimated expenses in connection with the Open Offer, including the underwriting commission, financial advisory fees, printing registration, translation, legal and accountancy charges and other related expenses are estimated to amount to approximately HK\$3 million and will be payable by the Company.

The Company will settle approximately HK\$1 million of legal and professional fee for the Open Offer by making use of part of the put option exercise price of approximately HK\$17 million received up to February 2013 in relation to the exercise of the put option to transfer back all the shares of Dragon Gain Worldwide Limited to the original vendors. The maximum amount of underwriting commission of approximately HK\$2 million will be settled out of the subscription money after completion of the Open Offer.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company in Hong Kong at Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong from 19 April 2013, the date of this Prospectus up to and including Tuesday, 7 May 2013:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2011 and 31 December 2012;
- (c) the Letter from the Board, the text of which is set out on pages 7 to 27 of this Prospectus;
- (d) the letter on the unaudited pro forma financial information of the Group issued by Elite Partners CPA Limited set out in Appendix II to this Prospectus;
- (e) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix to this Prospectus;
- (f) the consent letter referred to in the paragraph under the heading "Expert and Consent" in this Appendix to this Prospectus;
- (g) a copy of each circular issued pursuant to the requirements set out in Chapter 19 and/or 20 of the GEM Listing Rules which has been issued since the date of the latest published audited accounts;
- (h) the Circular; and
- (i) this Prospectus.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consents referred to under the paragraph headed “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance.

13. CORPORATE INFORMATION

Registered office and principal place of business in Hong Kong	Room A, 9th Floor, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong
Underwriter	Quest Stockbrokers (HK) Limited Unit A&B, 1st Floor, Harbour Commercial Building, 122–124 Connaught Road Central, Sheung Wan, Hong Kong
Legal adviser to the Company	Tso Au Yim & Yeung 5/F, Ka Wah Bank Centre, 232 Des Voeux Road Central, Central, Hong Kong
Auditor	Elite Partners CPA Limited Suite 921–921A, 9th Floor, Star House, 3 Salisbury Road Tsim Sha Tsui, Kowloon, Hong Kong
Principal bankers	DBS Bank (Hong Kong) Limited 16th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong Wing Hang Bank, Limited 161 Queen’s Road Central, Central, Hong Kong
Share registrar and transfer office	Hong Kong Registrars Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

Authorised representatives	Ms. Yip Man Yi Mr. Au Yeung Yiu Chung
Company secretary	Mr. Wong Po Keung
Compliance Officer	Mr. Au Yeung Yiu Chung
Audit Committee	Mr. Lau Shu Yan (<i>Chairman</i>) Mr. Chiu Koon Shou Mr. Li Kwok Chu

The primary duties of the Audit Committee are (a) to review the Group's annual reports, financial statements, interim reports and quarterly reports, (b) to provide advice and comments thereon to the Board and (c) to review and supervise the financial reporting process and internal control procedures of the Group. The background of the members of Audit Committee are set out in section "PARTICULARS OF DIRECTORS".

14. PARTICULARS OF DIRECTORS

Name	Correspondence Address
<i>Executive Directors</i>	
Mr. Zhao Tuanjie	Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong
Ms. Yip Man Yi	Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong
Mr. Chan Yun Fai	Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong
Mr. Au Yeung Yiu Chung	Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong

Non-executive Director

Mr. Lau Kin Hon Room A, 9th Floor,
Fortis Tower,
77-79 Gloucester Road,
Wanchai,
Hong Kong

*Independent
non-executive Directors*

Mr. Li Kwok Chu Room A, 9th Floor,
Fortis Tower,
77-79 Gloucester Road,
Wanchai,
Hong Kong

Mr. Chiu Koon Shou Room A, 9th Floor,
Fortis Tower,
77-79 Gloucester Road,
Wanchai,
Hong Kong

Mr. Lau Shu Yan Room A, 9th Floor,
Fortis Tower,
77-79 Gloucester Road,
Wanchai,
Hong Kong

The brief biographies of the Directors are set out below:

Executive Directors

Mr. Zhao Tuanjie (“Mr. Zhao”), aged 51, was appointed as a Chairman and an Executive Director on 10 April 2013. Save as disclosed above, Mr. Zhao does not hold any other position with the Company or any of its subsidiaries. Mr. Zhao is currently a chairman of Zhongjia Financial Holding Group Company Limited and has over 20 years’ experience in marketing, business planning and corporate management. He holds a doctorate degree in business administration of Pacific National University. He was a chairman of Shen Zhen Wantuo Investment Company* (深圳萬托投資公司) and a vice president of Shenzhen Enterprise Confederation* (深圳市企業家聯合會). Save as disclosed above, Mr. Zhao does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

