

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy any securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy hereof may be taken into or distributed in the United States.

*The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Bonds and the Shares mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Bonds or the Shares will be made in the United States.*

Certain statements contained in this announcement may be regarded as “forward-looking statements” within the meaning of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. The forward-looking statements included in this announcement represent the Company’s views as of the date of this announcement. While the Company anticipates that subsequent events and developments may cause the Company’s views to change, the Company specifically disclaims any obligation to update these forward-looking statements, unless required by applicable laws. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this announcement.

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

PROPOSED ISSUE OF HK\$1,900,000,000

4.5% CONVERTIBLE BONDS DUE 2019

AND

CONNECTED TRANSACTION

The Managers

Daiwa
Capital Markets

BofA Merrill Lynch

Daiwa Capital Markets Hong Kong Limited

Merrill Lynch Far East Limited

PROPOSED ISSUE OF BONDS

On 9 April 2014 (after trading hours), the Company and the Managers entered into the Subscription Agreement in relation to the proposed issued of the Bonds. The Bonds, when issued, will be denominated in Hong Kong Dollars and in a principal amount of up to HK\$1,900,000,000.

Subject to and in accordance with the terms of the Subscription Agreement,

- (1) The Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds in an aggregate principal amount of HK\$1,200,000,000 at the Issue Price.
- (2) The Company has appointed the Managers as agents to the exclusion of all others and the Managers have agreed to act as agents for the Company in respect of the proposed placing of the VC Bonds in an aggregate principal amount of up to HK\$300,000,000 to, subject to Independent Shareholders' approval, Kingly Profits, which is a connected person of the Company, at the Issue Price plus an amount corresponding to the accrued interest on the VC Bonds from, and including, the Firm Bonds Closing Date to, but excluding, the VC Bonds Closing Date.

In addition, the Company has granted to the Managers the Option to subscribe for all or some of the Option Bonds up to an additional aggregate principal amount of HK\$400,000,000, and the Option shall be exercisable in whole or part, on one occasion only, solely at the discretion of the Managers (acting jointly), at any time on or before the 30th day following the Firm Bonds Closing Date. The Option Bonds will be subscribed at the Issue Price plus accrued interest on the Option Bonds, if any, from and including, the Firm Bond Closing Date to, but excluding, the Option Bonds Closing Date. The Managers have exercised the Option in full to subscribe for all the Option Bonds.

Based on the initial Conversion Price of HK\$1.4070 per Share and assuming full issuance (including issuance of the Option Bonds and the VC Bonds) and full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 1,350,390,902 New Shares, representing:

- (i) approximately 15.04% of the issued ordinary share capital of the Company as at the date of this announcement, and
- (ii) approximately 13.07% of the issued ordinary share capital of the Company, as enlarged.

The Company will apply to the SGX-ST for the listing of the Bonds. An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

COMPLETION OF THE SUBSCRIPTION AGREEMENT IS SUBJECT TO THE SATISFACTION AND/OR WAIVER (IF APPLICABLE) OF THE CONDITIONS PRECEDENT THEREIN. IN ADDITION, THE SUBSCRIPTION AGREEMENT MAY BE TERMINATED UNDER CERTAIN CIRCUMSTANCES. PLEASE REFER TO SECTION HEADED “THE SUBSCRIPTION AGREEMENT” BELOW FOR FURTHER INFORMATION. SHAREHOLDERS AND INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

CONNECTED TRANSACTION

Given that VC is a Director and a Substantial Shareholder who indirectly holds 1,230,539,822 Shares, representing approximately 13.70% of the issued ordinary share capital of the Company as at the date of this announcement, VC is a connected person of the Company. As the entire issued share capital of Kingly Profits is held indirectly by VC, Kingly Profits is an associate of VC and therefore Kingly Profits is also a connected person of the Company. As of the date of this announcement, Kingly Profits also holds the Existing Bonds in the principal amount of HK\$116,800,000.

Accordingly, the proposed issue of the VC Bonds to Kingly Profits constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and therefore it is subject to the reporting, announcement and Independent Shareholders’ approval requirements under the Listing Rules.

