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TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

CONNECTED TRANSACTION PROPOSED RESTRUCTURING OF THE EXISTING PROMISSORY NOTE

On 15 February 2011 (after trading hours of the Stock Exchange), the Company entered into the Agreement with the PN Holder to restructure the Existing Promissory Note. Pursuant to the Agreement, the parties conditionally agreed that (i) a principal amount of HK\$61,855,670 outstanding under the Existing Promissory Note shall be early repaid by the Company by way of issue of the Convertible Note in an aggregate principal amount of HK\$60,000,000 to the PN Holder; and (ii) the remaining principal amount outstanding under the Existing Promissory Note shall be settled by the Company issuing the New Promissory Note to the PN Holder having the same terms and conditions of the Existing Promissory Note other than (a) the principal amount shall be the difference of the outstanding principal amount of the Existing Promissory Note immediately prior to Completion and the Early Repayment Amount and (b) the maturity date shall be 8 January 2013 instead of 8 January 2012. The principal amount of the Convertible Note of HK\$60,000,000 represents a discount of 3% to the Early Repayment Amount which is determined in accordance with the early repayment terms of the Existing Promissory Note.

The Conversion Shares to be issued upon exercise in full of the conversion rights attaching to the Convertible Note represent approximately 22.5% of the issued share capital of the Company as at the date of this announcement and approximately 18.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares shall be issued pursuant to a specific mandate to be sought at the EGM.

The PN Holder is a substantial shareholder holding 35% of the issued share capital of WIHL, a non-wholly owned subsidiary of the Company. The Proposed PN Restructuring (including the issue of the Convertible Note and the issue of the New Promissory Note to the PN Holder) therefore constitutes a connected transaction for the Company under the GEM Listing Rules. As the applicable percentage ratios (as defined under the GEM Listing Rules and other than the profit ratio) in respect of the Proposed PN Restructuring are 25% or more, the Proposed PN Restructuring is therefore subject to independent Shareholders' approval requirement under the GEM Listing Rules.

An independent board committee has been established to advise the independent Shareholders as to whether the terms of the Agreement are fair and reasonable and whether the Proposed PN Restructuring is in the interests of the Company and the Shareholders as a whole and to advise the independent Shareholders on how to vote, taking into account of the recommendation of the independent financial adviser to be appointed. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders in this regard.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution in respect of the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PN Holder is holding 3,796,000 Shares (which represent approximately 0.4% of the existing issued share capital of the Company) as at the date of this announcement, the PN Holder and its associates will abstain from voting at the EGM to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, the details of the Agreement and the transactions contemplated thereunder and the terms of the Convertible Note and the New Promissory Note together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules on or before 8 March 2011.

Completion is subject to the fulfilment of the conditions precedent as set out in the Agreement and therefore the Proposed PN Restructuring (including the issue of the Convertible Note and New Promissory Note) may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE AGREEMENT

Date of the Agreement

15 February 2011

Parties to the Agreement

- (1) The Company
- (2) The PN Holder

The PN Holder is (to the best of the Directors' knowledge, information and belief having made all reasonable enquiries) an investment holding company, which is wholly and beneficially owned by Mr. Lam Ho Laam who does not have any directorship in the Company and its subsidiaries. The PN Holder is a substantial shareholder holding 35% of the issued share capital of WIHL which is a non-wholly owned subsidiary of the Company. The PN Holder is therefore a connected person of the Company.

Subject of the Agreement

The Company and the PN Holder conditionally agreed to restructure the Existing Promissory Note such that (i) a principal amount of HK\$61,855,670 outstanding under the Existing Promissory Note shall be early repaid by the Company by way of issue of the Convertible Note in an aggregate principal amount of HK\$60,000,000 to the PN Holder; and (ii) the remaining principal amount outstanding under the Existing Promissory Note shall be settled by the Company issuing the New Promissory Note to the PN Holder. The New Promissory Note will have the same terms and conditions of the Existing Promissory Note other than (a) the principal amount shall be the difference of the outstanding principal amount of the Existing Promissory Note immediately prior to Completion and the Early Repayment Amount and (b) the maturity date shall be 8 January 2013 instead of 8 January 2012. The principal terms of the Convertible Note and the New Promissory Note are set out in the sections headed "Principal terms of the Convertible Note" and "Principal terms of the New Promissory Note" respectively below.

The subscription price for the Convertible Note of HK\$61,855,670 (being an amount equal to the Early Repayment Amount) shall be deemed to be satisfied by the PN Holder when it delivers the Existing Promissory Note to the Company for cancellation at Completion.

