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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the circular of TLT Lottotainment Group Limited (the “**Company**”) dated 3 October 2011 (the “**Circular**”). Unless otherwise expressly indicated, the capitalised terms used herein shall have the same meaning as those defined in the Circular.

The Company would like to clarify the relevant information regarding the outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date and the Changes in Shareholding Structure of the Company contained in the Circular as follows:

1. by replacing the phrase “Save for the Options and the Convertible Bonds,” in the first paragraph under the paragraph headed “Proposed Share Consolidation” on page 25 of the Circular with the phrase “Save for the Options, the Existing Bonds and the Convertible Bonds,”;
2. “CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY” on pages 22 and 23 of the Circular should be replaced by the following in its entirety:

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, assuming full conversion of the Convertible Bonds at the Conversion Price of HK\$0.30 per Conversion Share, a total of 166,666,666 Conversion Shares will be allotted and issued and will represent (1) approximately 50.78% of the issued share capital of the Company as at the date of the Share Consolidation has become

effective (assuming there is no other change in the issued share capital of the Company and shareholding structure of the Company as at the Latest Practicable Date); and (2) approximately 33.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there is no other change in the issued share capital of the Company and shareholding structure of the Company as at the Latest Practicable Date to the Share Consolidation has become effective).

The following chart sets out: (1) the shareholding structure of the Company as at the Latest Practicable Date (assuming the Share Consolidation has become effective); and (2) the Shareholding Structure of the Company as at the date of this announcement; and (3) the shareholding structure of the Company upon exercise of the Options; and (4) the shareholding structure of the Company upon full conversion of the Existing Bonds; (5) assuming there is no other change in the issued share capital and shareholding structure of the Company as at the Latest Practicable Date, the shareholding structure of the Company immediately after the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price; and (6) assuming there is no other change in the issued share capital of the Company and the shareholding structure of the Company as at the Latest Practicable Date, the shareholding structure of the Company immediately after the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds at the minimum Conversion Price of HK\$0.18 per Conversion Share; and (7) assuming there is no other change in the issued share capital of the Company and the shareholding structure of the Company as at the Latest Practicable Date, the shareholding structure of the Company immediately after exercise of the Options, the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds at the minimum Conversion Price of HK\$0.18 per Conversion Share and upon full conversion of the Existing Bonds.

	As at the Latest Practicable Date		As at the date of this announcement (17 October 2011)		Immediately after the exercise of the Options		Immediately after the allotment and issue of the maximum number of the conversion shares upon full conversion of the Existing Bonds	
	approximate		approximate		approximate		approximate	
	Shares	%	Shares	%	Shares	%	Shares	%
Substantial Shareholders and Directors:								
Mr. Luk Wing Kwong, Quintin (Note 2)	60,176,800	18.33	62,782,800	19.13	60,176,800	18.08	60,176,800	17.27
Chan Kin Yip (Note 1)	200,000	0.06	200,000	0.06	1,200,000	0.36	200,000	0.06
Cheung Man Yau, Timothy (Note 1)	-	-	-	-	1,300,000	0.39	-	-
Sung Wai Tak, Herman (Note 1)	-	-	-	-	100,000	0.03	-	-
Wong Lit Chor, Alexis (Note 1)	-	-	-	-	100,000	0.03	-	-
Fung Wai Shing (Note 1)	-	-	-	-	100,000	0.03	-	-
Holders of the Options (other than the Directors)								
	-	-	-	-	2,000,000	0.60	-	-
Public Shareholders								
The Subscriber (Note 3)	-	-	-	-	-	-	-	-
Holder of the Existing Bonds	-	-	-	-	-	-	20,057,142	5.76
Other public shareholders	267,858,769	81.61	265,252,769	80.81	267,858,769	80.48	267,858,769	76.91
	<u>328,235,569</u>	<u>100.00</u>	<u>328,235,569</u>	<u>100.00</u>	<u>332,835,569</u>	<u>100.00</u>	<u>348,292,711</u>	<u>100.00</u>

	Immediately after the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds		Immediately after the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds at the minimum Conversion Price of HK\$0.18 per Conversion Share		Immediately after the exercise of the Options, the allotment and issue of the maximum number of the Conversion Shares upon full conversion of the Convertible Bonds at the minimum Conversion Price of HK\$0.18 per Conversion Share, upon full conversion of the Existing Bonds	
	Shares	approximate %	Shares	approximate %	Shares	approximate %
Substantial Shareholders and Directors:						
Mr. Luk Wing Kwong, Quintin (Note 2)	60,176,800	12.16	60,176,800	9.93	60,176,800	9.54
Chan Kin Yip (Note 1)	200,000	0.04	200,000	0.03	1,200,000	0.19
Cheung Man Yau, Timothy (Note 1)	–	–	–	–	1,300,000	0.21
Sung Wai Tak, Herman (Note 1)	–	–	–	–	100,000	0.02
Wong Lit Chor, Alexis (Note 1)	–	–	–	–	100,000	0.02
Fung Wai Shing (Note 1)	–	–	–	–	100,000	0.02
Holders of the Options (other than the Directors)						
	–	–	–	–	2,000,000	0.31
Public Shareholders						
The Subscriber (Note 3)	166,666,666	33.68	277,777,777	45.84	277,777,777	44.04
Holder of the Existing Bonds	–	–	–	–	20,057,142	3.18
Other public shareholders	267,858,769	54.12	267,858,769	44.20	267,858,769	42.47
	<u>494,902,235</u>	<u>100.00</u>	<u>606,013,346</u>	<u>100.00</u>	<u>630,670,488</u>	<u>100.00</u>

- Note 1:* Mr. Chan Kin Yip and Mr. Cheung Man Yau, Timothy are executive Directors. Mr. Sung Wai Tak, Herman, Mr. Wong Lit Chor, Alexis and Mr. Fung Wai Shing are independent non-executive Directors.
- Note 2:* As at the date of this announcement, 8,246,000 Consolidated Shares are owned by Best Investments (Far East) Limited, a company wholly owned by Mr. Luk Wing Kwong, Quintin and 54,536,800 Consolidated Shares are owned by Mr. Luk Wing Kwong, Quintin in his personal capacity. As at the Latest Practicable Date, 53,736,800 Shares are owned by Best Investments (Far East) Limited and 6,440,000 Shares are owned by Mr. Luk Wing Kwong, Quintin in his personal capacity.
- Note 3:* Upon exercise in full of the conversion rights attached to the Convertible Bonds, the Subscriber will be interested in approximately 33.68% (assuming the Conversion Price being HK\$0.30) or approximately 45.84% (assuming the Conversion Price being HK\$0.18) of the total issued share capital of the Company and will become the Company's controlling Shareholder and thereby trigger off a mandatory offer obligation under the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). In such event, the Subscriber would comply with the relevant provisions of the Takeovers Code as and when appropriate.

By order of the Board
TLT LOTTOTAINMENT GROUP LIMITED
Cheung Man Yau, Timothy
Chief Executive Officer and Executive Director

Hong Kong, 17 October 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Man Yau, Timothy, Mr. Chan Kin Yip and Ms. Cheng Sze Man; and the independent non-executive Directors of the Company are Mr. Sung Wai Tak, Herman, Mr. Wong Lit Chor, Alexis and Mr. Fung Wai Shing.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material aspects 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 its date of its posting and on the Company's website at <http://www.lottotainment.com.hk>.