SGM

The SGM will be convened and held to consider and, if though fit, to approve the issue of the VC Bonds and the transactions contemplated thereunder.

As VC has a material interest in the issue of the VC Bonds and the transactions contemplated thereunder, VC and his associates will abstain from voting on the relevant resolution at the SGM.

The Circular containing, among other things, (i) further details of the issue of the VC Bonds and the transactions contemplated thereunder; (ii) a letter of recommendations from the independent board committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders; and (iv) a notice to convene the SGM, is expected to be dispatched to the Shareholders on or before 14 May 2014 as more time is required to finalize certain information to be included in the Circular.

GENERAL MANDATE

The New Shares to be issued upon conversion of the Bonds, except the VC Bonds, will be issued under the General Mandate. As at the date of this announcement, there has been no issue of Shares under the General Mandate.

USE OF PROCEEDS

The gross proceeds from the issue of the Bonds will be approximately HK\$1,900 million (assuming maximum number of Bonds (including the Option Bonds) are issued in full) and the net proceeds from the issue of Bonds will amount to approximately HK\$1,855 million (assuming maximum number of Bonds (including the Option Bonds) are issued in full). The net price for each New Share is expected to be approximately HK\$1.3737 (assuming the maximum number of Bonds (including the Option Bonds) are issued in full). The Company intends to use the net proceeds from the Bond Issue to finance the Group's business expansion through organic growth and potential joint ventures and acquisition opportunities that may arise in the future and for general corporate and working capital needs.

PROPOSED ISSUE OF BONDS

On 9 April 2014 (after trading hours), the Company and the Managers entered into the Subscription Agreement in relation to the proposed issued of the Bonds. The Bonds, when issued, will be denominated in Hong Kong Dollars and in a principal amount of up to HK\$1,900,000,000.

THE SUBSCRIPTION AGREEMENT

A. Date: 9 April 2014 (after trading hours)

B. Parties: The Company and the Managers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Managers is an independent third party not connected with the Company and any of its connected persons.

C. Proposed Issue of the Firm Bonds: The Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds in an aggregate principal amount of HK\$1,200,000,000 at the Issue Price. Such payment shall be made by a depositary on behalf of the Managers in Hong Kong Dollars in same day settlement funds on the Firm Bonds Closing Date to such Hong Kong dollar account as shall be notified by the Company to the Managers not later than three days prior to the Firm Bonds Closing Date.

D. Proposed Placing of the VC Bonds: The Company has appointed the Managers as agents to the exclusion of all others and the Managers have agreed to act as agents for the Company in respect of the proposed placing of the VC Bonds in an aggregate principal amount of up to HK\$300,000,000 to, subject to Independent Shareholders' approval, Kingly Profits, which is a connected person of the Company, at the Issue Price plus an amount corresponding to the accrued interest on the VC Bonds from, and including, the Firm Bonds Closing Date to, but excluding, the VC Bonds Closing Date. Such payment shall be made or come to be made by VC to the Company on or before the VC Bonds Closing Date. For further details of Kingly Profits and the VC Bonds, please refer to the section headed "Connected Transaction" below.

- E. Option to issue Option Bonds: In addition, the Company has granted to the Managers the Option to subscribe for all or some of the Option Bonds up to an additional aggregate principal amount of HK\$400,000,000, and the Option shall be exercisable in whole or part, on one occasion only, solely at the discretion of the Managers (acting jointly), at any time on or before the 30th day following the Firm Bonds Closing Date. The Option Bonds will be subscribed at the Issue Price plus accrued interest on the Option Bonds, if any, from and including, the Firm Bond Closing Date to, but excluding, the Option Bonds Closing Date. Such payment shall be made by a depositary on behalf of the Managers in Hong Kong Dollars in same day settlement funds on the Option Bonds Closing Date to such Hong Kong dollar account as shall be notified by the Company to the Managers not later than three days prior to the Option Bonds Closing Date. The Managers have exercised the Option in full to subscribe for all of the Option Bonds.
- F. Conditions Precedent: The obligations of the Managers to subscribe and pay for the Firm Bonds are conditional on, among other things, the conditions precedent set out in conditions 1 to 11 below (the following conditions precedents are collectively referred to as, the “**Conditions**”):
1. **Due Diligence:** the Managers being satisfied with the results of their due diligence investigations with respect to the Company and its Subsidiaries for the purposes of preparation of the Offering Circular in compliance with applicable laws and regulations, and the Offering Circular having been prepared in form and content reasonably satisfactory to the Managers and having been delivered to the Managers;

