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, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

TLT LOTTOTAINMENT GROUP LIMITED
彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders

高銀融資有限公司
GOLDIN FINANCIAL LIMITED

The notice convening an extraordinary general meeting ("**EGM**") of the Company to be held at Room A, 9th Floor, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong on Friday, 4 January 2013 at 11 a.m. is set out on pages 28 to 30 of this circular. Shareholders of the Company are advised to read the notice and complete and return the form of proxy for use at the EGM enclosed with this circular in accordance with the instructions printed thereon. A form of proxy for the EGM 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, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the EGM in person or any adjournment thereof in person.

This circular will remain on the "Latest Company Announcement" page of the GEM website at 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.

17 December 2012

CHARACTERISTICS OF GEM

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

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

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

"2011 AGM"	the annual general meeting of the Company held on 9 May 2011
"2011 Share Consolidation"	the consolidation of every five Pre-consolidated 2011 Shares of HK$0.01 each in the issued and unissued share capital of the Company into one share of HK$0.05 each in the issued and unissued share capital of the Company, which became effective on 19 October 2011
"2012 AGM"	the annual general meeting of the Company held on 4 June 2012
"2012 Share Consolidation"	the consolidation of every ten Pre-consolidated 2012 Shares of HK$0.05 each in the issued and unissued share capital of the Company into one Share of HK$0.50 each in the issued and unissued share capital of the Company, which became effective on 19 September 2012
"associate(s)"	shall have the same meaning as defined in the GEM Listing Rules
"Board"	the board of Directors
"Company"	TLT Lottotainment Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the GEM
"controlling shareholder(s)"	shall have the same meaning as defined in the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the approving, among other things, refreshment of the Existing General Mandate
"Existing General Mandate"	the general mandate granted to the Directors by the Shareholders at 2012 AGM to allot, issue and deal up to 20% of the then issued share capital of the Company as at the date of the 2012 AGM

"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Goldin Financial"	Goldin Financial Limited, a licensed corporation to carry out type 6 regulated activity under the Securities and Futures Ordinance (Cap 571), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board comprising the independent non-executive Directors, namely Mr. Li Kwok Chu, Mr. Chiu Koon Shou and Mr. Lau Shu Yan to advise the Independent Shareholders in relation to the refreshment of the Existing General Mandate
"Independent Shareholders"	Shareholders other than the Directors (excluding the independent non-executive Directors), chief executive of the Company and their respective associates
"Latest Practicable Date"	12 December 2012, being the latest practicable date prior to the printing of this circular to ascertain certain information contained herein
"New General Mandate"	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
"Pre-consolidated 2011 Share(s)"	ordinary share(s) of par value of HK$0.01 each in the share capital of the Company before the 2011 Share Consolidation became effective on 19 October 2011

"Pre-consolidated 2012 Share(s)"	ordinary share(s) of par value of HK$0.05 each in the share capital of the Company before the 2012 Share Consolidation became effective on 19 September 2012
"Share(s)"	ordinary share(s) of par value of HK$0.50 each in the share capital of the Company after the 2012 Share Consolidation became effective on 19 September 2012
"Shareholder(s)"	holder(s) of the Pre-consolidated 2012 Share(s) (before the 2012 Share Consolidation became effective on 19 September 2012) or the holder(s) of the Share(s) (after the 2012 Share Consolidation became effective on 19 September 2012)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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. Chan Yun Fai
Mr. Au Yeung Yiu Chung

Independent non-executive Directors:
Mr. Li Kwok Chu
Mr. Chiu Koon Shou
Mr. Lau Shu Yan

Registered office:
Room A, 9th Floor
Fortis Tower
77–79 Gloucester Road
Wanchai
Hong Kong

17 December 2012

To the Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolution to be proposed at the EGM for the approval of refreshment of the Existing General Mandate.

BACKGROUND

At the 2012 AGM held on 4 June 2012, the Shareholders passed, among other resolutions, an ordinary resolution to grant the Directors the Existing General Mandate to issue, allot and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolution. Since the date of the 2012 AGM and up to the Latest Practicable Date, there has not been any refreshment of the Existing General Mandate.

The Existing General Mandate has been fully utilized as to 6,564,711 Shares (tantamount to 65,647,113 Pre-consolidated 2012 Shares before the 2012 Share Consolidation became effective) as a result of the issues on 11 October 2012 of 6,564,711 Shares to independent placees pursuant to the placing agreement dated 4 October 2012.

HISTORY REGARDING GRANT OF GENERAL MANDATES IN THE PAST 24 MONTHS

Set out below is the history of the Company's grant/refreshment of general mandate to issue shares in the past 24 months:

1. at the extraordinary general meeting held on 15 November 2010, the general mandate granted on the annual general meeting of the Company held on 4 May 2010 was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 158,284,848 Pre-consolidated 2011 Shares ("**2010 First Refreshed Mandate**");

2. at the extraordinary general meeting held on 7 March 2011, the 2010 First Refreshed Mandate was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 190,884,848 Pre-consolidated 2011 Shares ("**2010 Second Refreshed Mandate**");

3. at the 2011 AGM, the 2010 Second Refreshed Mandate expired and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 262,741,452 Pre-consolidated 2011 Shares ("**2011 General Mandate**");

4. at the extraordinary general meeting held on 5 March 2012, the 2011 General Mandate was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares ("**2011 Refreshed Mandate**"); and

5. at the 2012 AGM, the 2011 Refreshed Mandate expired and the Directors were granted the Existing General Mandate to allot, issue and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 24 MONTHS

Set out below is the fund raising exercises conducted by the Company since 1 October 2010.

