

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in TLT Lottotainment Group Limited (the "Company"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



## **TLT LOTTOTAINMENT GROUP LIMITED**

**彩娛集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 8022)**

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, EXTENSION OF GENERAL MANDATES TO ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting ("AGM") of the Company to be held at Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong on 4 June 2012 at 11:00 a.m. is set out on pages 16 to 19 of this circular. Shareholders of the Company are advised to read the notice and to complete and return the form of proxy for use at the AGM enclosed with this circular in accordance with the instructions printed thereon.

A form of proxy for the AGM is enclosed with this circular. Whether you are able to attend or not, please complete and return the enclosed form of proxy to the branch share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person.

*This circular will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the website of the company at <http://www.lottotainment.com.hk>.*

4 May 2012

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)  
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Appendix I</b> - <b>Details of the retiring Directors proposed to be re-elected</b> .....	7
<b>Appendix II</b> - <b>Explanatory Statement</b> .....	12
<b>Notice of Annual General Meeting</b> .....	16

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2011 Annual Report”	means the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2011
“AGM”	means the annual general meeting of the Company to be convened and held at Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong on 4 June 2012 at 11:00 a.m. and any adjournment thereof
“Articles of Association”	means the articles of association of the Company
“Board”	means the board of directors of the Company
“Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	means TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on GEM
“Connected Person”	has the same meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	means the directors of the Company
“Existing Issue Mandate”	the general mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company held on 5 March 2012 to allot, issue and deal up to 20% of the then issued share capital of the Company as at the date of the extraordinary general meeting on 5 March 2012
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong

## DEFINITIONS

“Issue Mandate”	means the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares equal in aggregate up to a maximum of 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	means 30 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Memorandum”	means the memorandum of association of the Company
“Notice”	means the notice convening the AGM
“Old Share Scheme”	the share option scheme adopted by the Company on 30 July 2001, amended on 2 December 2008, and terminated on 9 May 2011
“PRC”	means People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	means the proposed general mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares equal in aggregate not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on the terms as more particularly set out in the Notice
“SFO”	means Securities and Futures Ordinances, Cap. 571 of the Laws of Hong Kong
“Share(s)”	means ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means The Codes on Takeovers and Mergers and Share Repurchases
“%”	means per cent



**TLT LOTTOTAINMENT GROUP LIMITED**

**彩娛集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 8022)**

*Executive Directors:*

Ms. Yip Man Yi (*Chairman*)  
Mr. Cheung Man Yau, Timothy (*Chief Executive Officer*)  
Mr. Lee Chi Shing, Caesar  
Ms. Cheng Sze Man  
Mr. Chan Yun Fai  
Mr. Au Yeung Yiu Chung

*Registered Office:*

Room A, 9th Floor  
Fortis Tower  
77-79 Gloucester Road  
Wanchai  
Hong Kong

*Independent Non-executive Directors:*

Mr. Fung Wai Shing  
Mr. Li Kwok Chu  
Mr. Chiu Koon Shou

4 May 2012

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
EXTENSION OF GENERAL MANDATES TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for the approval of (a) granting to the Directors the Issue Mandate; (b) granting to the Directors the Repurchase Mandate; (c) granting to the Directors a general mandate to extend the Issue Mandate to issue new Shares by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and (d) re-election of retiring Directors.

## LETTER FROM THE BOARD

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the extraordinary general meeting of the Company held on 5 March 2012, general mandates were granted to the Directors to repurchase and to issue Shares. The said general mandates will expire at the conclusion of the forthcoming AGM.

The Board shall review the market situation from time to time and exercise the general mandate to issue Shares for fund raising activities if and when appropriate. And the Board believes that the exercise of the general mandate to issue Shares is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility for the future business development of the Group.

Resolutions set out as resolution numbers 4 and 5 in the AGM Notice will be proposed at the AGM to revoke the existing issue mandate and the existing repurchase mandate and to grant fresh mandates to the Directors: (i) to allot, issue and deal with Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing resolution granting the Issue Mandate as resolution number 4 set out in the AGM Notice. Based on 328,235,569 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to allot, issue and deal with up to a total of 65,647,113 Shares if the Issue Mandate is granted at the AGM; and (ii) to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of resolution number 5 granting the Repurchase Mandate.

At the extraordinary general meeting of the Company held on 5 March 2012, the Existing Issue Mandate was granted by an ordinary resolution passed by the Shareholders. As at the Latest Practicable Date, none of the Existing Issue Mandate has been utilized. Based on 328,235,569 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to repurchase for up to a total of 32,823,556 fully paid Shares if the Repurchase Mandate is granted at the AGM.

