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REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

- (1) MAJOR AND CONNECTED TRANSACTION -
SUPPLEMENTAL AGREEMENT
AND DEED OF GUARANTEE;
(2) MEETINGS OF BONDHOLDERS AND CONSENT
SOLICITATION RELATING TO
THE 6.00% CONVERTIBLE BONDS DUE 2016
(ISIN: XS0683220650)
AND
THE 4.50% CONVERTIBLE BONDS DUE 2019
(ISIN: XS1057356773)
AND
(3) OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made by the Company pursuant to Rule 13.09(2) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SUPPLEMENTAL AGREEMENT

On 2 August 2016, the Seller and the Purchaser entered into the Supplemental Agreement whereby the Seller and the Purchaser agreed to the following amendments to the Sale and Purchase Agreement together with other consequential amendments, which would become effective if the Supplemental Agreement and the transactions contemplated thereunder are approved by the Shareholders at the SGM:

- (a) the Tax CP shall be deemed to be fulfilled so long as the Seller has, to the reasonable satisfaction of the Purchaser, submitted all the documents as required by the relevant PRC authorities for the purpose of Bulletin 42; and
- (b) the Withheld Amount shall be amended to HK\$350,000,000 or such other amount of tax stated on a demand notice issued by the relevant PRC authorities received by the Seller prior to Completion.

The Sale and Purchase Agreement and the transactions contemplated thereunder have been approved by the Shareholders at the special general meeting of the Company held on 18 March 2016. As the amendments under the Supplemental Agreement constitute material variation of terms of the Sale and Purchase Agreement, pursuant to Chapters 14 and 14A of the Listing Rules, the Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement and Independent Shareholders' approval requirements.

DEED OF GUARANTEE

In consideration of the Purchaser entering into the Sale and Purchase Agreement and the Supplemental Agreement, on 2 August 2016, the Company executed the Deed of Guarantee pursuant to which the Company agreed to guarantee in favour of the Purchaser the due performance and observance by the Seller of all its obligations under or pursuant to the Sale and Purchase Agreement as supplemented and amended by the Supplemental Agreement in accordance with the terms of the Deed of Guarantee.

SGM

The SGM will be convened and held to consider and, if thought fit, to approve the Supplemental Agreement and the transactions contemplated thereunder.

The Directors have appointed the Independent Board Committee to advise the Independent Shareholders in relation to the Supplemental Agreement. An independent financial adviser will also be appointed to make recommendations to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreement.

A circular containing, among other things, further details of the Supplemental Agreement and a notice of the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE BONDS

As disclosed in the Company's announcement dated 27 July 2016, the Outstanding Restructuring PRC Approval has been obtained and therefore the Outstanding PRC Approval Condition has been satisfied. As disclosed in the Disposal Disclosure Documents, one of the Conditions Precedent is the Tax CP. Notwithstanding that the Company has previously announced that all the Conditions Precedent (save for the Outstanding PRC Approval Condition) have been satisfied, on 29 June 2016, the State Administration of Taxation promulgated Bulletin 42, which affects related party transactions such as the Disposal. The promulgation of Bulletin 42 was not foreseeable by the Company or the Seller. As a result, the Tax CP has become an outstanding Condition Precedent to be satisfied. In light of the recent promulgation of Bulletin 42, the Seller has been requested to produce additional documents (including a valuation report) to the relevant PRC authorities for the purpose of obtaining the Tax Clearances. The Seller requires additional time to compile its current financial information for inclusion in the valuation report to be submitted to the relevant PRC authorities.

The Seller is seeking PRC tax advice from its tax advisers in order to obtain the Tax Clearances as soon as practicable. The Seller expects it may take 8 to 10 weeks to prepare the required additional documents. Having consulted its PRC tax advisers, the Seller expects to obtain the Tax Clearances within 2 months from the date on which the required documents are to be submitted to the relevant PRC authorities, and Completion should then be able to take place thereafter. Having regard to the fact that the promulgation of Bulletin 42 was not foreseeable by the Company or the Seller, and in the abundance of caution, the Purchaser has agreed to extend the Long Stop Date under the Sale and Purchase Agreement to 28 February 2017, so that Completion of the Disposal may take place on or before such date, subject only to obtaining of the Tax Clearances. As agreed and confirmed by the Purchaser, all the Conditions Precedent have been satisfied and fulfilled save and except for the Tax CP.

As Completion of the Disposal has not taken place as at 29 July 2016, the Company did not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016, which has resulted in an Event of Default under each Series.