	1	2	3	4	5	6	7	8	9
Date of announcement and/or circular	30 December 2010	18 January 2011	6 April 2011	29 April 2011	4 August 2011	8 August 2011, 23 August 2011 and 3 October 2011	23 May 2012	8 June 2012, 20 June 2012, 4 July 2012, 6 July 2012, 18 July 2012, 24 July 2012 and 3 August 2012	4 October 2012
Event	Top-up placing of 94,000,000 Pre-consolidated 2011 Shares	Top-up placing of 64,000,000 Pre-consolidated 2011 Shares	Top-up placing of 100,000,000 Pre-consolidated 2011 Shares	Top-up placing of 65,000,000 Pre-consolidated 2011 Shares	Top-up placing of 86,000,000 Pre-consolidated 2011 Shares	Issue of HK$50 million convertible bonds	Placing of 65,647,113 Pre-consolidated 2012 Shares	Rights issue of 196,941,341 Pre-consolidated 2012 Shares	Placing of 6,564,711 Shares
Issue Price	HK$0.32	HK$0.32 (adjusted to HK$0.295 per announcement of 19 January 2011)	HK$0.295	HK$0.25 (adjusted to HK$0.245 per announcement of 12 May 2011)	HK$0.100	HK$0.3 (being the initial conversion price)	HK$0.12	HK$0.05	HK$0.50
Discount to/premium over the then market price	A discount of approximately 5.88% to the closing price of HK$0.34 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 30 December 2010	The original price of HK$0.32 represents a discount of approximately 5.88% to the closing price of HK$0.34 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 18 January 2011 The adjusted price of HK$0.295 represents a discount of approximately 13.24% to the closing price of HK$0.34 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 18 January 2011	A discount of approximately 3.28% to the closing price of HK$0.305 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 4 April 2011	The original price of HK$0.25 represents a discount of approximately 1.96% to the closing price of HK$0.255 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 29 April 2011 The adjusted price of HK$0.245 represents a discount of approximately 3.92% to the closing price of HK$0.255 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 29 April 2011	A discount of approximately 6.54% to the closing price of HK$0.107 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 4 August 2011	A discount of approximately 28.57% to the closing price of Hk$0.42 per Pre-consolidated 2011 Share as quoted on the Stock Exchange on 30 September 2011	A discount of approximately 17.24% to the closing price of HK$0.145 per Pre-consolidated 2012 Share as quoted on the Stock Exchange on 23 May 2012	A premium of approximately 11.11% over the closing price of HK$0.045 per Pre-consolidated 2012 Share as quoted on the Stock Exchange on 8 June 2012	A premium of approximately 47.06% over the closing price of HK$0.34 per share as quoted on the Stock Exchange on 4 October 2012

	1	2	3	4	5	6	7	8	9
Individual dilution effect (calculated by dividing the increase in Pre-consolidated 2011 Shares/Pre-consolidated 2012 Shares /Shares (as the case maybe) with the aggregate number of Pre-consolidated 2011 Shares/Pre-consolidated 2012 Shares /Shares (as the case maybe) immediately after the event)	10.56%	6.71%	8.61%	4.71%	5.24%	45.84% based on the maximum number of 277,777,777 Pre-consolidated 2012 Shares converted at the minimum conversion price of HK$0.18 per conversion share and the enlarged issued share capital of the Company as 606,013,346 Pre-consolidated 2012 Shares	16.67%	33.33%	10.00%
Accumulated dilution effect with reference to the number of Pre-consolidated 2011 Shares in issue of the Company as at 1 October 2010 (i.e. 737,257,575 Pre-consolidated 2011 Shares)	11.31%	17.65%	25.92%	30.46%	35.68%	70.92%	74.25%	80.84%	82.35%
Net proceeds (approximately)	Approximately HK$29,500,000	Approximately HK$18,220,000	Approximately HK$28,700,000	Approximately HK$15,350,000	Approximately HK$8,250,000	Approximately HK$49,600,000	Approximately HK$7,320,000	Approximately HK$8,700,000	Approximately HK$2,980,000
Intended Uses	For financing possible future investments which may included the acquisition of up to 30% issued share capital of Galaxy Mount International Limited, should such transaction is consummated, repayment of bank and other borrowings and/or for general working capital purpose of the Group	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, should such transactions are consummated, for repayment of bank and other borrowings and/or for general working capital purposes of the Group	For financing possible future investments which may include the acquisition of up to 30% of issued share capital of Galaxy Mount International Limited should such transaction is consummated, repayment of promissory notes, repayment of other borrowings and/or for general working capital purposes of the Group	For financing possible future investments which may include the acquisition of up to 25% of issued share capital of Galaxy Mount International Limited, repayment of promissory notes, repayment of other borrowings and/or for general working capital purposes of the Group	For financing future investment, repayment of promissory notes, repayment of other borrowings and/or for general working capital purpose of the Group	For financing (i) the subscription for a new joint venture company as announced on 25 August 2011 at a consideration of approximately HK$1.5 million, details of which have been set out in the announcement made by the Company on 25 August 2011; (ii) acquisition and investment within the scope of major business of the Group when suitable opportunity arises; and (iii) the general working capital of the Group, including but not limited to the operation and/or expansion of the Group's existing operating business.	For financing the general working capital needs of the Group	The payment of the interest and/or the principal due under the loan facility entered into between the Company and Gain All Investments Limited on 30 May 2012 (the "Loan Facility")	For financing the general working capital needs of the Group

	1	2	3	4	5	6	7	8	9
Actual Uses	Funds of around HK$12.5 million and HK$2.5 million out of 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 the entire issued share capital of Dragon Gain Worldwide Limited. 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 of the Group respectively.	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. The remaining balance has been used for payment of operating expenses and repayment of other borrowings.	Funds of around HK$15 million and HK$5 million out of the net proceeds were respectively used for early repayment of promissory notes and as refundable consultancy service deposit. Funds of HK$5.5 million were used for payment as part of consideration for acquisition of 25% issued share capital of Galaxy Mount International Limited. Funds of around HK$338,000 were used for payment of legal fees. Funds of around HK$1.4 million were used as financial advisory service fee and consultancy fee. Funds of around HK$1.0 million were used for payment of accrued salary for Mr. Wong Wai Sing upon his resignation. Funds of around HK$258,000 were used for payment of salaries in April. The remaining balance was used for payment of other professional fees.	Funds of around HK$14.5 million and HK$0.5 million out of the net proceeds were used respectively for payment as part of the consideration for acquisition of 25% issued share capital of Galaxy Mount International Limited and repayment of other borrowings. The remaining balance of approximately HK$350,000 was used as general working capital of the Group.	Funds of around HK$2.8 million and HK$1.9 million were used respectively for operation of stage drama and for system development. Funds of HK$1.5 million and HK$2.05 million were used respectively as capital contribution for a new joint venture company as announced on 25 August 2011 and as payment of general operating expenses including legal and professional assurance service costs, printer costs and salary.	Funds of HK$5 million were used as refundable deposit for possible acquisition of 100% issued share capital of Creative Star Limited, details of which were set out in the Company's announcement dated 14 November 2011. Funds of around HK$5.5 million were used for operation of stage drama. Funds of around HK$6.3 million were used for the operation of artist school. Funds of around HK$2 million were used for repayment of other borrowings. Furthermore, funds of approximately HK$5 million were used for payment of operating expenses of the Group. Funds of HK$15 million were used as remaining balance payment of the cash consideration for the possible acquisition of the entire issued share capital of Creative Star Limited (as announced on 14 November 2011) and the remaining balance was applied for the Group's general working capital purpose.	Funds of HK$7.32 million were used for payment of operating expenses of the Group including the payment of rent, building management fee, salary, legal and professional fee and interest expenses	Funds of HK$7.42 million were used for the payment of the interest due under the Loan Facility. The remaining balance will be used as intended and applied for future payment of the interest due under the Loan Facility	Funds of HK$0.3 million were used for payment of operating expenses of the Group including the payment of rent, building management fee, salary and legal and professional fee. The remaining balance was applied for the Group's general working capital purpose.
Use of general mandate/specific mandate	2010 First Refreshed Mandate	2010 First Refreshed Mandate	2010 Second Refreshed Mandate	2010 Second Refreshed Mandate	2011 General Mandate	A specific mandate granted at the extraordinary general meeting held on 18 October 2011.	2011 Refreshed Mandate	N/A	Existing General Mandate