2. **Contracts:** in relation to the Firm Bonds, the execution and delivery (on or before the Firm Bonds Closing Date) of the Trust Deed and the Paying and Conversion Agency Agreement, and in relation to the VC Bonds, the execution and delivery (on or before the VC Bonds Closing Date) of a supplemental trust deed and a supplemental paying and conversion agency agreement relating to the Bonds, as the case may be, each in a form reasonably satisfactory to the Managers, by the respective parties;
3. **Lock-up:** VC shall have executed a lock-up agreement on or before the Firm Bonds Closing Date and such lock-up agreement shall be in full force and effect on the Firm Bonds Closing Date and the Option Bonds Closing Date (if any);
4. **Auditors' Letters:** upon three days prior to the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), there having been delivered to the Managers letters, in form and substance reasonably satisfactory to the Managers, dated the date of the Offering Circular in the case of the first letter and dated the Firm Bonds Closing Date and the Option Bonds Closing Date (if any) in the case of the subsequent letters, and addressed to the Managers from Ting Ho Kwan & Chan, Certified Public Accountants, the auditors to the Company;
5. **Compliance:** on the Firm Bonds Closing Date and the Option Bonds Closing Date (if any):
 - (i) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (ii) there having been delivered to the Managers a certificate, dated as of such date, of a duly authorised officer of the Company to such effect;

6. **Accuracy of representations:** the representations and warranties by the Company in the Subscription Agreement are true and correct on the date of the Subscription Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Firm Bonds Closing Date and the Option Bonds Closing Date (if any) with reference to the facts and circumstances then subsisting;
7. **Material Adverse Change:** up to and including the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), there shall not have occurred any change (nor any development or event likely to involve a prospective change), in the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Group taken as a whole, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Bonds;
8. **Other consents:** on or prior to the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), there shall have been delivered to the Managers copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations under the Contracts and the Bonds (including the consents and approvals required from all lenders), if applicable;
9. **Certificate of No Default:** on the date of the Subscription Agreement, the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), there having been delivered to the Managers a certificate of no default, dated as of such date, of a director or a duly authorised signatory of the Company;

10. **Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the Bonds and the SGX-ST having agreed, subject to the issue of the Bonds, to list the Bonds (or, in each case, the Managers being satisfied that such listing will be granted);
11. **Legal Opinions:** on or before the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), there having been delivered to the Managers opinions, in form and in substance satisfactory to the Managers, dated the Firm Bonds Closing Date and the Option Bonds Closing Date (if any), of legal counsels and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may reasonably require; and
12. **Placing Letter:** within two business days after the date of the announcement in respect of the signing of the Subscription Agreement is published by the Company on the website of the Hong Kong Stock Exchange, VC as the purchaser for the VC Bonds shall have executed a placing letter, in a form reasonably satisfactory to the Managers, and such placing letters shall be in full force and effect on the Firm Bonds Closing Date.

In addition, the completion of the issue of the VC Bonds is subject to Conditions 1 to 10 above (except Conditions 4 (Auditors' Letters) and 7 (Material Adverse Change), and is further subject to the approval of the Independent Shareholders at the SGM in accordance with the Listing Rules.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the Conditions (other than Conditions 2 (Contracts) and 10 (Listing)).

VC may, at his discretion and upon such terms as he thinks fit, waive compliance with the whole or any part of the Conditions (other than Conditions 2 (Contracts) and 10 (Listing)) in respect of the VC Bonds.

G. Completion:

Completion of the subscription and issue of the Firm Bonds will, subject to the satisfaction or waiver of the Conditions, take place on the Firm Bonds Closing Date and the completion of the subscription and issue of the Option Bonds (if any) will take place on the Option Bonds Closing Date.