* For identification purpose only

Ms. Yip Man Yi (“Ms. Yip”), aged 41, was appointed as chairman and Executive Director on 10 April 2012. She is also a member of the Remuneration Committee. Ms. Yip is also the director of a subsidiary. Save as disclosed above, Ms. Yip does not hold any other position with the Company or any of its subsidiaries. Ms. Yip graduated from Seneca College of Applied Arts and Technology, Toronto, Canada. Ms. Yip has since her appointment as chairman and executive director of the Company been working full time for the Company and normally spends approximately 35 hours working for the Company each week and has attended all meetings of the Board that were being held. Ms. Yip’s role and responsibility in the Company is overseeing the overall investments of the Company and advising the Company on its investment strategies. Ms. Yip has more than 15 years working experiences and had worked for a number of listed companies in Hong Kong in handling investor relationship and as assistant to directors, she has also gained invaluable experiences on corporate sales and global bank business while working with HSBC Markets (Asia) Limited. Prior to joining the Company she was the sales and marketing director of her own family business responsible for formulating marketing strategies on growth development. With the wealth of experiences Ms. Yip had gained in investments, finance and marketing, the Board believes it will be best to position her as the chairman to oversee the overall investments of the Company and to advise the Company on its investment strategies. Ms. Yip was nominated as chairman and executive director to the Board by Mr. Cheung Man Yau, Timothy (“Mr. Cheung”), a former executive director and chief executive officer of the Company. Save as disclosed above, Ms. Yip does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

Mr. Chan Yun Fai (“Mr. Chan”), aged 25, was appointed as an Executive Director on 10 March 2012. Mr. Chan is also the director of a number of subsidiaries. Save as disclosed above, Mr. Chan does not hold any other position with the Company or any of its subsidiaries. Mr. Chan holds a Bachelor Degree of Science (Actuarial Science) from the Ohio State University, the United State of America. Mr. Chan has since his appointment as executive director of the Company been working full time for the Company and normally spends approximately 35 hours working for the Company each week and has attended all meetings of the Board that were being held. Mr. Chan’s role and responsibility in the Company is overseeing operations of the investment projects of the Company and handle the relationships between the Company and the operators of the Company’s investment projects. Mr. Chan has gained considerable experiences in sales and marketing in various industries including metal products and food products, the Board believes it will be best to position Mr. Chan to oversee operations of the Company’s investment projects and the maintain close relationships with the operators of the Company’s investment projects. Mr. Chan was nominated as executive director to the Board by Mr. Cheung. Save as disclosed above, Mr. Chan does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

Mr. Au Yeung Yiu Chung (“Mr. Au Yeung”), aged 31, was appointed as an Executive Director on 10 March 2012. Mr. Au Yeung is also the director of a number of subsidiaries. Save as disclosed above, Mr. Au Yeung does not hold any other position with the Company or any of its subsidiaries. Mr. Au Yeung graduated from the Hong Kong Polytechnic University with a bachelor of Applied Biology in Biotechnology in 2004. Mr. Au Yeung has since his appointment as executive director of the Company been working full time for the Company and normally spends approximately 35 hours working for the Company each week and has attended all meetings of the Board that were being held. Mr. Au Yeung’s role and responsibility in the Company is overseeing compliance and financial aspect of the Company and to explore the possibility for the Company to embark on a new line of business in securities investments. Mr. Au Yeung has completed Licensing Examination for Securities and Futures Intermediaries Papers 1, 7 and 8 organized by the Hong Kong Securities Institute. Mr. Au Yeung has more than 7 years experiences in the insurance and securities industries and prior to joining the Company he had for companies such as Aviva General Insurance Limited, AXA (China Region) Insurance Company Limited, VC Brokerage Limited and Beijing Securities Limited, the Board believes it will be best to position Mr. Au Yeung to oversee compliance and financial aspect of the Company. The Company is also exploring the possibility of embarking on a new line of business in securities investments and Mr. Au Yeung’s experience in the securities industry will be valuable to the Company’s future business development. Mr. Au Yeung was nominated as executive director to the Board by Mr. Cheung. Save as disclosed above, Mr. Au Yeung does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

Non-executive Director

Mr. Lau Kin Hon (“Mr. Lau”), age 45, is a practicing solicitor in Hong Kong. Mr. Lau obtained a bachelor of laws degree with honours from University College, London, U.K. He is currently a partner of a law firm in Hong Kong. He is also an executive director of CL Group (Holdings) Limited (Stock Code: 8098), a non-executive director of Lisi Group (Holdings) Limited (Stock Code: 526) and an independent non-executive director of Mingfa Group (International) Company Limited (Stock Code: 846), all of which are listed on the Stock Exchange of Hong Kong Limited. Save as aforesaid, Mr. Lau did not hold any other directorship in any public listed companies in the last three years.