THE ACCUMULATED POTENTIAL DILUTION EFFECT ON ISSUE OF NEW SHARES/CONVERTIBLE SECURITIES IN THE PAST 24 MONTHS

Since 1 October 2010:

1. an aggregate of 409,000,000 Pre-consolidated 2011 Shares have been issued in relation to placings and top-up subscriptions (Note 1);

2. an aggregate of 262,588,454 Pre-consolidated 2012 Shares have been issued in relation to placings and right issue (Note 1);

3. 6,564,711 Shares have been issued in relation to placing (Note 1);

4. an aggregate of 375,920,273 Pre-consolidated 2011 Shares have been issued as consideration shares (as to the issue of 54,166,667 Pre-consolidated 2011 Shares as partial consideration for the acquisition of 51% equity interest in Fountain City Holdings Limited as disclosed in the Company's announcement dated 7 October 2010; as to the issue of 145,283,018 Pre-consolidated 2011 Shares as partial consideration for the acquisition of 100% interest in Dragon Gain Worldwide Limited as disclosed in the Company's announcement dated 16 February 2011; and as to the issue of 176,470,588 Pre-consolidated 2011 Shares as consideration for the acquisition of 100% interest in Solution Gold Limited as disclosed in the Company's announcement dated 25 May 2011);

5. the Company issued a convertible note on 28 March 2011 in the principal amount of HK$60,000,000 in partial early redemption of a promissory note due in 2012. In case where the conversion rights attached to such convertible note are exercised in full, a maximum of 214,285,714 Pre-consolidated 2011 Shares will fall to be allotted and issued (Note 2);

6. the Company issued a convertible note in the principal amount of HK$50,000,000 on 28 October 2011 (the "**Bonds**"). In case where the conversion rights attached to such convertible note are exercised in full and assuming that all conversion shares are issued at a minimum conversion price of HK$0.18 per conversion share, a maximum of 277,777,777 Pre-consolidated 2012 Shares will fall to be allotted and issued (Note 3);

7. On 24 May 2012, the Company received a letter from the holder of the Bonds stating that the instrument dated 28 October 2011 constituting the Bonds had already been terminated. After careful consideration by the Board, the Company accepted the Bonds holder's position regarding the termination of the said instrument on 25 May 2012.

Note 1: For the individual and accumulative dilution effects for each issue, please refer to page 7 of this circular.

Note 2: For this convertible note, the dilution effect is 18.34% based on a maximum of 214,285,714 Pre-consolidated 2011 Shares which may fall to be allotted and issued and the enlarged issued share capital of the Company as 1,168,709,956 Pre-consolidated 2011 Shares (being the sum of the said 214,285,714 Pre-consolidated 2011 Shares and the number of Pre-consolidated 2011 Shares in issue of the Company as at 28 March 2011 (i.e. 954,424,242 Pre-consolidated 2011 Shares)).

Note 3: For this convertible note, the dilution effect is 45.84% based on a maximum of 277,777,777 Pre-consolidated 2012 Shares which may fall to be allotted and issued and the enlarged issued share capital of the Company as 606,013,346 Pre-consolidated 2012 Shares (being the sum of the said 277,777,777 Pre-consolidated 2012 Shares and the number of Pre-consolidated 2012 Shares in issue of the Company as at 28 October 2011 (i.e. 328,235,569 Pre-consolidated 2012 Shares)).

REASONS FOR REFRESHMENT OF GENERAL MANDATE

The Group is principally engaged in the rendering of travel agent services, entertainment, programme production, events organisation, TV-series production, operation of an artist training school and operation of stage drama during the financial year ended 31 December 2011. Subsequent to the financial year ended 31 December 2011, the Group acquired the equity interests in Hong Kong Marketing Service Limited and extended its principal activities to product advertising and promotion, marketing agency and planning, functional organization and media project services. In July and August 2012, the Group also engages in securities investments and money lending business respectively. On 26 November 2012, the Group entered into a sale and purchase agreement with a vendor to acquire the entire issued share capital of Mass Apex Limited at a total consideration of HK$68,000,000 (subject to downward adjustment), which shall be satisfied as to (i) HK$2,000,000 in cash upon signing of the sale and purchase agreement; (ii) HK$7,200,000 in cash upon completion; and (iii) HK$58,800,000 by issue of the promissory note upon completion. As at the Latest Practicable Date, HK$2,000,000 was paid by the Company as refundable cash deposit upon signing of the sale and purchase agreement. Mass Apex Limited together with its subsidiaries are principally engaged in the trading of raw food materials business in Hong Kong (the "**Acquisition**"). The Directors consider the Acquisition is in line with the Group's business diversification strategy and represents an attractive investment opportunity for the Group to diversify and further expand its business portfolio into raw food materials trading sector. It is believed that the Acquisition will expand the source of income of the Group and generate additional and stable cash flow. For more details of the Acquisition, please refer to the announcement of the Company dated on 4 December 2012. The Company will settle the consideration of the Acquisition by cash and promissory note. As at the Latest Practicable Date, the Company intends to conduct rights issue around mid-December 2012 in order to raise fund for part of the consideration for the Acquisition, the repayment of the Loan Facility and related interests and for general working capital of the Group, however, no concrete terms on the rights issue has been confirmed by the Company. Taking into account the time required to raise fund by way of a rights issue, the Company plans to raise fund by way of placing of new Shares immediately after the New General Mandate is granted in order to meet the working capital needs of the Group as discussed below. Save for the Acquisition, the proposed placing of new Shares under the New General Mandate (if granted) and the proposed rights issue, the Group does not have any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about (i) any merger, acquisition and/or investment; (ii) any issue of new Shares and/or convertible securities of the Company as consideration; and (iii) any fund raising plans which involve the issue of new Shares and/or convertible securities of the Company for cash as at the Latest Practicable Date. As stated above, the Acquisition does not involve any issue of new Shares and/or convertible securities of the Company as consideration.