Completion of the subscription and issue of the VC Bonds will, subject to the satisfaction or waiver of the relevant Conditions and the approval of the Independent Shareholders, take place on the VC Bonds Closing Date.

H. Distribution:

The Bonds and the New Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds will be offered and sold in an institutional offering outside the United States in reliance on Regulation S of the Securities Act. Save for the VC Bonds which are proposed to be issued to a connected person of the Company, the Bonds will not be offered to the public in Hong Kong or placed to any connected persons of the Company. The Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

The New Shares will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date.

I. Company's Lock-up
Undertaking:

The Company has undertaken with the Managers that neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds or the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 calendar days after the later of the Firm Bonds Closing Date and (if any Option Bonds are issued) the Option Bonds Closing Date (both dates inclusive); except for the Bonds, the Shares issued on conversion of the Bonds and for the Shares issued on exercise of the option granted under the Share Option Scheme and the Old Share Option Scheme and except for the grant of options under the Share Option Scheme, the Shares issued upon conversion of the 6.00% convertible bonds due 2016 of the Company and the scrip dividend alternative in respect of the final dividend for the year ended 31 December 2013, payable in cash with a scrip dividend alternative, to shareholders of the Company as referred to in the Company's announcement dated 27 March 2014.

J. Shareholder's
Lock-up
Undertaking:

VC undertakes that, for a period from the date of the Subscription Agreement up to 90 calendar days after later of the Firm Bonds Closing Date and (if any Option Bonds are issued) the Option Bonds Closing Date (both dates inclusive), neither he nor any companies or entities or affiliates or spouse (if applicable) or family members (if applicable) over which he exercises management or voting control, nor any person acting on his or their behalf will, without the prior written consent of the Managers,

- (a) offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to purchase any interest in any Lock-up Shares or the Bonds or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares, the Lock-up Shares or other instruments representing interests in the Bonds, the Lock-up Shares or other securities of the same class as the Lock-up Shares;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Lock-up Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

provided that for the avoidance of doubt, any conversion of the Bonds or any 6.00% convertible bonds due 2016 into Shares of the Company shall not be subject to any restriction to the above undertaking.

K. Termination:

The Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Firm Bonds or the Option Bonds (if any) to the Company, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the Conditions has not been satisfied or waived by the Managers on or prior to the Firm Bonds Closing Date or the Option Bonds Closing Date, as the case may be;
3. if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

4. if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange Inc, the London Stock Exchange plc, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the SGX-ST and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Singapore, the People's Republic of China, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services generally in the United States, Hong Kong, the People's Republic of China, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds or the New Shares to be issued upon conversion of the Bonds or the transfer thereof; or
5. if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the issue, offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

- L. Conversion Shares and Conversion Price: Based on the initial Conversion Price of HK\$1.4070 per Share and assuming full issuance (including issuance of the Option Bonds and the VC Bonds) and full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 1,350,390,902 New Shares, representing:
- (i) approximately 15.04% of the issued ordinary share capital of the Company as at the date of this announcement, and
 - (ii) approximately 13.07% of the issued ordinary share capital of the Company, as enlarged.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer:	REXLot Holdings Limited
Managers:	Daiwa Capital Markets Hong Kong Limited Merrill Lynch Far East Limited
Principal amount of the Bonds:	Up to HK\$1,900,000,000 principal amount of its 4.5% convertible bonds due 2019, convertible into fully paid ordinary shares with a par value of HK\$0.01 each in the issued and paid up capital of the Company
Principal amount of the Firm Bonds:	HK\$1,200,000,000 principal amount of the Bonds