These general mandates will remain in effect until whichever is the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of Hong Kong or GEM Listing Rules; and (iii) the date upon which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

## LETTER FROM THE BOARD

### EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Issue Mandate.

An explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in the Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant proposed ordinary resolution for the grant of the Repurchase Mandate at the AGM.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 121 of the Articles of Association, Mr. Cheung Mau Yau, Timothy shall retire from office at the AGM and being eligible, would offer himself for re-election. In accordance with Article 101 of the Articles of Association, Ms. Yip Man Yi, Mr. Lee Chi Shing, Caesar, Ms. Cheng Sze Man, Mr. Chan Yun Fai, Mr. Au Yeung Yiu Chung, Mr. Li Kwok Chu and Mr. Chiu Koon Shou shall retire from office at the AGM and being eligible, would offer themselves for re-election. Details of the retiring Directors proposed for re-election at the AGM are set out in Appendix I of this circular.

### NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is enclosed with this circular.

A proxy form for appointing proxy is dispatched with this circular and published on the websites of the Stock Exchange and the Company. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the branch share registrar of the Company in Hong Kong at Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting (as the case may be). Completion and return of a proxy form will not preclude Shareholders from attending and voting at the meeting and at any adjournment thereof if they so wish.



## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, 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 enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in the circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this circular misleading.

### GEM LISTING RULES REQUIREMENT

According to rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, every resolution put to the vote of the AGM will be taken by way of poll pursuant to Article 81 of the Articles of Association. The Company will announce the results of the poll in the manner prescribed under rule 17.47(5) of the GEM Listing Rules.

### RECOMMENDATION

The Directors are of the opinion that the grant of the Issue Mandate and Repurchase Mandate; the extension of general mandate to issue Shares and the re-election of retiring Directors referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of all resolutions to be proposed at the AGM.

By Order of the Board  
**TLT Lottotainment Group Limited**  
**Yip Man Yi**  
*Chairman and Executive Director*

## APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

*The following are the particulars of the retiring Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM.*

**Mr. Cheung Man Yau, Timothy** (“**Mr. Cheung**”), aged 54, was appointed as an Independent Non-executive Director on 16 April 2004. Mr. Cheung was re-designated from Independent Non-executive Director and Chairman of the Audit Committee to Executive Director and Chief Executive Officer of the Company with effect from 8 July 2008. He is also a member of the Remuneration Committee. Mr. Cheung is also the director of a number of subsidiaries. Save as disclosed, Mr. Cheung does not hold any other position with the Company or any of its subsidiaries. He is a qualified professional accountant with more than 29 years of extensive experience in management, finance, audit and accounting fields. Mr. Cheung graduated from The University of Hong Kong and had previously worked in a number of international accounting firms. Save as disclosed above, Mr. Cheung 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. Cheung has entered into a service agreement with the Company for a term of three years commencing from 1 February 2010 and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Pursuant to the service agreement, Mr. Cheung is entitled to a monthly salary of HK\$120,000 and a monthly director fee of HK\$10,000 plus discretionary bonus, which is determined by reference to the prevailing market conditions and his roles and responsibilities in the Company.

As at the Latest Practical Date, Mr. Cheung was granted share options by the Company on 4 June 2010 under the Old Share Scheme, entitling him to subscribe 1,300,000 shares. Save as disclosed above, Mr. Cheung is not interested in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cheung does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Ms. Yip Man Yi** (“**Ms. Yip**”), aged 40, was appointed as chairman and Executive Director on 10 April 2012. 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 and has over 15 years’ experience in financial market in different asset classes including foreign exchange, equities and money market. Ms. Yip has worked with HSBC Market (Asia) Limited for Global Markets and listed companies on the Main Board of the Stock Exchange that was actively involved in formulating investment strategy and was responsible for overseeing the management operations of various investment projects. 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.

## APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Ms. Yip has entered into a service agreement with the Company for a term of two years commencing from 10 April 2012 and is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles and Association. Under the service agreement, Ms. Yip is entitled a monthly salary of HK\$20,000 plus discretionary bonus, which is determined by reference to the prevailing market conditions and her roles and responsibilities to the Company.