As disclosed in the Company's previous announcements, the Directors believe that the Disposal is the most efficient way to obtain sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds. The Company is therefore proposing to seek the Bondholders' consent to allow more time for the Company to complete the Disposal and obtain sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds.

PRINCIPAL TERMS OF THE PROPOSALS

The Proposals relate to the Company's request to Bondholders of (i) the 2016 Bonds to agree to delay the maturity date of the 2016 Bonds from 28 September 2016 to 28 February 2017; and (ii) each Series to agree to delay the Relevant Event Redemption Date (as notified by the Company to the Bondholders and the Trustee no less than two Hong Kong Business Days prior to the date on which payment is to be made) to the Delayed Relevant Event Redemption Date in relation to any Relevant Delisting Event on the following principal terms in respect of each Series (subject to the detailed provisions as set out in the Extraordinary Resolutions). Accordingly (assuming the Extraordinary Resolutions are passed):

- (a) the Company will make a partial payment of principal in respect of all but not some only of the Bonds on 30 September 2016 in the amount of HK\$15,000 for each HK\$88,548.96 in outstanding principal amount per 2016 Bond, and in the amount of HK\$300,000 for each HK\$1,770,979.22 in outstanding principal amount per 2019 Bond, which will be paid together with interest accrued to (but excluding) 30 September 2016 in the amount of HK\$29.52 in respect of each HK\$88,548.96 in outstanding principal amount of 2016 Bonds (being the interest accrued from the most recent interest payment date of 28 September 2016) and in the amount of HK\$21,694.50 in respect of each HK\$1,770,979.22 in outstanding principal amount of 2019 Bonds;
- (b) the maturity date in relation to the 2016 Bonds will be delayed to 28 February 2017; and
- (c) the Relevant Event Redemption Date in respect of any Put Bonds (in respect of which no withdrawal right is exercised) will be delayed to the Delayed Relevant Event Redemption Date, and the Put Period End Date will be extended to 28 January 2017 provided that: (i) any Bondholder who has given a Relevant Event Redemption Notice may withdraw such notice prior to 28 January 2017; and (ii) any Relevant Event Redemption Notice may be given, and may only be given, by any Bondholder who has previously given and withdrawn a Relevant Event Redemption Notice from 28 December 2016 to and including 28 January 2017.

The Proposals are subject to the obtaining of the Listing Rules Approval.

THE BONDHOLDERS' MEETINGS AND THE EXTRAORDINARY RESOLUTIONS

The Notices will be given to the Bondholders on the date of this announcement to convene the Bondholders' Meetings, for the purpose of considering, and if appropriate, passing the Extraordinary Resolutions on 9 September 2016 in respect of each Series, at 9:00 a.m. and 9:30 a.m. (Hong Kong time), respectively. The Proposals will only take effect if: (a) the Extraordinary Resolution in respect of each Series is passed; and (b) the Listing Rules Approval is obtained.

CONSENT SOLICITATION

The Company has appointed Daiwa Capital Markets Hong Kong Limited as its consent solicitation agent to solicit Bondholders' votes in favour of the Extraordinary Resolutions. The Company is offering Bondholders who vote in favour of the Proposals a Consent Fee of 0.75% of the outstanding principal amount of Bonds the subject of a Block Voting Instruction in favour of the relevant Extraordinary Resolution as an incentive for the Bondholders to identify themselves and to vote in favour of the Extraordinary Resolutions. The Directors consider that it is in the interests of the Company, the Shareholders and the Bondholders as a whole to pay the Consent Fee. The payment of the Consent Fee does not form part of the Proposals.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent under the Sale and Purchase Agreement. Accordingly, the Disposal may or may not proceed. An event of default under the Bonds has taken place upon the Company's failure to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016. There is no assurance that the Extraordinary Resolutions will be passed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 5 January 2016 and 23 February 2016, respectively, the circular of the Company dated 29 February 2016 (the "**Circular**") and the poll results announcement dated 18 March 2016 each relating to the Disposal (collectively, the "**Disposal Disclosure Documents**"), Bonds Announcements and the announcements of the Company dated 29 March 2016, 8 April 2016 and 29 April 2016, 3 May 2016, 4 May 2016, 19 May 2016, 3 June 2016 and 27 July 2016 respectively, which are available on the website of Hong Kong Exchanges and Clearing Limited. Terms and expressions defined in the Circular and the announcement of the Company dated 27 July 2016 shall bear the same meanings in this announcement, unless otherwise provided.