Principal amount of the Option Bonds:	The Company has granted to the Managers the Option to subscribe for all or some of the Option Bonds up to an additional aggregate principal amount of HK\$400,000,000, and the Option shall be exercisable in whole or part, on one occasion only, solely at the discretion of the Managers (acting jointly), at any time on or before the 30th day following the Firm Bonds Closing Date. The Managers have exercised the Option in full to subscribe for all of the Option Bonds
Principal amount of VC Bonds:	Up to HK\$300,000,000 principal amount of the Bonds is proposed to be, and is subject to Independent Shareholders' approval, issued to Kingly Profits, which is a connected person of the Company
Initial Bondholders:	In relation to the Firm Bonds and the Option Bonds, not less than six placees (who will be independent individual, corporate and/or institutional investors) and each of them and their respective ultimate beneficial owners will be third parties independent of and not connected with the Company and any of its connected persons In relation to VC Bonds, Kingly Profits is a connected person of the Company
Issue Price:	100% of the principal amount of the Bonds
Form and Denomination:	The Bonds are and will be issued in registered form, in the denomination of HK\$2,000,000 each
Interest:	The Bonds bear interest at the rate of 4.5% per annum payable semi-annually in arrear on 17 April and 17 October in each year
Maturity date:	17 April 2019

Negative pledge:	So long as any Bond remains outstanding, the Company shall not, and the Company shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, upon the whole or any part of its present or future undertaking, asset or revenues (including uncalled capital) to secure any Relevant Indebtedness, or guarantee of the Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee; or (ii) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed of the Bondholders, save for any Security Interest created over any undertaking, assets or revenues of a subsidiary incorporated in the PRC to secure any Relevant Indebtedness or any guarantee of the Relevant Indebtedness where such Relevant Indebtedness is issued, offered or provided in the PRC
Conversion period:	On or after 27 May 2014 up to the close of business on the 10th day prior to the Maturity Date
Conversion price:	The initial Conversion Price is HK\$1.4070 per Share, representing: (i) a premium of approximately 34.00% over the Closing Price of HK\$1.05 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day; (ii) a premium of approximately 36.02% over the volume weighted average price of HK\$1.0344 per Share for the last five consecutive trading days up to and including the Last Trading Day; and (iii) a premium of approximately 44.43% over volume weighted average price of HK\$0.9742 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Managers with reference to the closing price of the Shares quoted on the Hong Kong Stock Exchange on 9 April 2014

The Conversion Price will be subject to adjustment for, among other things, subdivision, reclassification or consolidation of Shares, capitalisation of profits or reserves, distributions, rights issue of shares or options over shares at less than 95% of the then current market price, rights issue of other securities, other issues at less than 95% of the then current market price, modification of conversion rights to less than 95% of the then current market price, other offers to shareholders and other dilutive events as detailed in the terms and conditions of the Bonds. The Conversion Price may also be subject to a downward adjustment for a certain period of time after the occurrence of a Change of Control (such adjustment to be determined with reference to the initial conversion premium and the number of days remaining till maturity). The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would fall to be issued at a discount to their par value or shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in Hong Kong or Bermuda

Final Redemption:

Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the terms and conditions of the Bonds, the Company will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date

Redemption at
the Option of
the Company:

On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), the Company:

- (i) may at any time after 17 April 2017 and prior to the Maturity Date redeem in whole or in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the Closing Price of the Shares for each of 20 consecutive Trading Days, the last of which occurs not more than five Trading Days prior the date upon which notice of such redemption is published was at least 130% of the prevailing Conversion Price; or
- (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued (including any further bonds issued pursuant to the terms and conditions of the Bonds and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled

Redemption for Taxation Reasons:	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (the “ Tax Redemption Notice ”) to the Bondholders at their principal amount together with interest accrued to date fixed for redemption, if (i) the Company satisfies the Trustee that it has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong, the PRC or Bermuda or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 9 April 2014, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, subject to the non-redemption option of each Bondholder after the exercise by the Company of its tax redemption option
Non-redemption right:	If the Company gives a Tax Redemption Notice, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that any payment of principal or premium to be made in respect of such Bond(s) whereupon no additional amounts shall be payable in respect thereof and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld
Redemption at the option of the Bondholders:	On 17 April 2017 (the “ Put Option Date ”), the holder of each Bond has the right, at such holder's option, to require the Company to redeem all or some only of the Bonds at their principal amount together with interest accrued to the Put Option Date