On the other hand, the Group is considering to dispose of its under-performing investments in Fountain City Holdings Limited and Dragon Gain Worldwide Limited by exercising its put options and at the same time to explore opportunities to expand the Group's business operations for achieving financial growth for the Group and to maximize the Shareholders' value. The Company is negotiating with the relevant vendors in relation to the Company's intention and the possibility to early exercise the put options. It is estimated that the total amount receivable from the exercise of the put options is approximately HK$107.85 million (including HK$58.65 million in respect of the disposal of Fountain City Holdings Limited and HK$49.2 million in respect of the disposal of Dragon Gain Worldwide Limited) pursuant to the terms of the relevant agreements. The actual amount receivable from the disposals will be subject to the final agreement between the Company and the relevant vendors. The Company plans to apply the amount receivable from the disposals to settle the Loan Facility and related interest. The Company will make further announcement to update the Shareholders on the progress of the negotiation with the relevant vendors.

The Board announced on 5 August 2011 and 12 August 2011 that the Company and a vendor mutually agreed to terminate an acquisition agreement on the acquisition of 25% issued share capital of Galaxy Mount International Limited as a result of the non-availability of certain relevant financial information and entered into a termination agreement. Pursuant to this termination agreement (and the addendum thereof dated 12 August 2011), the vendor shall return the deposits of HK$46 million, unsecured and without interest, in cash to the Company on or before 10 October 2011. On 30 November 2011, the Company announced that two cheques in an aggregate amount of HK$4 million were received as the partial repayment for the deposit. The Company strives for the repayment of the remaining HK$42 million of the deposit from the vendor. Up to the Latest Practicable Date, the deposit of HK$41 million remains outstanding.

According to the announcement of the Company dated 27 November 2012, the Company and the vendor have entered into a repayment agreement (the "**Repayment Agreement**") on 26 November 2012. Under the Repayment Agreement, the vendor undertakes to fully refund the outstanding deposit of HK$41 million to the Company on or before 31 December 2012 and the vendor on execution of the Repayment Agreement has deposited a cheque for HK$41 million drawn in favour of the Company and post-dated to 28 December 2012 as collateral for the full refund of the outstanding deposit. The Board had looked into the equity interests in the vendor's companies that he had offered to the Company as collateral to secure full refund of the outstanding deposit, however, after due consideration, the Board considered the vendor's legal title to those equity interests is in doubt and it would not be viable for the Company to take those equity interests as collateral for the full refund of the outstanding deposit. After extensive negotiation between the Company and the vendor, the Company insisted on full refund of the outstanding deposit by the vendor on or before 31 December 2012 which was finally agreed by the vendor. Further details can be referred to in the announcements of the Company dated 26 June 2012, 4 July 2012, 24 July 2012, 14 August 2012, 4 September 2012, 9 October 2012, 30 October 2012, 20 November 2012 and 27 November 2012.

The Group recorded approximately HK$4.4 million cash and cash equivalents as at 30 June 2012. The Group periodically reviews its liquidity and working capital funding needs for its business. The Group's cash and cash equivalents as at 31 October 2012 was approximately HK$8.1 million. As at the Latest Practicable Date, the Group paid HK$2 million for the deposit of the Acquisition and plans to spend approximately HK$1.5 million for legal and professional fees in relation to the Acquisition. It is expected that the Group will have significant cash outflows in 2012 in aggregate of approximately HK$5 million, which includes approximately HK$4.5 million interest expenses on the Loan Facility and approximately HK$0.5 million for the operating expenses of the Group including the payment of rent, salaries, legal and professional fees and financial printing charges.

The Company needs to pay for the interest under the loan facility entered into between the Company and Gain All Investments Limited on 30 May 2012. The Company paid approximately HK$4.5 million interest expenses on the Loan Facility in late November 2012 and will pay approximately HK$2.95 million interest expenses on the Loan Facility in late January 2013. The Company plans to apply the refundable deposit of HK$41 million as partial repayment of the Loan Facility to reduce interest expenses. In addition, the Company considers that even if HK$41 million refundable deposit will be received by the Company by 31 December 2012 and be used as partial repayment of the Loan Facility to reduce interest expenses, the Company still bears approximately HK$1.86 million interest expenses per month for the remaining balances of the Loan Facility. Accordingly, the Board considers to refresh the Existing General Mandate before the upcoming annual general meeting around June 2013 in order to maintain the financial flexibility necessary for the Company to raise funds through the issue of new securities. The Company has not approached any financial institutions or agents as the Company incurred losses for the last two years and has no assets which financial institutions or agents consider suitable as security for the grant of facility. Alternatively, the Company obtained the Loan Facility from an independent third party with high interest bearing.

In order to strengthen the Group's general working capital requirements and provide funds for the Group's development and investment as and when the Directors consider appropriate in the future, the Company may need to seek fund raising opportunities by way of equity issue.

The Existing General Mandate does not allow further Shares to be issued and allotted after the issue of 6,564,711 Shares on 11 October 2012 pursuant to the placing agreement dated 4 October 2012. Given the Group's unsatisfactory performance for the past three years and its relatively high gearing ratio, the Group would like to raise funds by way of equity issue instead of bank borrowings and debt financing.

