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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)

**FURTHER UPDATE ON THE CONVERTIBLE BONDS ISSUED BY
THE COMPANY ON 28 OCTOBER 2011
AND
SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO
PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE
AND
REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
ADJOURNMENT OF THE EXTRAORDINARY GENERAL MEETING
ORIGINALLY SCHEDULED ON 9 AUGUST 2012 AT 9:00 A.M.**

Reference is made to the circular of the Company dated 25 July 2012 (“the Circular”) in respect of, among other things, the proposed Rights Issue, the Share Consolidation and Change in Board Lot Size and the announcements of the Company dated 27 May 2012, 6 June 2012 and 14 June 2012 (the “Announcements”) relating to the Convertible Bonds issued by the Company on 28 October 2011. Unless the context requires otherwise, capitalized terms used in this announcement should have the same meanings as those defined in the Circular and the Announcements.

The Company wishes to announce that the Company has reached a full and final settlement with Sun Finance in respect of the Court Application and all of the claims by Sun Finance against the Company arising from the Bonds, the Instrument and the Statutory Demand by virtue of a Settlement Agreement dated 3 August 2012 (“the Settlement Agreement”). The parties also intend to sign and submit to the Court a Consent Order on 6 August 2012 in respect of the proceedings of HCMP 1121/2012 (“the Consent Order”). Pursuant

to the Settlement Agreement and the Consent Order, (i) the Company paid a sum of HK\$56,885,245.90 to Sun Finance in full settlement of the principal amount of HK\$50 million of the Bonds and the interest accrued thereon up to and including 2 August 2012 whereupon all liabilities of the Company towards Sun Finance arising from the Bonds, the Instrument and the Statutory Demand shall be discharged; and (ii) the Court Application shall be stayed.

The aforesaid payment in sum of HK\$56,885,245.90 made by the Company to Sun Finance was financed by a loan from Gain All drawn under the Loan Facility as disclosed in the Circular and the announcement dated 6 June 2012.

With reference to the Company's proposed Rights Issue as disclosed in the Circular, the Company intended to apply the net proceeds from the Rights Issue (approximately HK\$8.70 million) in full to the payment of the interest on the said principal amount of HK\$50 million of the Bonds owing to Sun Finance. Given that the Company has already paid the said interest prior to the completion of the Rights Issue, the Company now intends to apply the net proceeds of the Rights Issue to the payment of the interest and/or the principal due under the Loan Facility.

The Directors are of the view that the new usage of net proceeds of the Rights Issue as aforesaid does not, in substance, deviate from the intended usage as disclosed in the Circular because in either way the net proceeds are to be used to pay the debts owed by the Company to an independent third party. Further, the funding needs of the Company remain unchanged since all the drawdown loans under the Loan Facility are repayable on or before 30 May 2013. The "Reasons for the Rights Issue" as disclosed in the Circular, therefore, still apply despite the new usage of net proceeds as aforesaid. The Directors believe that the Rights Issue is in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the proposed resolution approving the Rights Issue at the adjourned EGM.

Proposed adjournment of the EGM

According to Rule 17.46 of the GEM Listing Rules, a listed issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued not less than 10 business days before the date of the relevant general meeting to consider the subject matter. Since this announcement is issued less than 10 business days before the date of the EGM originally scheduled to be convened on 9 August 2012 at 9:00 a.m. in respect of the Rights Issue ("the Original EGM"), the Board has resolved to adjourn the EGM to Wednesday, 22 August 2012 at 9:00 a.m. at Room A, 9th Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong ("the Adjourned EGM").

Due to the adjournment of the Original EGM, the revised expected timetable of the proposed Rights Issue, the Share Consolidation and Change in Board Lot Size is as follows:

2012
(Hong Kong time)

Despatch of revised notice and proxy form of the
Adjourned EGM in respect of the Rights Issues. Monday, 6 August

Latest time for lodging proxy form of the
Adjourned EGM in respect of the Rights Issue 9:00 a.m. on Monday, 20 August

Record date for attendance and voting at the
Adjourned EGM in respect of the Rights Issue Wednesday, 22 August

Expected time and date of the Adjourned EGM
in respect of the Rights Issue. 9:00 a.m. on Wednesday, 22 August

