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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)

PROPOSE FURTHER CHANGE OF CONDITIONS OF CONVERTIBLE NOTE

On 1 March 2013 (after trading hours), the Company and the Noteholder entered into the Further Supplemental Deed to further amend the Conditions by adding three new events of default, including (a) any change of the members of the Board without the prior written consent of the Noteholder; (b) the existing Directors of the Company as at the date of the Further Supplemental Deed no longer constitute the majority of the members of the Board; and (c) any bonds, debentures, notes or other instruments or indebtedness or any other loan indebtedness of or issued by the Company become or becomes prematurely repayable following a default in respect of the terms thereof, or steps are taken to enforce any security therefor, or the Company defaults in the repayment of any such indebtedness at the maturity thereof.

A circular containing, amongst other things, the letter from the Board setting out details of the propose changes to the Conditions including the Proposed Terms and the Amendments, and a notice to convene the EGM will be despatched to the Shareholders on or before 8 March 2013.

Reference is made to the Company's announcements dated 8 January 2013, 9 January 2013, 29 January 2013 and 22 February 2013 (the "Announcements") relating to the proposed changes to the conditions of the Convertible Note. Unless otherwise expressly indicated, capitalized terms used herein shall have the same meaning as those defined in the Announcements.

The Board wishes to announce that on 1 March 2013 (after trading hours), the Company and the Noteholder entered into the Further Supplemental Deed to further amend the Conditions by adding three new events of default, including:–

- (a) any change of the members of the Board without the prior written consent of the Noteholder;
- (b) the existing Directors of the Company as at the date of the Further Supplemental Deed no longer constitute the majority of the members of the Board; and
- (c) any bonds, debentures, notes or other instruments or indebtedness or any other loan indebtedness of or issued by the Company become or becomes prematurely repayable following a default in respect of the terms thereof, or steps are taken to enforce any security therefor, or the Company defaults in the repayment of any such indebtedness at the maturity thereof.

The Further Supplemental Deed is conditional upon the following conditions:

- (a) an ordinary resolution approving the Amendments having been duly passed at an extraordinary general meeting of the Company in accordance with the articles of association of the Company and the GEM Listing Rules with such shareholders of the Company who are prohibited from voting under the GEM Listing Rules (if any) abstaining from voting;
- (b) the Stock Exchange having approved the Amendments;
- (c) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of the Conversion Rights under the Convertible Note as supplemented by the Amendments.

The Amendments shall take effect immediately upon the fulfillment of the abovementioned conditions. In the event that the abovementioned conditions shall not have been fulfilled before 28 March 2013, then both of the Extension Agreement and the Further Supplemental Deed shall be terminated forthwith and the outstanding principal and other monies due under the Convertible Note shall become payable on 28 March 2013.

The Company announced on 22 February 2013 that the dispatch date for the Circular containing, amongst other things, details of the propose change and a notice to convene the EGM will be postponed to a date on or before 8 March 2013.

Following the entering into the Further Supplemental Deed between the Company and the Noteholder, the Circular to be despatched to the Shareholders on or before 8 March 2013 will therefore be containing, amongst other things, the letter from the Board setting out details of the propose changes to the Conditions including the Proposed Terms and the Amendments, and a notice to convene the EGM on or before 8 March 2013.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Amendments”	together to amend the Conditions by adding three new events of default, including (a) any change of the members of the Board without the prior written consent of the Noteholder; (b) the existing Directors of the Company as at the date of the Further Supplemental Deed no longer constitute the majority of the members of the Board; and (c) any bonds, debentures, notes or other instruments or indebtedness or any other loan indebtedness of or issued by the Company become or becomes prematurely repayable following a default in respect of the terms thereof, or steps are taken to enforce any security therefor, or the Company defaults in the repayment of any such indebtedness at the maturity thereof
“Further Supplemental Deed”	the Further Supplemental Deed entered into between the Company and the Noteholder on 1 March 2013 for the Amendments

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

Hong Kong, 1 March 2013

As of the date of this announcement, 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. Chiu Koon Shou and Mr. Li Kwok Chu.

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

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