The Group has also considered several alternatives for raising funds, such as bank borrowings, debt financings, pro-rata equity fund raising exercise and placing of new Shares if under the circumstance that the New General Mandate is granted. Bank borrowings and debt financing would, however, be difficult provided that the unfavourable financial performance of the Group in the past few years, and the possibility in inducing significantly high interest expenses to the Group. The Board may consider to raise funds by way of equity issue although placing of new Shares would induce placing commission and pro-rata equity fund raising such as rights issue would incur underwriting commission and generally high documentation preparation costs and professional fees (as compared to placing of new Shares). Depending on the market environment, the Company currently intends to conduct rights issue around mid-December 2012 in order to raise fund for part of the consideration for the Acquisition, the repayment of the Loan Facility and related interests and for general working capital of the Group. Taking into account the time required to raise fund by way of a rights issue, the Company plans to raise fund by way of placing of new Shares immediately after the New General Mandate is granted in order to meet the working capital needs of the Group as discussed above. As at the Latest Practicable Date, no concrete terms of the proposed placing has been confirmed by the Company.

Having considered the above alternative fund raising exercises, the Directors believe that the grant of New General Mandate, which provides the Group with flexibility in deciding source of financing for any merger and/or acquisition opportunities that may arise in the future and the implementation of any new business strategy of the Company with satisfactory return, is the preferred option for the Group. The Company currently intends to start money lending business, invest in securities in the market and develop food materials trading business. The Company considers that the New General Mandate (if granted) could be utilized by issue of new shares by way of placing in order to raise additional funds for the Company to implement the business plans as stated above. Given that the proposed rights issue will be conducted to finance the consideration of the Acquisition, the repayment of the Loan Facility and related interests and for general working capital of the Group, the Board considers that it is fair and reasonable and in the interest of the Company and its Shareholders to seek the New General Mandate before any funds could be raised from the proposed rights issue. The Board, therefore, wishes to seek the approval of the Independent Shareholders at the EGM in granting the New General Mandate to the Directors.

The New General Mandate, if granted, will allow the Directors to issue and allot a maximum of 13,129,422 Shares. This calculation is based on the total number of issued Shares as at the Latest Practicable Date, i.e. 65,647,113 Shares, with the assumption that the Company does not issue or repurchase any Shares prior to the EGM from the Latest Practicable Date.

The table below sets out the potential dilution effect on the shareholding of the Company upon full utilization of the New General Mandate.

	As at the Latest Practicable Date		**Upon full exercise of the New General Mandate**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*
Public				
Shares to be issued under the New General Mandate	–	–	13,129,422	16.67
Public Shareholders	65,647,113	100.00	65,647,113	83.33
Total	65,647,113	100.00	78,776,535	100.00

Upon utilization in full of the New General Mandate, 13,129,422 new Shares can be allotted and issued, representing approximately 20% and 16.67% of the total issued share capital of the Company as at the Latest Practicable Date and the then enlarged issued share capital of the Company respectively. The aggregate shareholding of the public Shareholders upon full utilization of the New General Mandate will, therefore, decrease from 100% to approximately 83.33%, representing a potential maximum dilution of approximately 16.67%.

Notwithstanding there has been various fund raising exercises in the past 24 months and the potential dilution effect upon full utilisation of the New General Mandate, the Directors consider that the refreshment of the Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole to grant the New General Mandate as (i) it can maintain the financial flexibility necessary for the Company to raise funds through the issue of new securities (should such fund-raising opportunities arise before the Company's forthcoming annual general meeting in 2013) for the Group's general working capital requirements and as funds for the Group's development and investment as and when the Directors think appropriate in the future and (ii) the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilization of the New General Mandate. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the EGM.

NEW GENERAL MANDATE

The New General Mandate will, if granted, remain effective until the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which 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 in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

Pursuant to Rule 17.42A of the GEM Listing Rules, the refreshment of the Existing General Mandate requires the approval of the Independent Shareholders at the EGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the refreshment of the Existing General Mandate.

As at the Latest Practicable Date, (i) there was no controlling shareholder of the Company; and (ii) no chief executive of the Company, Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution for approving the proposed refreshment of the Existing General Mandate at the EGM.

EGM

The EGM will be convened on Friday, 4 January 2013 at Room A, 9th Floor, Fortis Tower, 77–79 Gloucester Road, Wan Chai, Hong Kong for the purpose of obtaining approval from the Independent Shareholders for the refreshment of the Existing General Mandate.

The notice of the EGM is set out on pages 28 to 30 of this circular.

Proxy form for use at the EGM is enclosed with this circular. Whether or not you propose to attend the EGM, you are requested to complete and return the enclosed proxy forms in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong share registrar, Hong Kong Registrars Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for the resolution put to the vote at the EGM.

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders on whether the refreshment of the Existing General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Goldin Financial has been appointed to advise the Independent Board Committee and the Independent Shareholders in that connection.

The text of the letter of advice from Goldin Financial containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 27 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 17 of this circular.

The Independent Board Committee, having taken into account the advice of Goldin Financial, is of the view that the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole and recommends the Independent Shareholders to vote for the relevant resolution to be proposed at the EGM.

The Directors (including the independent non-executive Directors) consider that the refreshment of the Existing General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote for the resolution to be proposed at the EGM.

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 enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

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

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the refreshment of the Existing General Mandate.

TLT LOTTOTAINMENT GROUP LIMITED
彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8022)

17 December 2012

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company to the Shareholders dated 17 December 2012 (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Goldin Financial as set out on pages 18 to 27 of the Circular and the letter from the Board as set out on pages 4 to 16 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the opinion of Goldin Financial as stated in its letter of advice, we consider that the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote for the ordinary resolution in relation to the refreshment of the Existing General Mandate to be proposed at the EGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee

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

the Independent Non-executive Directors

The following is the full text of a letter of advice from Goldin Financial, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate.

高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited
23rd Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

17 December 2012

To the Independent Board Committee and
the Independent Shareholders of TLT Lottotainment Group Limited

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, details of which are set out in the "Letter from the Board" contained in the circular issued by the Company to the Shareholders dated 17 December 2012 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Mr. Li Kwok Chu, Mr. Chiu Koon Shou and Mr. Lau Shu Yan, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the refreshment of the Existing General Mandate is fair and reasonable so far as the Company and the Shareholders are concerned and whether the grant of the New General Mandate to the Board to exercise the power of the Company to allot and issue shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, (i) there was no controlling shareholder of the Company; and (ii) no chief executive of the Company, Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of the Shares and are required to abstain from voting in favour of the resolution for approving the proposed refreshment of the Existing General Mandate at the EGM.