Announcement of results of the Adjourned EGM
for the Rights Issue Wednesday, 22 August

Prospectus Documents to be posted. Thursday, 23 August

First day of dealings in nil-paid Rights Shares Monday, 27 August

Despatch of circular and proxy form of EGM in
respect of the Share Consolidation. Monday, 27 August

Latest time for splitting of nil-paid Rights Shares 4:30 p.m. on Wednesday, 29 August

Last day of dealings in nil-paid Rights Shares. Monday, 3 September

Latest time for acceptance of and payment for
Rights Shares and application for excess
Rights Shares. 4:00 p.m. on Thursday, 6 September

Latest time for the termination of the
Underwriting Agreement. 4:00 p.m. on Tuesday, 11 September

Announcement of allotment results Thursday, 13 September

Despatch of certificates for fully-paid Rights Shares
and refund cheques Friday, 14 September

Latest time for lodging proxy form of EGM in respect
of the Share Consolidation. 9:00 a.m. on Sunday, 16 September

Expected first date of dealings in fully-paid Rights Shares Monday, 17 September

Record date for attendance and voting at the
EGM in respect of the Share Consolidation Tuesday, 18 September

Expected time and date of the EGM in respect of
the Share Consolidation. 9:00 a.m. on Tuesday, 18 September

Announcement of result of the EGM in respect of
the Share Consolidation. Tuesday, 18 September

Effective date of the Share Consolidation Wednesday, 19 September

Dealings in the Consolidated Shares commences. 9:00 a.m. on Wednesday, 19 September

Original counter for trading in Shares (in board
lots of 5,000 Shares) closes 9:00 a.m. on Wednesday, 19 September

Temporary counter for trading in the Consolidated
Shares in board lots of 500 Consolidated Shares
(in form of existing share certificates in Red colour) opens 9:00 a.m. on Wednesday,
19 September

Free exchange of existing share certificates for
new share certificates for the Consolidated
Shares commences. Wednesday, 19 September

Original counter for trading in the Consolidated
Shares (in board lots of 3,000 Consolidated
Shares) re-opens 9:00 a.m. on Friday 5 October

Parallel trading in the Consolidated Shares (in form of
new share certificates in Green colour and existing
share certificates in Red colour) begins 9:00 a.m. on Friday 5 October

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of the Consolidated Shares 9:00 a.m. on Friday 5 October

Temporary counter for trading in the Consolidated Shares
in board lots of 500 Consolidated Shares (in form of
existing share certificates in Red colour) closes. 4:00 p.m. on Friday, 26 October

Parallel trading in the Consolidated Shares (in form of new share certificates in Green colour and existing share certificates in Red colour) ends 4:00 p.m. on Friday, 26 October

Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares 4:00 p.m. on Friday, 26 October

Free exchange of existing share certificates for new share certificates in Green colour ends 4:30 p.m. on Tuesday, 30 October

All times and dates specified in this timetable refer to Hong Kong local times. Dates stated in this timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue, the Share Consolidation and Change in Board Lot Size will be announced as appropriate in accordance with the GEM Listing Rules.

Revised Notice of the adjourned EGM

A revised notice convening the Adjourned EGM will be issued as soon as practicable.

The Revised Proxy Form for the Adjourned EGM

The Company will issue revised proxy forms for the purpose of the Adjourned EGM as soon as practicable.

The revised proxy forms should be lodged not less than 48 hours before the holding of the Adjourned EGM. The proxy forms which have already been submitted in respect of the Original EGM shall continue to be valid and in full force for the purpose of the Adjourned EGM. Shareholders who have deposited the proxy forms for the Original EGM are not required to deposit a fresh set of proxy forms for the Adjourned EGM unless they wish to alter their instruction(s) given previously. Where a Shareholder has deposited a proxy form for the Original EGM and deposits a fresh set of the revised proxy form for the Adjourned EGM, the proxy form for the Original EGM shall be deemed to be revoked.

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

Hong Kong, 3 August 2012

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

*Ms. Yip Man Yi (Chairman)
Mr. Chan Yun Fai
Mr. Au Yeung Yiu Chung*

Independent Non-executive Directors:

*Mr. Lau Shu Yan
Mr. Li Kwok Chu
Mr. Chiu Koon Shou*

This announcement, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. 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 GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.