The principal amount of the Convertible Note of HK\$60,000,000 represents a discount of 3% to the Early Repayment Amount which is determined in accordance with the early repayment terms of the Existing Promissory Note.

Conditions precedent

The Agreement is conditional upon and subject to the following conditions:

- (a) the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares;
- (b) the Shareholders who are permitted to vote on the relevant resolution having passed a resolution to approve the Agreement and the transactions contemplated thereunder, the issue of the New Promissory Note, the creation of the Convertible Note and the issue and allotment of the Conversion Shares upon the exercise of the conversion right attaching to the Convertible Note; and
- (c) the representations, warranties and undertakings of the Company given under the Agreement being true, accurate and correct as at the date of the Agreement and the Completion Date.

Save for condition (c) shall be capable of being waived in whole or in part by the PN Holder, all of the conditions above are not capable of being waived by the parties to the Agreement. If the above conditions are not fulfilled (or waived, as the case may be) on or before 30 April 2011 (or such other date as the parties may agree in writing), the Agreement shall terminate and the respective obligations of the parties under the Agreement shall forthwith cease and terminate and none of the Company or the PN Holder shall have any claim against the other of them.

Completion

Completion will take place on the Completion Date, being the third Business Day after the date on which all the conditions precedent above are fulfilled or waived, as the case may be (or such other day as the parties to the Agreement may agree in writing).

Upon Completion, the Existing Promissory Note will be delivered to the Company for cancellation and in return, the Company will issue the Convertible Note and the New Promissory Note in favour of the PN Holder.

The expenses of the Company in connection with the implementation of the Agreement are estimated to be approximately HK\$0.6 million.

PRINCIPAL TERMS OF THE CONVERTIBLE NOTE

The principal terms of the Convertible Note to be issued by the Company are as follows:

| | |
|-------------------|---|
| Issuer: | The Company |
| Principal amount: | HK\$60,000,000 |
| Maturity date: | The date falling on the second anniversary of the date of the issue of the Convertible Note |

| | |
|---------------------------|--|
| Interest: | Non-interest bearing |
| Initial conversion price: | HK\$0.28 (subject to adjustment). The conversion price may be subject to adjustments upon the occurrence of subdivision or consolidation or reclassification of Shares, capitalization of profits or reserves, rights issues and grant of options, warrants or other rights to Shareholders to subscribe for or purchase Shares |
| Conversion Shares: | 214,285,714 Shares based on the initial conversion price of HK\$0.28 per Share (subject to adjustment) |
| Transferability: | The Convertible Note is freely transferable with the Company's prior written consent prior to the maturity date except that any transfer of the Convertible Note to any connected person of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time and the holder of the Convertible Note may not require the registration of any transfer of the Convertible Note during the period of 10 days prior to (and including) the maturity date |
| Conversion period: | The period commencing from the date of issue of the Convertible Note and up to 4:00 p.m. on the maturity date (both dates inclusive) |
| Conversion: | A holder of the Convertible Note shall have the right on any business day during the conversion period to convert the whole or part of the principal amount of the Convertible Note in amounts of not less than a whole multiple of HK\$1,000,000, save that if at any time the outstanding principal amount of the Convertible Note is less than HK\$1,000,000, or if the holder of the Convertible Note intends to exercise the conversion rights attached to the entire principal amount of the Convertible Note, the holder of the Convertible Note may convert the whole (but not part only) of such outstanding principal amount, provided that no Convertible Note may be converted, to the extent that following such exercise, the holder of the Convertible Note and parties acting in concert with it (has the meaning ascribed to it in the Code on Takeovers and Mergers of Hong Kong), taken together, will directly or indirectly, control or be interested in 5% or more of the entire issued share capital of the Company |
| Redemption: | Unless previously converted or redeemed, or purchased and cancelled, the Convertible Note shall be redeemed by the Company on the maturity date at its principal amount outstanding |

At any time prior to the maturity date, the Company may cancel and redeem at its sole discretion such amount outstanding under the Convertible Note at the principal amount of such outstanding amount

Purchases: The Company or any of its subsidiaries may at any time and from time to time purchase the Convertible Note at any price as agreed between the Company or such subsidiary and the holder of the Convertible Note

Security: The Convertible Note is unsecured

Listing: No application will be made for the listing of the Convertible Note on the Stock Exchange or any other stock exchange

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Note

Ranking: The obligations of the Company arising under the Convertible Note constitute general, unconditional, unsecured and unsubordinated obligations of the Company, and rank and shall rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable laws

The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Note will, when issued, rank pari passu in all respects with all other Shares then in issue

Voting rights: The holder of the Convertible Note will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the Convertible Note

Assuming the conversion in full of the conversion rights attaching to the Convertible Note by the holder thereof at the initial conversion price of HK\$0.28 per Share, there will be a total of 214,285,714 Conversion Shares falling to be allotted and issued by the Company and such Conversion Shares represent (i) approximately 22.5% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be issued under a specific mandate proposed to be obtained at the EGM.