In formulating our recommendation, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company and its advisers; (iii) the opinions expressed by and the representations of the Directors and management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects at the date thereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the management of the Group, the Directors and the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations regarding the Company and the refreshment of the Existing General Mandate provided to us by the Company and/or the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the refreshment of the Existing General Mandate, we have taken into consideration the following factors and reasons:

1. Background and reasons for the refreshment of the Existing General Mandate

At the 2012 AGM held on 4 June 2012, the Shareholders passed, among other resolutions, an ordinary resolution to grant the Directors the Existing General Mandate to issue, allot and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolution. Since the date of the 2012 AGM and up to the Latest Practicable Date, there has not been any refreshment of the Existing General Mandate.

The Existing General Mandate has been fully utilised as to 65,647,113 Shares (tantamount to 65,647,113 Pre-consolidated 2012 Shares before the 2012 Share Consolidation became effective) as a result of the issues on 11 October 2012 of 6,564,711 Shares to independent placees pursuant to the placing agreement dated 4 October 2012. We were advised by the Directors that the next annual general meeting will not be held until around June 2013, which is about six months away from the Latest Practicable Date. If the Existing General Mandate (which has been fully utilised) is not to be refreshed at the EGM, the Company will not have flexible fund raising availability, if so required, until a new general mandate is approved in the next annual general meeting. On the basis of a total of 65,647,113 Shares in issue as at the Latest Practicable Date and assuming that no Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the New General Mandate, if granted, will authorize the Directors to allot, issue and deal with up to a maximum of 13,129,422 new Shares, representing 20% of the issued share capital of the Company as at the date of the EGM.

The Group is principally engaged in the rendering of travel agent services, entertainment, programme production, events organisation, TV-series production, operation of an artist training school and operation of stage drama during the financial year ended 31 December 2011. Subsequent to the financial year ended 31 December 2011, the Group acquired the equity interests in Hong Kong Marketing Service Limited and extended its principal activities to product advertising and promotion, marketing agency and planning, functional organization and media project services. In July and August 2012, the Group also engages in securities investments and money lending business respectively.

As disclosed in the Letter from the Board, on 26 November 2012, the Group entered into a sale and purchase agreement with a vendor to acquire the entire issued share capital of Mass Apex Limited at a total consideration of HK$68,000,000 (subject to downward adjustment), which shall be satisfied as to (i) HK$2,000,000 in cash upon signing of the sale and purchase agreement; (ii) HK$7,200,000 in cash upon completion; and (iii) HK$58,800,000 by issue of the promissory note upon completion. As at the Latest Practicable Date, HK$2,000,000 was paid by the Company as refundable cash deposit upon signing of the sale and purchase agreement. Mass Apex Limited together with its subsidiaries are principally engaged in the trading of raw food materials business in Hong Kong (the "Acquisition"). The Directors consider the Acquisition is in line with the Group's business diversification strategy and represents an attractive investment opportunity for the Group to diversify and further expand its business portfolio into raw food materials trading sector. It is believed that the Acquisition will expand the source of income of the Group and generate additional and stable cash flow. For more details of the Acquisition, please refer to the announcement of the Company dated on 4 December 2012. The Company will settle the consideration of the Acquisition by cash and promissory note. As at the Latest Practicable Date, the Company intends to conduct rights issue around mid-December 2012 (the "Possible Rights Issue") in order to raise fund for settlement of part of the consideration for the Acquisition, the repayment of the Loan Facility and related interests and for general working capital of the Group, however, no concrete terms on the rights issue has been confirmed by the Company. Taking into account the time required to raise fund by way of a rights issue, the Company plans to raise fund by way of placing of new Shares immediately after the New General Mandate is granted in order to meet the working capital needs of the Group as discussed below. Save for the Acquisition, the proposed placing of new Shares under the New General Mandate (if granted) and the Possible Rights Issue, the Group does not have any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about (i) any merger, acquisition and/or investment; (ii) any issue of new Shares and/or convertible securities of the Company as consideration; and (iii) any fund raising plans which involve the issue of new Shares and/or convertible securities of the Company for cash as at the Latest Practicable Date. The Acquisition does not involve any issue of new Shares and/or convertible securities of the Company as consideration.

On the other hand, the Group is considering to dispose of its under-performing investments in Fountain City Holdings Limited and Dragon Gain Worldwide Limited (the "Disposals") by exercising its put options and at the same time to explore opportunities to expand the Group's business operations for achieving financial growth for the Group and to maximize Shareholders' value. The Company is negotiating with the relevant vendors in relation to the Company's intention and the possibility to early exercise the put options. It is estimated that the total amount receivable from the exercise of the put options is approximately HK$107.85 million (including HK$58.65 million in respect of the disposal of Fountain City Holdings Limited and HK$49.2 million in respect of the disposal of Dragon Gain Worldwide Limited) pursuant to the terms of the relevant agreements. The actual amount receivable from the Disposals will be subject to the final agreement between the Company and the relevant vendors. The Company plans to apply the amount receivable from the Disposals to settle the Loan Facility and related interest. The Company will make further announcement to update the Shareholders on the progress of the negotiation with the relevant vendors.

The Board announced on 5 August 2011 and 12 August 2011 that the Company and a vendor mutually agreed to terminate an acquisition agreement on the acquisition of 25% issued share capital of Galaxy Mount International Limited as a result of the non-availability of certain relevant financial information and entered into a termination agreement. Pursuant to this termination agreement (and the addendum thereof dated 12 August 2011), the vendor shall return the deposits of HK$46 million, unsecured and without interest, in cash to the Company on or before 10 October 2011. On 30 November 2011, the Company announced that two cheques in an aggregate amount of HK$4 million were received as the partial repayment for the deposit. The Company strives for the repayment of the remaining HK$42 million of the deposit from the vendor. Up to the Latest Practicable Date, the deposit of HK$41 million remains outstanding.