As at the Latest Practical Date, Ms. Yip has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Yip does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Mr. Lee Chi Shing, Caesar ("Mr. Lee")**, aged 48, was appointed as an Executive Director on 28 October 2011. Save as disclosed above, Mr. Lee does not hold any other position with the Company or any of its subsidiaries. Prior to joining the Company, Mr. Lee has obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1985 and a Bachelor of Arts in Business Studies from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong) in 1994. He had worked in the Inland Revenue Department for over 15 years after his graduation. In 2000, he joined Ernst and Young, an international accounting firm, as a senior manager. He later obtained a Master degree in International Accountancy from the City University of Hong Kong in 2001. He was an executive director of Tanrich Financial Holdings Limited, a company listed on the main board of the Stock Exchange, from 1 November 2004 to 29 June 2005. He was also an executive director of Info Communication Holdings Limited, a company listed on the GEM, from 23 November 2007 to 1 September 2010. He has been the executive director of (i) Sun International Group Limited, a company listed on the GEM; (ii) Hong Long Holdings Limited, a company listed on the main board of the Stock Exchange, and (iii) Newtree Group Holdings Limited, a company listed on the main board of the Stock Exchange since 14 August 2006, 30 September 2010 and 4 October 2011 respectively. He is experienced in corporate management and internal control. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, he is a member of the Society of Registered Financial Planners. Save as disclosed, Mr. Lee 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.

There is no service agreement between Mr. Lee and the Company and he is subject to the retirement and rotation requirement as per the Articles of Association. Mr. Lee is entitled of an annual remuneration of HK\$120,000, which was determined in accordance with Mr. Lee's job duties and position in the Company. Payment of bonus will be determined with reference to the Company's business performance, profitability and market conditions. The amount of remuneration has been approved by the Board and the remuneration committee of the Company.

As at the Latest Practical Date, Mr. Lee has no interest in the Shares within the meaning of Part XV of the SFO.

## APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, Mr. Lee does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Ms. Cheng Sze Man (“Ms. Cheng”)**, aged 34, was appointed as an Executive Director on 12 September 2011. Save as disclosed above, Ms. Cheng does not hold any other position with the Company or any of its subsidiaries. Ms. Cheng holds an Honours Diploma in Accounting from Hong Kong Shue Yan University. She has over 10 years’ experience in accounting and auditing. She is currently an internal auditor of a trading company. Saved as disclosed above, Ms. Cheng 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.

There is no service agreement between Ms. Cheng and the Company. Her appointment has no fixed term and is subject to retirement and rotation at the annual general meeting of the Company in accordance with the Articles and Association. Ms. Cheng’s remuneration will be determined by the board of Directors of the Company with reference to her duties and responsibilities with the Company.

As at the Latest Practical Date, Ms. Cheng has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Cheng does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Mr. Chan Yun Fai (“Mr. Chan”)**, aged 24, was appointed as an Executive Director on 10 March 2012. 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. Since his graduation in 2009, he is engaged in China and gains well experience in insurance and investment field. 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. Chan has entered into a service agreement with the Company for a term of two years commencing from 10 March 2012 and he is subject to the retirement and rotation at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Chan is entitled a monthly salary of HK\$15,000 plus discretionary bonus, which is determined by the board of Directors with reference to the prevailing market conditions and his roles and responsibilities with the Company.

As at the Latest Practical Date, Mr. Chan has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Mr. Au Yeung Yiu Chung (“Mr. Au Yeung”)**, aged 30, was appointed as an Executive Director on 10 March 2012. 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. He has over seven years of experience in financial industry. 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.

Mr. Au Yeung has entered into a service agreement with the Company for a term of two years commencing from 10 March 2012 and he is subject to the retirement and rotation at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Au Yeung is entitled a monthly salary of HK\$15,000 plus discretionary bonus, which is determined by the board of Directors with reference to the prevailing market conditions and his roles and responsibilities with the Company.

As at the Latest Practical Date, Mr. Au Yeung has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Au Yeung does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Mr. Li Kwok Chu (“Mr. Li”)**, aged 55, 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.

There is no service agreement nor any fixed term of service entered into between Mr. Li and the Company and he is subject to the retirement and rotation at the annual general meeting of the Company in accordance with the Articles of Association. The remuneration of Mr. Li is HK\$50,000 per annum which is determined by the board of Directors with reference to his experience, performance and the prevailing market conditions.

As at the Latest Practical Date, Mr. Li has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Li does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

**Mr. Chiu Koon Shou** (“**Mr. Chiu**”), aged 42, was appointed as an Independent Non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. 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 September 15, 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.

There is no service agreement nor any fixed term of service entered into between Mr. Chiu and the Company and he is subject to the retirement and rotation at the annual general meeting of the Company in accordance with the Articles of Association. The remuneration of Mr. Chiu is HK\$50,000 per annum which is determined by the board of Directors with reference to his duties and responsibilities with the Company and the prevailing market conditions.