Conversion price

The conversion price of HK\$0.28 was agreed between the Company and the PN Holder with reference to the recent market price of the Shares and the terms of the Convertible Note, and represents:

- (i) a premium of approximately 16.67% over the closing price of HK\$0.2400 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 12.36% over the average closing price of HK\$0.2492 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day;
- (iii) a premium of approximately 9.98% over the average closing price of HK\$0.2546 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day; and
- (iv) a premium of approximately 1.38% over the average closing price of HK\$0.2762 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days prior to and including the Last Trading Day.

Based on the above, the Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the independent financial adviser to be appointed by the Company) consider the Conversion Price is fair and reasonable.

PRINCIPAL TERMS OF THE NEW PROMISSORY NOTE

The principal terms of the New Promissory Note are summarised as follows:

| | |
|-------------------|--|
| Issuer: | The Company |
| Principal amount: | Being the difference of the outstanding principal amount of the Existing Promissory Note immediately prior to Completion and the Early Repayment Amount, which is estimated to be HK\$121,686,272 |
| Maturity: | 8 January 2013 |
| Interest rate: | Interest-free |
| Security: | Unsecured |
| Repayment: | At the sole discretion of the Company, the principal amount of the New Promissory Note may be repaid before the maturity date of the New Promissory Note at a 3% discount. Otherwise, payment of principal of the New Promissory Note shall be made in full upon the maturity date |

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement and immediately after Completion; and (ii) immediately after conversion of the Convertible Note in full, assuming there being no other change to the shareholding structure of the Company after the date of this announcement:

| | Existing shareholding and immediately after Completion | | Shareholding immediately after conversion of the Convertible Note in full (Note 3) | |
|--|--|---------------|--|---------------|
| | No. of Shares | Approx. % | No. of Shares | Approx. % |
| Mr. Luk Wing Kwong, Quintin | 107,306,000 | 11.24 | 107,306,000 | 9.18 |
| Shiny Galaxy Enterprises Limited (Note 1) | 350,000 | 0.04 | 350,000 | 0.03 |
| Mr. Chan Kin Yip (Note 2) | 1,000,000 | 0.10 | 1,000,000 | 0.09 |
| PN Holder | 3,796,000 | 0.40 | 218,081,714 | 18.66 |
| Public | 841,972,242 | 88.22 | 841,972,242 | 72.04 |
| Total | 954,424,242 | 100.00 | 1,168,709,956 | 100.00 |

Notes:

1. Shiny Galaxy Enterprises Limited is beneficially owned as to 100% by Mr. Wong Wai Sing, the chairman and executive Director.
2. Mr. Chan Kin Yip is an executive Director.
3. The figures are provided for illustration purposes only. The terms of the Convertible Note provide that no Convertible Note may be converted, to the extent that following such exercise, the holder of the Convertible Note and parties acting in concert with it (has the meaning ascribed to it in the Code on Takeovers and Mergers of Hong Kong), taken together, will directly or indirectly, control or be interested in 5% or more of the entire issued share capital of the Company.

REASONS FOR THE PROPOSED PN RESTRUCTURING

The Company first issued certain 3-year promissory notes in an aggregate principal amount of HK\$183,541,942 in January 2009 to Mr. Zhang Weiting (“**Mr. Zhang**”) as part of the settlement of the consideration for the acquisition of 65% of the issued share capital of WIHL, the details of the completion of the acquisition and downward adjustment of the acquisition consideration were set out in the announcements of the Company dated 8 January 2009 and 22 March 2010, respectively. According to the Existing Promissory Note and to the best knowledge of the Company, in December 2010, Mr. Zhang transferred his remaining holding of the 35% issued share capital of WIHL to the PN Holder together with the outstanding principal amount of the promissory notes. As a result, the PN Holder became the holder of the Existing Promissory Note.