According to the announcement of the Company dated 27 November 2012, the Company and the vendor have entered into a repayment agreement (the "Repayment Agreement") on 26 November 2012. Under the Repayment Agreement, the vendor undertakes to fully refund the outstanding deposit of HK$41 million to the Company on or before 31 December 2012 and the vendor on execution of the Repayment Agreement has deposited a cheque for HK$41 million drawn in favour of the Company and post-dated to 28 December 2012 as collateral for the full refund of the outstanding deposit. The Board had looked into the equity interests in the vendor's companies that he had offered to the Company as collateral to secure full refund of the outstanding deposit, however, after due consideration, the Board considered the vendor's legal title to those equity interests is in doubt and it would not be viable for the Company to take those equity interests as collateral for the full refund of the outstanding deposit. After extensive negotiation between the Company and the vendor, the Company insisted on full refund of the outstanding deposit by the vendor on or before 31 December 2012 which was finally agreed by the vendor. Further details can be referred to in the announcements of the Company dated 26 June 2012, 4 July 2012, 24 July 2012, 14 August 2012, 4 September 2012, 9 October 2012, 30 October 2012, 20 November 2012 and 27 November 2012.

The Group recorded approximately HK$4.4 million cash and cash equivalents as at 30 June 2012. The Group periodically reviews its liquidity and working capital funding needs for its business. The Group's cash and cash equivalents as at 31 October 2012 was approximately HK$8.1 million. As at the Latest Practicable Date, the Group paid HK$2 million for the deposit of the Acquisition and plans to spend approximately HK$1.5 million for legal and professional fees in relation to the Acquisition. It is expected that the Group will have the significant cash outflows in 2012 in aggregate of approximately HK$5 million, which includes approximately HK$4.5 million interest expenses on the Loan Facility and approximately HK$0.5 million for the operating expenses of the Group including the payment of rent, salaries, legal and professional fees and financial printing charges.

The Company needs to pay for the interest under the Loan Facility. The Company paid approximately HK$4.5 million interest expenses on the Loan Facility in late November 2012 and will pay approximately HK$2.95 million interest expenses on the Loan Facility in late January 2013. The Company plans to apply the refundable deposit of HK$41 million as partial repayment of the Loan Facility to reduce interest expenses. In addition, the Company considers that even if HK$41 million refundable deposit will be received by the Company by 31 December 2012 and be used as partial repayment of the Loan Facility to reduce interest expenses, the Company still bears approximately HK$1.86 million interest expenses per month for the remaining balances of the Loan Facility. Accordingly, the Board considers to refresh the Existing General Mandate before the upcoming annual general meeting in 2013 in order to maintain the financial flexibility necessary for the Company to raise funds through the issue of new securities. The Company has not approached any financial institutions or agents as the Company incurred losses for the last two years and has no assets which financial institutions or agents consider suitable as security for the grant of facility. Alternatively, the Company obtained the Loan Facility from an independent third party with high interest bearing.

In order to strengthen the Group's general working capital requirements and provide funds for the Group's development and investment as and when the Directors consider appropriate in the future, the Company may need to seek fund raising opportunities by way of equity issue.

The Existing General Mandate does not allow further Shares to be issued and allotted after the issue of 6,564,711 Shares on 11 October 2012 pursuant to the placing agreement dated 4 October 2012. Given the Group's unsatisfactory performance for the past three years and its relatively high gearing ratio, the Group would like to raise funds by way of equity issue instead of bank borrowings and debt financing.

The Group has also considered several alternatives for raising funds, such as bank borrowings, debt financings, pro-rata equity fund raising exercise and placing of new Shares if under the circumstance that the New General Mandate is granted. Bank borrowings and debt financing would, however, be difficult provided that the unfavourable financial performance of the Group in the past few years, and the possibility in inducing significantly high interest expenses to the Group. The Board may consider to raise funds by way of equity issue although placing of new Shares would induce placing commission and pro-rata equity fund raising such as rights issue would incur underwriting commission and generally high documentation preparation costs and professional fees (as compared to placing of new Shares). As advised by the management of the Company, depending on the market environment, it intends to conduct the Possible Rights Issue to raise additional fund for settlement of part of the consideration for the Acquisition, the repayment of the term loan and related interest and for general working capital of the Group. However, no concrete terms on the Possible Rights Issue has been confirmed by the Company as at the Latest Practicable Date. It is expected that the fund raising exercise will be conducted around mid-December 2012. Taking into account the time required to raise fund by way of a rights issue, the Company plans to raise fund by way of placing of new Shares immediately after the New General Mandate is granted in order to meet the working capital needs of the Group as discussed above. Having considered that both bank financing and debt financing will inevitably increase the total borrowings of the Group so as the gearing ratio of the Group of approximately 0.82 times as at 30 June 2012 (calculated based on the total borrowings over total assets according to the interim report of the Group for the six months ended 30 June 2012) and no concrete terms of the Possible Rights Issue has been confirmed and such corporate exercise commonly takes more than two months for completion and the fund to be raised by the Possible Rights Issue will be utilised for settlement of part of the consideration for the Acquisition, the repayment of the Loan Facility and related interest and for general working capital of the Group, we are of the view that both bank financing and debt financing will further increase the gearing ratio of the Group and the Possible Rights Issue will take substantial time to the Company for completion if it is to be proceeded and the fund to be raised by way of placing of new Shares immediately after the New General Mandate could meet the working capital needs of the Group, including but not limited to approximately HK$1.86 million interest expenses per month for the remaining balances of the Loan Facility, before the completion of the Possible Rights Issue.

As advised by the management of the Company, the Company currently intends to start money lending business, invest in securities in the market and develop food materials trading business, however, the Company is not under negotiation with any party for acquisition of such businesses. The Company intends to utilise the New General Mandate (if granted) by issue of new shares by way of placing in order to raise additional funds for the Company to implement the business plans as stated above.

In view of (i) the Company's intention to enter into new businesses and allocate more resources to develop food materials trading business; (ii) the Possible Rights Issue takes more than two months for completion; (iii) the amount receivable from the Disposals will be applied to settle the Loan Facility and related interest; and (iv) the Existing General Mandate has been fully utilised and the next annual general meeting of the Company will not be held until around June 2013, which is about six months away from the Latest Practicable Date, we consider that the grant of the New General Mandate could enhance the financing flexibility of the Company to raise capital, if and when required, through placing of new Shares for further development of the Group and further strengthen the Company's capital base. While the Directors consider that investment decisions may have to be made immediately should suitable investment opportunities arise, we are of the view that the New General Mandate would then provide the Group with the maximum flexibility allowed under the GEM Listing Rules to take advantage of market conditions to raise additional capital, through placing of new Shares as consideration, for funding such investments in the future when opportunities are identified and as Directors think appropriate during the period from the Latest Practicable Date to the next annual general meeting of the Company which is about six months away from the Latest Practicable Date. The Directors are of the view that there is no certainty that the existing cash and credit resources of the Group will be adequate for business development and acquisition of appropriate investments that may be identified by the Company in the future. In the event that the Group identifies suitable business or investment opportunities and does not have sufficient cash and credit resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the business development or acquisition of such investment opportunities in a timely manner, the Group may lose its opportunity in an otherwise favourable development/investment. As such, we consider that the increased amount of capital which may be raised under the New General Mandate will provide more financing alternatives to the Group and will enable the Group to grasp future investment opportunities in a timely manner to increase the Shareholders' return which is in the interest of the Company and the Shareholders as a whole.