SUPPLEMENTAL AGREEMENT

Further to the extension of the Long Stop Date under the Sale and Purchase Agreement as disclosed in the announcement of the Company dated 27 July 2016, in order to expedite the Completion of the Disposal in light of the recent promulgation of Bulletin 42, on 2 August 2016, the Seller and the Purchaser entered into the Supplemental Agreement whereby the Seller and the Purchaser agreed to the following amendments to the Sale and Purchase Agreement together with other consequential amendments, which would become effective if the Supplemental Agreement and the transactions contemplated thereunder are approved by the Shareholders at the SGM:

- (a) the Tax CP shall be deemed to be fulfilled so long as the Seller has, to the reasonable satisfaction of the Purchaser, submitted all the documents as required by the relevant PRC authorities for the purpose of Bulletin 42; and
- (b) the Withheld Amount shall be amended to HK\$350,000,000 or such other amount of tax stated on a demand notice issued by the relevant PRC authorities received by the Seller prior to Completion.

Save as disclosed above, all other provisions of the Sale and Purchase Agreement remain unchanged and continue to be in full force and effect.

The Sale and Purchase Agreement and the transactions contemplated thereunder have been approved by the Shareholders at the special general meeting of the Company held on 18 March 2016. As the amendments under the Supplemental Agreement constitute material variation of terms of the Sale and Purchase Agreement, pursuant to Chapters 14 and 14A of the Listing Rules, the Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement and Independent Shareholders' approval requirements.

The said amendments to the Sale and Purchase Agreement and the passing of the Extraordinary Resolutions are not inter-conditional. If the Independent Shareholders approve such amendments and the Tax CP is deemed to be fulfilled upon submission of the relevant documents required under the Tax CP, the Company expects that Completion of the Disposal can take place within 2 weeks thereafter. Assuming that such amendments will be approved by the Independent Shareholders, the net proceeds from the Disposal, net of the Mega Market Loan, professional fees and relevant expenses (and after deducting the new Withheld Amount of HK\$350,000,000), are expected to be HK\$1,428,000,000, and will be applied by the Company for the redemption of the Put Bonds and the Bonds, in each case in accordance with the Conditions. For the avoidance of doubt, if the Tax Clearances can be obtained before the SGM, Completion shall proceed in accordance with the existing terms of the Sale and Purchase Agreement. In such case, the net proceeds from the Disposal, net of the Mega Market Loan, professional fees and relevant expenses (including the tax payable under the Tax Clearances), are expected to be HK\$1,578,000,000, and will be applied by the Company for the redemption of the Put Bonds and the Bonds, in each case in accordance with the Conditions.

DEED OF GUARANTEE

In consideration of the Purchaser entering into the Sale and Purchase Agreement and the Supplemental Agreement, on 2 August 2016, the Company executed the Deed of Guarantee pursuant to which the Company agreed to guarantee in favour of the Purchaser the due performance and observance by the Seller of all its obligations under or pursuant to the Sale and Purchase Agreement as supplemented and amended by the Supplemental Agreement in accordance with the terms of the Deed of Guarantee.

As VC has a material interest in the Supplemental Agreement and the Deed of Guarantee and the transactions contemplated thereunder, VC has abstained from voting on the relevant Board resolution.

Having considered that the reason for entering into the Supplemental Agreement is to expedite the Completion of the Disposal in light of the recent promulgation of Bulletin 42 and the reason for entering into the Deed of Guarantee is in consideration of the Purchaser entering into the Sale and Purchase Agreement and the Supplemental Agreement, the Directors (excluding VC and excluding all independent non-executive Directors who will form their views after considering the recommendation of the independent financial adviser) consider that the terms of the Supplemental Agreement (including the new Withheld Amount) and the Deed of Guarantee are fair and reasonable and it is in the interests of the Company and the Shareholders as a whole to enter into the Supplemental Agreement and the Deed of Guarantee.

SGM

The SGM will be convened and held to consider and, if thought fit, to approve the Supplemental Agreement and the transactions contemplated thereunder.

The Directors have appointed the Independent Board Committee to advise the Independent Shareholders in relation to the Supplemental Agreement. An independent financial adviser will also be appointed to make recommendations to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreement.

A circular containing, among other things, further details of the Supplemental Agreement and a notice of the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE BONDS

Pursuant to the Original Proposals, the Relevant Event Redemption Date was delayed to a date falling no earlier than 29 June 2016 and no later than 29 July 2016 (as notified by the Company to the Bondholders and the Trustee no less than two Hong Kong Business Days prior to the date on which payment is to be made) in relation to any Delisting occurring or existing as at any time on or prior to 29 June 2016.