The Company is principally engaged in the provision of lottery-based mobile online game recharge service, internet e-gaming, rendering of travel agent services, entertainment programme production, events organization, tv-series production and operation of an artist training school in the region of Macau and Southeast Asia. According to the interim report of the Company for the six months ended 30 June 2010, as at 30 June 2010, the Group had a net deficit position of approximately HK\$68.4 million and a net current liabilities position of approximately HK\$6.8 million. In the circumstances, with a view to relieving the financial burden and improving the financial position of the Group, the Company has been discussing and negotiating with the PN Holder on the Proposed PN Restructuring and the Agreement was entered into to this end. Moreover, the capital base of the Group will also be strengthened if the PN Holder chooses to convert the Convertible Note.

The Directors (except for the independent non-executive Directors whose opinion will be subject to the adviser of the independent financial adviser of the Company to be appointed by the Company) consider that the Agreement is entered into upon normal commercial terms following arm's length negotiation between the Company and the PN Holder, and that the terms of the Agreement (including the terms and conditions of the Convertible Note and those of the Promissory Note) are fair and reasonable and are in the interests of the Shareholders and the Company as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The following are the details of the fund raising activities of the Company in the past 12 months immediately preceding the date of this announcement set out in chronological order:

1. Top-up placing of 66,000,000 Shares issued on 20 September 2010

Amount of funds raised

On 20 September 2010, the Company issued 66,000,000 Shares by way of top-up placing at price of HK\$0.30 each to not less than six places and net proceeds of about HK\$19.2 million were raised.

Intended use of the proceeds

The intended use of the proceeds was for working capital purpose of the Group.

Actual use of the proceeds

As at the date of this announcement, funds of around HK\$3.2 million and HK\$1 million out of the proceeds were respectively used as payment of operating expenses (including salaries, professional fees and others) and repayment of other borrowing[#]. Funds of around HK\$15 million were used for acquisition of 51% equity interest in Fountain City Holdings Limited, which details were disclosed in the announcement of the Company dated 26 October 2010. As the Directors considered the aforesaid acquisition provided a golden opportunity for the Group to penetrate into the entertainment industry of Macau which is considered to be a blooming industry in the coming few years, the Directors proposed the change in use of proceeds.

2. Top-up placing of 94,000,000 Shares on 6 January 2011

Amount of funds raised

On 6 January 2011, the Company issued 94,000,000 Shares by way of top-up placing at price of HK\$0.32 each to not less than six placees and net proceeds of about HK\$29.5 million were raised.

Intended use of the proceeds

The intended use of the proceeds was for financing possible future investments which may include acquisition of up to 30% issued share capital of Galaxy Mount International Limited as announced by the Company on 16 December 2010, should such transaction is consummated, repayment of bank and other borrowings and/or for general working capital purposes of the Group.

Actual use of the proceeds

As at the date of this announcement, funds of around HK\$12.5 million and HK\$2.5 million out of the net proceeds were used respectively as refundable deposit and earnest money for possible acquisition of up to 30% issued share capital of Galaxy Mount International Limited and not less than 20% issued share capital of a company which engaged in the organisation, production and management of stage drama in Mainland China and Asian region, details of which were announced by the Company on 16 December 2010, 6 January 2011 and 10 January 2011. Furthermore, funds of approximately HK\$11.6 million and HK\$2.9 million have been respectively used for repayment of other borrowings[#] and payment of operating expenses (including salaries, professional fess and others) of the Group respectively.

3. Top-up placing of 64,000,000 Shares on 25 January 2011

Amount of funds raised

On 25 January 2011, the Company issued 64,000,000 Shares by way of top-up placing at price of HK\$0.295 each to not less than six placees and net proceeds of about HK\$18.22 million were raised.

Intended use of the proceeds

The intended use of the proceeds was for financing possible future investments which may include acquisition of up to 30% issued share capital of Galaxy Mount International Limited or acquisition of not less than 20% issued share capital of a company engaged in the organization, production or management of stage drama in Mainland China and Asian region as announced by the Company on 16 December 2010, 6 January 2011, 10 January 2011 and 26 January 2011 respectively, should such transaction are consummated, for repayment of bank and other borrowings and/or for general working capital purposes of the Group.

Actual use of the proceeds

As at the date of this announcement, funds of around HK\$13.5 million out of the net proceeds were used as refundable second deposit for possible acquisition of up to 30% issued share capital of Galaxy Mount International Limited, detail of which is announced by the Company on 26 January 2011. The remaining balance has been deposited in bank and not yet been utilized. The remaining balance will be applied for the Group's general working capital purpose.

