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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)

FRAMEWORK AGREEMENT IN RELATION TO THE ARRANGEMENTS FOR THE REPAYMENT OF THE OFFSHORE LIABILITIES OF THE GROUP

This announcement is made by REXLot Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

OFFSHORE LIABILITIES OF THE GROUP

Reference is made to the circular of the Company dated 25 April 2018 (the “**Circular**”) and the announcement of the Company dated 10 September 2018. Unless otherwise stated, definitions used herein shall have the same meanings as those defined in the Circular and the said announcement.

As at the date of this announcement, the Group has total current offshore liabilities of approximately HK\$1.144 billion. The breakdown of the current offshore liabilities is set out in the table below.

	Amount <i>(HK\$'000)</i>
Aggregate outstanding principal amount of 2017 Bonds	100,907
Aggregate outstanding principal amount of 2019 Bonds	551,402
Shareholder's Loan and interest accrued up to the date of this announcement	417,684
Bonds interest accrued up to the date of this announcement	58,786
Other liabilities	<u>15,567</u>
Total	<u><u>1,144,346</u></u>

THE FRAMEWORK AGREEMENT

The Board announces that on 24 October 2018 (after trading hours), the Company entered into a framework agreement (the “**Framework Agreement**”) with Mr. Chan How Chung, Victor (a substantial shareholder and an executive director of the Company) (“**VC**”), Keen Start Limited (a company indirectly wholly-owned by VC) (“**Keen Start**”) and Kingly Profits Corporation (a company indirectly wholly-owned by VC) (“**Kingly Profits**”) in relation to certain arrangements (the “**Arrangements**”) for the repayment of the offshore liabilities of the Group.

The Arrangements are set out below:

Step	Arrangement	Timeframe
1	Keen Start shall, subject to certain conditions, complete the purchase from certain agreeing existing Bondholders in respect of (i) certain 2017 Bonds with an aggregate principal amount of approximately HK\$26 million and (ii) certain 2019 Bonds with an aggregate principal amount of approximately HK\$111 million, in each case together with accrued but unpaid interest and default interest up to the date of purchase.	Around 2 weeks after the Supplemental Announcement (as defined below) has been published
2	(a) The Company and VC (and his associates, including Keen Start and Kingly Profits) shall negotiate in good faith within 3 weeks from the date of the Framework Agreement to formulate a plan and enter into a definitive agreement for the repayment of the Remaining Indebtedness (as defined below) (the “Remaining Indebtedness Restructuring Plan”). (b) In consideration of Keen Start agreeing to waive the default under any Bonds that it holds or will hold when Step 5 is implemented, the Company shall utilize approximately HK\$953 million in cash to: (i) partially redeem from Keen Start and any remaining existing Bondholders (as appropriate) certain outstanding 2017 Bonds with an aggregate principal amount and accrued but unpaid interest and default interest of approximately HK\$95 million in total; (ii) partially redeem from Keen Start and any remaining existing Bondholders (as appropriate) certain outstanding 2019 Bonds with an aggregate principal amount and accrued but unpaid interest and default interest of approximately HK\$505 million in total; and (iii) partially repay the Shareholder’s Loan with a principal amount and accrued but unpaid interest of approximately HK\$353 million in total, in each case in accordance with the terms thereof.	(a) Within 3 weeks from the date of the Framework Agreement (b) Around 2 weeks after finalization of the Remaining Indebtedness Restructuring Plan

Step	Arrangement	Timeframe
3	(a) The CB Subscription Agreement shall be automatically terminated in accordance with its terms. (b) VC, Keen Start and Kingly Profits shall give an undertaking (which will terminate on 15 November 2018) to the Company that the Shareholder's Loan will not need to be repaid until the Company and VC (and his associates) have formulated the Remaining Indebtedness Restructuring Plan, which will provide for a plan for the repayment of the Remaining Indebtedness (as defined below) (including the Shareholder's Loan).	On 31 October 2018
4	Keen Start shall offer and complete the purchase of the remaining outstanding Bonds.	Around 4 weeks after completion of Step 2
5	The Company shall launch a consent solicitation process or otherwise seek the consent or resolution of the Bondholder(s) holding the then outstanding Bonds to waive any and all of the Company's default under the terms of the Bonds.	Around 2 weeks after completion of Step 4
6	Upon completion of Steps 1 to 5, VC and his associates (as the case may be) will be holding all of the then outstanding Bonds and the Shareholder's Loan (the " Remaining Indebtedness ").	

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

As set out in the Company's previous disclosures, the amounts under the 2017 Bonds and 2019 Bonds have been outstanding since 28 April 2017 and are currently due to be repaid to the Bondholders. The Shareholder's Loan will become payable on demand either after the completion or the termination of the CB Subscription, as the case may be. The Board considers that through entering into the Framework Agreement, the Company has formulated a strategy to repay the Group's offshore liabilities. On the above basis, the Board (excluding VC but including the independent non-executive directors of the Company) considers that the terms of the Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

UPDATE ON THE KEEN START OFFER

Reference is made to the Circular, the Bond Purchase Announcements and the announcements of the Company dated 29 January 2018, 9 May 2018, 30 July 2018 and 10 September 2018.

As disclosed in the Company's announcement dated 10 September 2018, the Company intends to soon publish a supplemental announcement (the "**Supplemental Announcement**") to provide additional information in relation to the Interim Results Announcement. The Company is finalizing the Supplemental Announcement and will publish it as soon as practicable. In this connection, the Company has been informed by Keen Start that it would postpone the settlement of the Relevant Bonds (as defined in the Company's announcement date 30 July 2018) to a date after the Supplemental Announcement is published.

According to the Arrangements stated in the Framework Agreement, the Company has been informed by Keen Start that Keen Start will purchase the Relevant Bonds in 2 steps (referring to Step 1 and Step 4 of the table above). Step 1 will be completed or settled around 2 weeks after the Supplemental Announcement is published and Keen Start will send out notice to participating bondholders for the amount of the Bonds to be settled in Step 1. Further notice will be issued to participating bondholders in fixing the settlement date after the Supplemental Announcement is published.

The Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Ng Yuen Yee
Company Secretary

Hong Kong, 24 October 2018

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. Wong Hoi Kuen.