As disclosed in the Company's announcement dated 27 July 2016, the Outstanding Restructuring PRC Approval has been obtained and therefore the Outstanding PRC Approval Condition has been satisfied. As disclosed in the Disposal Disclosure Documents, one of the Conditions Precedent is the Tax CP. Notwithstanding that the Company has previously announced that all the Conditions Precedent (save for the Outstanding PRC Approval Condition) have been satisfied, on 29 June 2016, the State Administration of Taxation promulgated Bulletin 42, which affects related party transactions such as the Disposal. The promulgation of Bulletin 42 was not foreseeable by the Company or the Seller. As a result, the Tax CP has become an outstanding Condition Precedent to be satisfied. In light of the recent promulgation of Bulletin 42, the Seller has been requested to produce additional documents (including a valuation report) to the relevant PRC authorities for the purpose of obtaining the Tax Clearances. The Seller requires additional time to compile its current financial information for inclusion in the valuation report to be submitted to the relevant PRC authorities.

The Seller is seeking PRC tax advice from its tax advisers in order to obtain the Tax Clearances as soon as practicable. The Seller expects it may take 8 to 10 weeks to prepare the required additional documents. Having consulted its PRC tax advisers, the Seller expects to obtain the Tax Clearances within 2 months from the date on which the required documents are to be submitted to the relevant PRC authorities, and Completion should then be able to take place thereafter. Having regard to the fact that the promulgation of Bulletin 42 was not foreseeable by the Company or the Seller, and in the abundance of caution, the Purchaser has agreed to extend the Long Stop Date under the Sale and Purchase Agreement to 28 February 2017, so that Completion of the Disposal may take place on or before such date, subject only to obtaining of the Tax Clearances. As agreed and confirmed by the Purchaser, all the Conditions Precedent have been satisfied and fulfilled save and except for the Tax CP.

As Completion of the Disposal has not taken place as at 29 July 2016, the Company did not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on the Relevant Event Redemption Date, which has resulted in an Event of Default under each Series.

As disclosed in the Company's previous announcements, the Directors believe that the Disposal is the most efficient way to obtain sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds. The Company is therefore proposing to seek the Bondholders' consent to allow more time for the Company to complete the Disposal and obtain sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds.

PRINCIPAL TERMS OF THE PROPOSALS

The Proposals relate to the Company's request to Bondholders of (i) the 2016 Bonds to agree to delay the maturity date of the 2016 Bonds from 28 September 2016 to 28 February 2017; and (ii) each Series to agree to delay the Relevant Event Redemption Date to a date (as notified by the Company to the Bondholders and the Trustee no less than two Hong Kong Business Days prior to the date on which payment is to be made) from but excluding 28 January 2017 to and including 28 February 2017 (the "**Delayed Relevant Event Redemption Date**") in relation to any Delisting occurring or existing as at any time on or prior to 28 January 2017 (the "**Relevant Delisting Event**") on the following principal terms in respect of each Series (subject to the detailed provisions as set out in the Extraordinary Resolutions). Accordingly (assuming the Extraordinary Resolutions are passed):

- (a) the Company will make a partial payment of principal in respect of all but not some only of the Bonds on 30 September 2016 in the amount of HK\$15,000 for each HK\$88,548.96 in outstanding principal amount per 2016 Bond, and in the amount of HK\$300,000 for each HK\$1,770,979.22 in outstanding principal amount per 2019 Bond, which will be paid together with interest accrued to (but excluding) 30 September 2016 in the amount of HK\$29.52 in respect of each HK\$88,548.96 in outstanding principal amount of 2016 Bonds (being the interest accrued from the most recent interest payment date of 28 September 2016) and in the amount of HK\$21,694.50 in respect of each HK\$1,770,979.22 in outstanding principal amount of 2019 Bonds ("**Third Partial Redemption**");
- (b) the maturity date in relation to the 2016 Bonds will be delayed to 28 February 2017; and
- (c) the Relevant Event Redemption Date in respect of any Put Bonds (in respect of which no withdrawal right is exercised) will be delayed to the Delayed Relevant Event Redemption Date, and the Put Period End Date will be extended to 28 January 2017 provided that: (i) any Bondholder who has given a Relevant Event Redemption Notice may withdraw such notice prior to 28 January 2017; and (ii) any Relevant Event Redemption Notice may be given, and may only be given, by any Bondholder who has previously given and withdrawn a Relevant Event Redemption Notice from 28 December 2016 to and including 28 January 2017.

The Proposals are subject to the obtaining of the Listing Rules Approval.

The Directors consider that the interests of the Company, the Shareholders and the Bondholders as a whole may be materially and adversely affected if the Proposals are not approved, and it follows that it would be in the interests of the Company, the Shareholders and the Bondholders as a whole to implement the Proposals.