Repayment of other borrowing referred to the directors' loans advanced to the Company for general working capital purpose in the past few years. The loans were unsecured and interest free. No specific maturity date is entered into between the Company and the Directors as the Directors intends to provide more flexibility to the Company. Although there is no fixed repayment date, it is expected that when the Group has sufficient working capital, the Group may repay the loans. As the top up placings in September 2010 and January 2011 have greatly improved the cashflow of the Group, the Board considers that the repayment of the Directors' loans is also a measure taken in improving the gearing ratio of the Group and is beneficial to the Group and the Company's shareholders as a whole.

Save and except for the above, the Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATION

The PN Holder is a substantial shareholder holding 35% of the issued share capital of WIHL, a non-wholly owned subsidiary of the Company. The Proposed PN Restructuring (including the issue of the Convertible Note and the issue of the New Promissory Note to the PN Holder) therefore constitutes a connected transaction for the Company under the GEM Listing Rules. As the applicable percentage ratios (as defined under the GEM Listing Rules and other than the profit ratio) in respect of the Proposed PN Restructuring are 25% or more, the Proposed PN Restructuring is therefore subject to independent Shareholders' approval requirement under the GEM Listing Rules.

An independent board committee has been established to advise the independent Shareholders as to whether the terms of the Agreement are fair and reasonable and whether the Proposed PN Restructuring is in the interests of the Company and the Shareholders as a whole and to advise the independent Shareholders on how to vote, taking into account of the recommendation of the independent financial adviser to be appointed. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders in this regard.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution in respect of the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PN Holder is holding 3,796,000 Shares (which represent approximately 0.4% of the existing issued share capital of the Company) as at the date of this announcement, the PN Holder and his associates will abstain from voting at the EGM to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, the details of the Agreement and the transactions contemplated thereunder and the terms of the Convertible Note and the New Promissory Note together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules on or before 8 March 2011.

Completion is subject to the fulfilment of the conditions precedent as set out in the Agreement and therefore the Proposed PN Restructuring (including the issue of the Convertible Note and the New Promissory Note) may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

| | |
|-----------------------|---|
| “Agreement” | the agreement dated 15 February 2011 entered into between the Company and the PN Holder in respect of the Proposed PN Restructuring |
| “associates” | has the same meaning ascribed to it under the GEM Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day, other than a Saturday or a Sunday, on which banks in Hong Kong are open for business throughout their normal business hours |
| “Company” | TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on GEM (stock code: 8022) |
| “Completion” | completion of the Proposed PN Restructuring pursuant to the terms of the Agreement |
| “Completion Date” | the day on which Completion takes place |
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Conversion Shares” | the Shares falling to be issued by the Company upon the exercise of the conversion right attaching to the Convertible Note by the holder thereof pursuant to the terms and conditions of the Convertible Note |
| “Convertible Note” | the HK\$60,000,000 zero coupon convertible note in registered form to be issued to the PN Holder pursuant to the terms of the Agreement |

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| “Directors” | directors of the Company |
| “Early Repayment Amount” | part of the outstanding principal amount of the Existing Promissory Note in the sum of HK\$61,855,670 which will be early repaid by the Company by way of issue of the Convertible Note |
| “EGM” | the extraordinary general meeting of the Company to be held to consider, and if thought fit, approve the Agreement and the transactions contemplated thereunder (including the issue of the Convertible Note and the New Promissory Note and the issue and allotment of the Conversion Shares) |
| “Existing Promissory Note” | the zero coupon promissory note dated 3 December 2010 issued by the Company in favour of the PN Holder in the aggregate amount of HK\$183,541,942 due and repayable on 8 January 2012 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Last Trading Day” | 15 February 2011, being the date of the Agreement |
| “New Promissory Note” | the new zero coupon promissory note to be issued by the Company to the PN Holder pursuant to the terms of and conditions of the Agreement |
| “PN Holder” | Premier Capital Enterprises Limited, a company incorporated in the British Virgin Island with limited liability and the holder of the Existing Promissory Note, which is beneficially wholly-owned by Mr. Lam Ho Lam |
| “Proposed PN Restructuring” | the proposed restructuring of the Existing Promissory Note in accordance with the terms of the Agreement |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shares” | ordinary shares of HK\$0.01 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “WIHL” | Wisdom In Holdings Limited, a company incorporated in the British Virgin Island with limited liability |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board
TLT Lottotainment Group Limited
Wong Wai Sing
Chairman

Hong Kong, 15 February 2011

As of the date hereof, the executive Directors are Mr. Wong Wai Sing, Mr. Cheung Man Yau, Timothy, Mr. Chan Kin Yip and Mr. Lai Chun Hung; the independent non-executive Directors are Mr. Sung Wai Tak, Herman, Mr. Wong Lit Chor, Alexis and Mr. Fung Wai Shing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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