Mr. Lau had been the independent non-executive director of Fujian Group Limited (“FGL”), Seapower Resources International Limited (“SRI”) and I-China Holdings Limited (“ICL”) respectively. FGL was incorporated in Hong Kong whose principal business was property investment. FGL was subject to a winding up petition at the High Court of Hong Kong in 2003 and provisional liquidators were appointed on 15 January 2003. Successful restructuring of FGL was completed on 11 December 2003 and the said winding up petition and provisional liquidators were discharged accordingly. SRI was incorporated in the Cayman Islands whose principal businesses were property investment and cold storage. SRI was subject to

a winding up petition at the High Court of Hong Kong in 2001 and provisional liquidators were appointed on 31 December 2001. Successful restructuring of SRI was completed on 5 December 2003 and the said winding up petition and provisional liquidators were discharged accordingly. ICL was incorporated in Bermuda whose principal business was investment holding. ICL was subject to a winding up petition at the High Court of Hong Kong in 2002 and provisional liquidators were appointed on 5 December 2002. Successful restructuring of ICL was completed on 23 April 2004 and the said winding up petition and provisional liquidators were discharged accordingly. Mr. Lau has confirmed that there was no wrongful act on his part leading to the winding up petitions in respect of FGL, SRI and ICL.

Independent non-executive Directors

Mr. Li Kwok Chu (“Mr. Li”), aged 56, was appointed as an Independent Non-executive Director, a member of the Audit Committee and the Remuneration Committee on 16 March 2012 and the chairman of the Nomination Committee. Save as disclosed above, Mr. Li does not hold any other position with the Company or any of its subsidiaries. Mr. Li is a chairman and chief executive officer of Pakco Group and has rich experience in administration and management field. Prior to Mr. Li joining Pakco Group, he was the managing director of Pakco Security (HK) Limited. Save as disclosed above, Mr. Li does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

Mr. Chiu Koon Shou (“Mr. Chiu”), aged 43, was appointed as an Independent Non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee on 20 April 2012. Save as disclosed above, Mr. Chiu does not hold any other position with the Company or any of its subsidiaries. Mr. Chiu graduated from the London School of Economics and Political Science, London University with a bachelor of Economics. He also holds a master degree of Law from the University College, London University. Mr. Chiu is a solicitor of the High Court of the Hong Kong Special Administrative Region and the Supreme Court of England and Wales. Mr. Chiu is a principal and solicitor of Victor Chiu Tsang & Partners and has substantial experience in insolvency and restructuring (contentious and non-contentious), debt recovery, PRC investments and general commercial work. He is also the member of the Insolvency Law Committee of the Law Society of Hong Kong. Mr. Chiu was an independent non-executive director of Far East Pharmaceutical Technology Limited (now known as United Gene High-Tech Group Limited) from 1 September 2004 to 13 May 2009, a company listed on the Main Board of the Stock Exchange whose subsidiaries are principally engaged in the manufacturing and distribution of pharmaceutical products. A petition was filed on 15 September 2004 to wind up Far East Pharmaceutical Technology Limited in respect of the default of a syndicated bank loan and since then, liquidators have been appointed. Mr. Chiu was not involved in the arrangement of the syndicated bank loan and his appointment was made after the said default had occurred. Save as disclosed above, Mr. Chiu does not hold any other directorship in other public companies the securities of which are listed in Hong Kong or overseas in the last three years or other major appointment and qualifications.

Mr. Lau Shu Yan (“Mr. Lau”), aged 31, was appointed as an independent non-executive director and chairmen of the audit and remuneration committees and member of the nomination committee on 11 July 2012. Save as disclosed above, Mr. Lau does not hold any other position with the Company or any of its subsidiaries. Mr. Lau graduated from the University of Newcastle in United Kingdom with a bachelor’s degree in Accounting and Financial Analysis. He is a Certified Public Accountant (Practising) in Hong Kong, a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Lau has over 8 years experience in finance, auditing and accounting fields. Mr. Lau had previously worked in an international accounting firm and he is currently a partner of an audit firm. Save as disclosed above, Mr. Lau did not hold any other directorship in any public listed companies in the last three years.

Company Secretary

Mr. Wong Po Keung, graduated from the University of South Australia with a master degree in Business Administration. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Wong has over 18 years of experience in auditing, accounting and financial management.