The extension of the maturity date of the 2016 Bonds will be deemed as a new issue of the 2016 Bonds pursuant to the relevant guidance from the Stock Exchange. Based on the current conversion price of the 2016 Bonds of HK\$0.56, the outstanding principal amount of the 2016 Bonds, being HK\$307,884,733.92, is convertible into 549,794,167 Shares upon full conversion of the 2016 Bonds, representing approximately 5.51% of the issued share capital of the Company as of the date of this announcement and approximately 5.22% of the issued share capital of the Company as enlarged by the full conversion of the 2016 Bonds, assuming that there are no other changes to the issued share capital of the Company. The Company has sufficient unutilised general mandate to issue and allot up to 1,996,699,067 Shares granted by its Shareholders at the annual general meeting held on 29 June 2016 to cover the number of such conversion shares.

THE BONDHOLDERS' MEETINGS AND THE EXTRAORDINARY RESOLUTIONS

The Notices will be given to the Bondholders on the date of this announcement to convene the Bondholders' Meetings, for the purpose of considering, and if appropriate, passing the Extraordinary Resolutions on 9 September 2016 in respect of each Series, at 9:00 a.m. and 9:30 a.m. (Hong Kong time), respectively. The Proposals will only take effect if: (a) the Extraordinary Resolution in respect of each Series is passed; and (b) the Listing Rules Approval is obtained.

The quorum at a Bondholders' Meeting for passing the Extraordinary Resolution will be a single voter (as long as the Bonds are represented by the global bond certificates or a single individual bond certificate) representing or holding not less than $66\frac{2}{3}\%$ of the aggregate principal amount of the outstanding Bonds. If a quorum is not present, the Bondholders' Meeting will be adjourned for not less than 14 days and not more than 42 days. At any adjourned meeting, the quorum for passing the Extraordinary Resolution will be a single voter (as long as the Bonds are represented by the global bond certificates or a single individual bond certificate) holding not less than 25% of the aggregate principal amount of the outstanding Bonds in the relevant Series.

In order for the Extraordinary Resolution to be passed at a Bondholders' Meeting, it must be passed by a majority of not less than three quarters of the votes cast. If passed, the Extraordinary Resolution will be binding on all Bondholders in the relevant Series, whether or not present at the relevant Bondholders' Meeting and whether or not voting, and the passing of the Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereto.

If the Company completes the Disposal or any other relevant disposal or fulfils its payment obligations in respect of the redemption of the Put Bonds prior to the payment of the Consent Fee and the execution of the Supplemental Trust Deeds, then it may in its sole discretion, withdraw or revoke the Proposals, notwithstanding the passing of the Extraordinary Resolutions, in which case no Consent Fee will be payable to any Bondholder.

The Proposals will only take effect if: (a) the Extraordinary Resolution in respect of each Series is passed; and (b) the Listing Rules Approval is obtained. Therefore:

- (i) if the Extraordinary Resolution in respect of each Series is passed at any original or adjourned Bondholders' Meeting, the Company will execute the Supplemental Trust Deeds in relation to the Proposals as soon as practicable after such Bondholders' Meetings (provided the Listing Rules Approval is obtained);
- (ii) if the Extraordinary Resolution in respect of either or both Series is rejected at any original or adjourned Bondholders' Meeting, the Company will not execute either Supplemental Trust Deed and none of the amendments contemplated by the Proposals will be effected in relation to either Series; and
- (iii) if the original Bondholders' Meeting in respect of either Series is adjourned for want of quorum and the Extraordinary Resolution is passed in respect of the other Series, the Company will not execute the Supplemental Trust Deeds in relation to the Proposals relating to either Series unless and until the Extraordinary Resolution is also passed in the adjourned Bondholders' Meeting(s) when it is or they are reconvened following adjournment (provided that the Listing Rules Approval is obtained).

The results of the Bondholders' Meetings will be published on the websites of (1) the Company at www.aplushk.com/clients/00555rexlot/index.html; (2) the Singapore Exchange Securities Trading Limited at www.sgx.com; and (3) Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

REASONS FOR AND BENEFITS OF THE PROPOSALS

As Completion of the Disposal has not taken place as at 29 July 2016, the Company did not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016, which has resulted in an event of default under each Series.

The Company is committed to fulfilling its redemption obligations in relation to the Put Bonds. The Company is proposing to seek the Bondholders' consent to allow more time for the Company to complete the Disposal and obtain sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds.