As at the Latest Practical Date, Mr. Chiu has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chiu does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Cheung, Ms. Yip, Mr. Lee, Ms. Cheng, Mr. Chan, Mr. Au Yeung, Mr. Li and Mr. Chiu or any other information that need to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorizing the Repurchase Mandate.

The explanatory statement contains all the information that is required by the GEM Listing Rules set out as follows:

### **1. EXERCISE OF THE REPURCHASE MANDATE**

Assuming no Shares are issued or repurchased prior to the AGM and on the basis of 328,235,569 Shares in issue as at the Latest Practicable Date, the exercise of the Repurchase Mandate in full could result in up to 32,823,556 Shares, representing 10% of the existing issued share capital of the Company, to be repurchased by the Company during the period up to the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of Hong Kong or the Articles of Association to be held or until the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

### **3. FUNDING OF REPURCHASES**

The Company is empowered by the memorandum and articles of association of the Company to purchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of Hong Kong. Such funds may include the profits available for distribution and the proceeds of a fresh issue of Shares made for the purpose of the repurchases or if authorised by the Articles of Association and subject to Hong Kong law, out of capital. Under the Companies Ordinance, the Shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital will not be reduced.

**4. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2011 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. DISCLOSURE OF INTERESTS**

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective Associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No Connected Person has notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to sell Shares to the Company if the Repurchase Mandate is exercised. In accordance with the GEM Listing Rules, the Company is prohibited from knowingly purchasing Shares from a connected person in the GEM and a connected person shall not knowingly sell his Shares to the Company.

**6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Hong Kong and in accordance with the regulations set out in the memorandum and articles of association of the Company.



## 7. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Directors are aware, the shareholding of the substantial Shareholder is as follows:

Name	Number of Shares	Approximate percentage of issued share capital	Approximate percentage of issued share upon full exercise of Repurchase Mandate
Luk Wing Kwong, Quintin	50,351,800	15.34%	17.04%

In the opinion of the Directors, such increase will not give rise to mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the previous six months preceding the Latest Practicable Date, whether on the GEM or otherwise.

## 9. SHARE PRICES

The highest and lowest price at which Shares were traded on the GEM in the past 12 months up to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2011</b>		
April	1.550	1.185
May	1.300	0.815
June	0.950	0.500
July	0.605	0.470
August	0.550	0.400
September	0.465	0.325
October	0.420	0.295
November	0.700	0.350
December	0.380	0.220
<b>2012</b>		
January	0.400	0.250
February	0.345	0.260
March	0.280	0.196
April (up to the Latest Practicable Date)	0.202	0.160

# NOTICE OF ANNUAL GENERAL MEETING



## TLT LOTTOTAINMENT GROUP LIMITED

彩娛集團有限公司

*(Incorporated in Hong Kong with limited liability)*

(STOCK CODE: 8022)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of TLT Lottotainment Group Limited (the “**Company**”) will be held at 11:00 a.m. on 4 June 2012 at Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and the auditors of the Company for the year ended 31 December 2011;
2. to re-elect retiring directors of the Company (the “**Directors**”) and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint the auditors of the Company and to authorise the board of Directors to fix their remuneration;

To consider as special business and, if thought fit, passing the following resolutions (the “**Resolution(s)**”) as ordinary resolutions:

4. **“THAT:**
  - (a) subject to paragraph (c) of this Resolution, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) operated by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as herein defined) of all the powers of the Company to allot, issue and deal with unissued shares (each a “**Share**”) of HK\$0.05 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as herein defined); or
  - (ii) the exercise of any options granted under the share option scheme of the Company; or
  - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary Resolution of the shareholders of the Company) the nominal amount of any share capital of the Company or the number of issued share repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of that Resolution, or, 32,823,556 shares, assuming that no shares are issued or repurchased from the date of the notice of annual general meeting up to the date of such meeting), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the passing of an ordinary Resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution;

“**Rights Issue**” means an offer of Shares, or offer of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as herein defined) of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the GEM Listing Rules and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
  - (iii) the passing of an ordinary Resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”
6. “**THAT** conditional upon the passing of the Resolutions 4 and 5 as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

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

Hong Kong, 4 May 2012

*Notes:*

1. A member of the Company may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company’s share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the meeting (or the adjourned meeting, as the case may be).
3. Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
4. In the case of joint registered holders of any Share, any one of such joint registered holders may vote at the meeting, either in person or by proxy, in respect of such Share as if they were solely entitled thereto, but if more than one of such joint registered holders be present at the meeting, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.