Having considered that (i) the Existing General Mandate has been fully utilised; (ii) the New General Mandate would provide the Group with financial flexibility to raise equity capital in a timely manner to capture investment opportunities that could create returns to the Shareholders; (iii) the New General Mandate would strengthen the capital base and financial position of the Company amidst the current volatile market condition; (iv) the expected working capital requirements of the Group in 2012 as discussed above and the estimated interest expenses of approximately HK$1.86 million per month for the remaining balances of the Loan Facility; (v) the Possible Rights Issue will take substantial time (more than two months) to the Company for completion if it is to be proceeded; (vi) the repayment of the outstanding deposit of HK$41 million will be utilised to pay interest expenses on the Loan Facility and as partial repayment of the Loan Facility to reduce interest expenses; (vii) the New General Mandate will provide more financing alternatives to the Group and will enable the Group to grasp future investment opportunities in a timely manner to increase the Shareholders' return during the period from the Latest Practicable Date to the next annual general meeting of the Company which is about six months away from the Latest Practicable Date; and (viii) the amount receivable from the Disposals will be applied to settle the Loan Facility and related interest, we concur with the Directors that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

2. History regarding grant of general mandate in the past 24 months

Set out below is the history of the Company's grant/refreshment of general mandate to issue shares in the past 24 months:

1. at the extraordinary general meeting held on 15 November 2010, the general mandate granted on the annual general meeting of the Company held on 4 May 2010 was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 158,284,848 Pre-consolidated 2011 Shares ("**2010 First Refreshed Mandate**");

2. at the extraordinary general meeting held on 7 March 2011, the 2010 First Refreshed Mandate was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 190,884,848 Pre-consolidated 2011 Shares (" **2010 Second Refreshed Mandate**");

3. at the 2011 AGM, the 2010 Second Refreshed Mandate expired and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 262,741,452 Pre-consolidated 2011 Shares ("**2011 General Mandate**");

4. at the extraordinary general meeting held on 5 March 2012, the 2011 General Mandate was revoked (to the extent not exercised) and the Directors were granted a general mandate to allot, issue and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares ("**2011 Refreshed Mandate**"); and

5. at the 2012 AGM, the 2011 Refreshed Mandate expired and the Directors were granted the Existing General Mandate to allot, issue and otherwise deal with a maximum of 65,647,113 Pre-consolidated 2012 Shares.

3. Fund raising activities of the Company in the past 24 months

Details of the fund raising activities of the Company in the past 24 months are set out in pages 6 to 8 of the Circular.

4. Potential dilution to the shareholding of the Shareholders

Shareholders should note that the New General Mandate if approved by the Independent Shareholders at the EGM will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held, and (iii) the revocation or variation of the authority given under the relevant resolution to be proposed as ordinary resolution of the Shareholders in general meeting.

The table below sets out the potential dilution effect on the shareholding of the Company upon full utilisation of the New General Mandate.

	As at the Latest Practicable Date		**Upon full exercise of the New General Mandate**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Public				
Shares to be issued under the New General Mandate	–	–	13,129,422	16.67
Public Shareholders	65,647,113	100.00	65,647,113	83.33
Total	65,647,113	100.00	78,776,535	100.00

Upon utilisation in full of the New General Mandate, 13,129,422 new Shares can be allotted and issued, representing approximately 20% and 16.67% of the total issued share capital of the Company as at the Latest Practicable Date and the then enlarged issued share capital of the Company respectively. The aggregate shareholding of the public Shareholders upon full utilisation of the New General Mandate will, therefore, decrease from 100.00% to approximately 83.33%, representing a potential maximum dilution of approximately 16.67%.

Notwithstanding there has been various fund raising exercises in the past 24 months and the potential dilution effect upon full utilisation of the New General Mandate, having considered that (i) the refreshment of the Existing General Mandate can maintain the financial flexibility necessary for the Company to raise funds through the issue of new securities (should such fund-raising opportunities arise before the Company's forthcoming annual general meeting in 2013) for the Group's general working capital requirements and as funds for the Group's development and investment as and when the Directors think appropriate in the future; and (ii) the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the New General Mandate, we are of the view that such potential dilution to the shareholding of the public Shareholders is justifiable.

RECOMMENDATION

Having taken into account the above principal factors, we are of the opinion that the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

TLT LOTTOTAINMENT GROUP LIMITED
彩娛集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8022)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of TLT Lottotainment Group Limited (the "**Company**") will be held on Friday, 4 January 2013 at 11:00 a.m. at Room A, 9th Floor, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the general mandate granted to the directors of the Company to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 4 June 2012 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);

(b) subject to paragraph (d) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company (each a "**Share**") 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;

(c) the approval in paragraph (b) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiry of the Relevant Period;

(d) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); 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 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 the authority pursuant to paragraph (b) of this resolution shall be limited accordingly; and

(e) 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 other applicable laws to be held; or

(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 of the Company by this resolution;

"**Rights Issue**" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares whose names appear on the Company's register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company 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 recognized regulatory body or any stock exchange outside Hong Kong)."

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

Hong Kong, 17 December 2012

Registered Office:
Room A, 9th Floor
Fortis Tower
77–79 Gloucester Road
Wanchai
Hong Kong

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, 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. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

As at the date of this notice, the executive directors of the Company are Ms. Yip Man Yi, Mr. Chan Yun Fai and Mr. Au Yeung Yiu Chung; and the independent non-executive directors of the Company are Mr. Lau Shu Yan, Mr. Li Kwok Chu and Mr. Chiu Koon Shou.

This notice, 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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 notice 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 notice misleading.

This notice will remain on the "Latest Company Announcements" page of the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at http://www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at http://www.lottotainment.com.hk.