The Proposals relate to the Company's request to Bondholders to agree to delay the Relevant Event Redemption Date to the Delayed Relevant Event Redemption Date in relation to any Relevant Delisting Event and to the extend the maturity date of the 2016 Bonds, subject to the detailed provisions as set out in the relevant Extraordinary Resolution.

As a sign of support to the Company, Kingly (being a holder of the 2019 Bonds, in the principal amount of HK\$265,646,883, indirectly wholly-owned by VC has undertaken to the Company:

- (a) to provide a valid Block Voting Instruction in favour of the relevant Extraordinary Resolution;
- (b) to, subject to receiving the relevant Consent Fee (in respect of the 2019 Bonds it holds) from the Company, provide a further unsecured and interest-free shareholder's loan in the amount equal to such Consent Fee so received by it (expected to be in the total amount of approximately HK\$1,992,351.62) to the Company, with a one-year term (provided that such loan shall become repayable on demand after the Bonds are redeemed in full), to provide for the Company's general working capital;
- (c) to, subject to receiving the relevant Third Partial Redemption payment (in respect of the 2019 Bonds it holds) from the Company, provide a further unsecured shareholder's loan in the amount equal to such Third Partial Redemption principal payment so received by it (expected to be in the total amount of approximately HK\$45,000,000) to the Company, with a one-year term (provided that such loan shall become repayable on demand after the Bonds are redeemed in full) and with an interest rate equal to the coupon rate of the 2019 Bonds, to provide for the Company's general working capital; and
- (d) not to exercise the Put Option in relation to a Relevant Delisting Event in respect of the 2019 Bonds it holds.

In addition, as a further act of support to the Company, Mega Market has conditionally agreed to grant an interest-free unsecured loan to the Company in an amount up to HK\$360,000,000 (the “**Mega Market Loan**”) to finance the Company's repayment obligations for the Third Partial Redemption. The drawdown of the Mega Market Loan is conditional upon, among other things, the Extraordinary Resolutions having been passed. The Mega Market Loan shall be repaid on the earlier of (a) the date falling six months from the date it has been drawn-down; (b) the date of Completion of the Disposal; (c) the termination of the Sale and Purchase Agreement; and (d) the sole shareholder of Mega Market ceases to be an executive Director. Upon Completion of the Disposal, the Seller intends to direct the Purchaser to (i) pay to Mega Market directly an amount equivalent to the Mega Market Loan for the repayment of the Mega Market Loan and (ii) pay to the Seller the remaining amount of the consideration of the Disposal.

Mega Market is wholly-owned by VC. Therefore, Mega Market is an associate of a connected person of the Company. As the Mega Market Loan is conducted on normal commercial terms or better and it is not secured by the assets of the Group, the Mega Market Loan is fully exempted from the shareholders' approval, annual review and all the disclosure requirements pursuant to Rule 14A.90 of the Listing Rules. The Directors (including the independent non-executive Directors but excluding VC who abstained from voting on the relevant board resolutions approving the Mega Market Loan) consider that the Mega Market Loan is conducted on normal commercial terms, that the terms are fair and reasonable and that it is in the interests of the Company, the Shareholders and the Bondholders as a whole to obtain the Mega Market Loan.

Furthermore, in order to expedite the Completion of the Disposal in light of the recent promulgation of Bulletin 42, the Seller and the Purchaser have agreed to amend the Sale and Purchase Agreement, further information of which is disclosed in this announcement.

The Directors are of the view that the interests of the Company, the Shareholders and the Bondholders as a whole may be materially and adversely affected if the Proposals are not approved, and it follows that it would be in the interests of the Company, the Shareholders and the Bondholders as a whole to implement the Proposals.

THE CONSENT SOLICITATION

The Company has appointed Daiwa Capital Markets Hong Kong Limited as its consent solicitation agent to solicit Bondholders' votes in favour of the Extraordinary Resolutions. The Company is offering Bondholders who vote in favour of the Proposals a Consent Fee of 0.75% of the outstanding principal amount of Bonds the subject of a Block Voting Instruction in favour of the relevant Extraordinary Resolution as an incentive for the Bondholders to identify themselves and to vote in favour of the Extraordinary Resolutions. The Directors consider that it is in the interests of the Company, the Shareholders and the Bondholders as a whole to pay the Consent Fee.

The relevant Consent Fee will only be payable to Bondholders who provide a valid Block Voting Instruction in favour of the relevant Extraordinary Resolution and if the relevant Extraordinary Resolution is duly passed at the relevant Meeting and in respect of which Series the relevant Supplemental Trust Deed is executed and delivered. Bondholders who (i) vote against the relevant Proposal, (ii) do not vote in respect of the relevant Proposal, (iii) elect to attend and vote at the relevant Meeting (regardless of how they vote), or (iv) complete and deliver a Block Voting Instruction after the prescribed deadline, will not be entitled to receive any Consent Fee. If such conditions are satisfied, it is expected that the Supplemental Trust Deeds will be executed on or around 14 September 2016 (or if shareholders' approval is required, no later than 30 September 2016) to effect the Proposals.

It is expected that the total maximum amount of Consent Fee payable by the Company would be up to approximately HK\$14,927,362.45. The payment of Consent Fee does not form part of the Proposals. It is expected that Kingly, a connected person of the Company, would also be entitled to receive a Consent Fee on the same terms as the other Bondholders who vote in favour of the relevant Extraordinary Resolution in the prescribed manner. It is expected that the Consent Fee payable to Kingly would be approximately HK\$1,992,351.62. Based on the best knowledge and belief of the Company, the other Bondholders and their ultimate beneficial owners are third parties independent of the Company and its connected persons. The Directors (including independent non-executive Directors) consider that it is fair and reasonable and in the interests of the Company, the Shareholders and the Bondholders as a whole to pay the Consent Fee.

The Directors consider that it would be prudent to regard the payment of Consent Fee to the Bondholders as a transaction under Chapter 14 of the Listing Rules. The payment of the maximum amount of the Consent Fee by the Company to all Bondholders does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Directors consider that it would also be prudent to regard the payment of Consent Fee to Kingly as a connected transaction under Chapter 14A of the Listing Rules. The payment of the Consent Fee by the Company to Kingly is not subject to the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. As Kingly is indirectly wholly-owned by VC, VC has abstained from voting on the board resolution approving the Consent Fee.

Having taken into account that: (i) the Seller expects it may take 8 to 10 weeks to prepare the required additional documents for submission to the relevant PRC authorities and that, having consulted its PRC tax advisers, the Seller expects to obtain the Tax Clearances within 2 months from the date on which the required documents are to be submitted to the relevant PRC authorities, and Completion should then be able to take place thereafter; and (ii) the Company is offering Bondholders who vote in favour of the Proposals in the prescribed manner the Consent Fee (subject to the terms set out in the Notices), the Directors are recommending the Bondholders to vote in favour of the Proposals.

GENERAL

The Group is principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

This announcement is not a solicitation of consent with respect to any of the Bonds. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.

Forward-looking statements in this announcement are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for each of the Bonds, changes in the business and financial condition of the Group and changes in the capital markets in general.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent under the Sale and Purchase Agreement. Accordingly, the Disposal may or may not proceed. An event of default under the Bonds has taken place upon the Company's failure to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016. There is no assurance that the Extraordinary Resolutions will be passed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires or unless otherwise defined, the following terms shall have the following meanings:

“2016 Bondholders”	the holders of the 2016 Bonds;
“2016 Bonds”	the HK\$1,393,700,000 6.00% convertible bonds due 2016 issued by the Company, of which HK\$307,884,733.92 in aggregate principal amount remains outstanding as at the date of this announcement;
“2019 Bondholders”	the holders of the 2019 Bonds;
“2019 Bonds”	the HK\$1,900,000,000 4.50% convertible bonds due 2019 issued by the Company, of which HK\$1,682,430,259 in aggregate principal amount remains outstanding as at the date of this announcement;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Block Voting Instruction”	in relation to a Bondholders' Meeting, an instruction issued by the relevant registrar certifying that the relevant Bonds have been blocked in an account with a Clearing System and will not be released until the conclusion of the relevant Bondholders' Meeting (as adjourned, as the case may be) and that the relevant registrar has been instructed that the votes attributable to such Bonds are to be cast in a particular way;

“Board”	the board of Directors;
“Bondholders”	collectively, the 2016 Bondholders and the 2019 Bondholders, and each a “ Bondholder ”;
“Bondholders’ Meetings”	the meetings of the 2016 Bondholders and the 2019 Bondholders to be held at 9:00 a.m. (Hong Kong time) and 9:30 a.m. (Hong Kong time), respectively, at the offices of Clifford Chance at 27/F Jardine House, One Connaught Place, Central, Hong Kong, on 9 September 2016 as specified in each Notice and, where the context permits, any such adjourned meetings, at which the Bondholders will be asked to consider and, if thought fit, pass the relevant Extraordinary Resolution, subject to the necessary quorum being present, and each a “ Bondholders’ Meeting ”;
“Bonds”	collectively, the 2016 Bonds and the 2019 Bonds;
“Clearing Systems”	Clearstream Banking S.A. and Euroclear Bank S.A./N.V.;
“Company”	REXLot Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consent Fee”	the consent fee payable to each Bondholder in respect of its Bonds that are the subject of a valid Block Voting Instruction in favour of the relevant Extraordinary Resolution and if the relevant Extraordinary Resolution is duly passed at the relevant Bondholders’ Meeting and in respect of which Series the relevant Supplemental Trust Deed is executed and delivered;
“Deed of Guarantee”	the deed of guarantee dated 2 August 2016 executed by the Company in favour of the Purchaser guaranteeing the Seller’s obligations under the Sale and Purchase Agreement as supplemented and amended by the Supplemental Agreement;
“Delayed Relevant Event Redemption Date”	has the meaning ascribed to it in this announcement;

“Delisting”	an event which occurs when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive trading days on the Stock Exchange;
“Directors”	the directors of the Company;
“Extraordinary Resolution”	in respect of each Series, the extraordinary resolution relating to the Proposals (including a waiver of any default or potential default in respect of any non-payment relating to the relevant Put Bonds (a) following the delivery of a Relevant Event Redemption Notice on or prior to the Delayed Relevant Event Redemption Date; and (b) upon maturity of the 2016 Bonds) to be put to the Bondholders at the relevant Bondholders’ Meeting if the necessary quorum is present, as set out in the relevant Notice;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong;
“Kingly”	Kingly Profits Corporation, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by VC;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Listing Rules Approval”	approval of the Proposals by the Stock Exchange (and the Shareholders, if required) in accordance with Rule 28.05 of the Listing Rules;
“Mega Market”	Mega Market Assets Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by VC, hence an associate of a connected person of the Company;
“Mega Market Loan”	has the meaning ascribed to it in this announcement;

“Notices”	the respective notices both dated 2 August 2016 convening the Bondholders’ Meetings and setting out the Extraordinary Resolutions;
“offshore cash resources”	cash resources outside of PRC;
“Original Proposals”	the original proposals for amendments of the terms of the Bonds, the principal terms of which were set out in the section headed “Principal terms of the Proposals” in the announcement of the Company dated 3 May 2016;
“Outstanding PRC Approval Condition”	has the meaning ascribed to it in the Company’s announcement dated 29 April 2016;
“Outstanding Restructuring PRC Approval”	has the meaning ascribed to it in the Company’s announcement dated 29 April 2016;
“Proposals”	the proposals, the principal terms of which are as set out in the section headed “Principal Terms of the Proposals” in this announcement;
“Put Bonds”	any Bonds subject to a relevant event redemption notice which has been given by a Bondholder to exercise a put option in relation to the Relevant Delisting Event in accordance with the terms and conditions of the Bonds;
“Put Period End Date”	the last date on which a Bondholder is required to give a Relevant Event Redemption Notice, originally 19 October 2015 under the terms and conditions of the Bonds, and subsequently amended with the consents of the Bondholders and proposed to be further amended to be 28 January 2017 under the Proposals;
“Relevant Delisting Event”	has the meaning ascribed to it in this announcement;
“Relevant Event Redemption Date”	29 July 2016;
“Relevant Event Redemption Notice”	a notice that is required to be given by a Bondholder to exercise a Put Option in accordance with the terms and conditions of the Bonds;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Series”	the 2016 Bonds or the 2019 Bonds, as the case may be;

“SGM”	a special general meeting of the Company to be convened to approve the Supplemental Agreement and the transactions contemplated thereunder;
“Shareholders”	holders of the Shares;
“Shares”	the shares of par value of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement to the Sale and Purchase Agreement dated 2 August 2016 entered into between the Seller and the Purchaser;
“Supplemental Trust Deed”	the trust deed supplemental to the Trust Deed in respect of the relevant Series, effecting the amendments approved by the relevant Extraordinary Resolution, and “Supplemental Trust Deeds” refers to the respective Supplemental Trust Deeds in respect of both Series;
“Third Partial Redemption”	has the meaning ascribed to it in this announcement;
“Trustee”	The Bank of New York Mellon, London Branch, being the trustee of the Bonds;
“VC”	Mr. Chan How Chung, Victor, an executive Director and a substantial shareholder (as defined in the Listing Rules) of the Company;
“United States”	the United States of America; and
“%”	per cent.

By Order of the Board
Ng Yuen Yee
Company Secretary

Hong Kong, 2 August 2016

As at the date of this announcement, the Board comprises two executive directors namely Mr. Chan How Chung, Victor and Mr. Boo Chun Lon and three independent non-executive directors namely Mr. Yuen Wai Ho, Mr. Chow Siu Ngor and Mr. Lee Ka Lun.