Redemption for Delisting, Suspension of Trading or Change of Control:	If at any time: (a) 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 Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (b) there is a Change of Control, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds at their principal amount together with interest accrued to the relevant date for redemption
Listing:	The Company will apply to the SGX-ST for the listing of the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent) for so long as the Bonds are listed on the SGX-ST An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares
Clearing Systems:	The Bonds, once all issued, will be represented by global bond certificate(s) Title to the Bonds have been registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank S.A./N.V. ("Euroclear"), and Clearstream Banking, <i>société anonyme</i> ("Clearstream, Luxembourg")

Voting rights:	Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares
Transferability:	The Bonds are freely transferable
Status:	The Bonds constitute direct, unconditional, unsubordinated and (subject to the terms and conditions) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the terms and conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

The following table illustrates (1) the existing shareholding structure as at the date of this announcement; (2) the shareholding structure assuming all the outstanding Existing Bonds are not converted and the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$1.4070 per Share each; and (3) the shareholding structure assuming all the outstanding Existing Bonds are converted into Shares at the conversion price of HK\$0.6000 per Share each and the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$1.4070 per Share each, on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the conversion of the Bonds in full, save for the issue of the New Shares as a result of the conversion of the outstanding Existing Bonds and the Bonds in full; (b) the Bondholders (excluding VC and his associates) do not and will not hold any Shares other than the Shares as a result of the conversion of the outstanding Existing Bonds and the New Shares as a result of the conversion of the Firm Bonds and the Option Bonds in full (as the case may be):

Shareholder	Existing shareholding structure as at the date of this announcement		Assuming all the outstanding Existing Bonds are not converted and the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$1.4070 per Share each		Assuming all the outstanding Existing Bonds are converted into Shares at the conversion price of HK\$0.6000 per Share each and the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$1.4070 per Share each	
	a	b	a	b	a	b
VC and his associates (<i>Note 1</i>)	1,230,539,822	13.70%	1,443,759,438	13.97%	1,638,426,104	13.89%
Holders of the Existing Bonds	–	–	–	–	1,271,333,333	10.77%
Bondholders (excluding VC and his associates)	–	–	1,137,171,286	11.01%	1,137,171,286	9.64%
Public	7,750,899,036	86.30%	7,750,899,036	75.02%	7,750,899,036	65.70%
	<u>8,981,438,858</u>	<u>100.00%</u>	<u>10,331,829,760</u>	<u>100.00%</u>	<u>11,797,829,759</u>	<u>100.00%</u>

Note:

In this table: “a” means the number of Shares; and “b” means % of share capital (or enlarged share capital) of the Company (as the case may be).

- VC is taken to be interested in 1,127,065,711 Shares held by Keen Start Limited and 103,474,111 Shares held by Kingly Profits. As at the date of this announcement, each of Keen Start Limited and Kingly Profits is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by VC.

USE OF PROCEEDS

The gross proceeds from the issue of the Bonds will be approximately HK\$1,900 million (assuming maximum number of Bonds (including the Option Bonds) are issued in full) and the net proceeds from the issue of Bonds will amount to approximately HK\$1,855 million (assuming maximum number of Bonds (including the Option Bonds) are issued in full). The net price for each New Share is expected to be approximately HK\$1.3737 (assuming the maximum number of Bonds (including the Option Bonds) are issued in full).

The Company intends to use the net proceeds from the Bond Issue to finance the Group's business expansion through organic growth and potential joint ventures and acquisition opportunities that may arise in the future and for general corporate and working capital needs.

REASONS AND BENEFITS OF THE BOND ISSUE

The Directors consider that entry into the Subscription Agreement and the issue of the Bonds will further provide a strong capital support for the Group's rapid growth going forward. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the Bonds (except for the proposed issue of the VC Bonds which the independent non-executive Directors will form their view after being advised by the independent financial adviser) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

CONNECTED TRANSACTION

Given that VC is a Director and a Substantial Shareholder who indirectly holds 1,230,539,822 Shares, representing approximately 13.70% of the issued ordinary share capital of the Company as at the date of this announcement, VC is a connected person of the Company. As the entire issued share capital of Kingly Profits is held indirectly by VC, Kingly Profits is an associate of VC and therefore Kingly Profits is also a connected person of the Company. As of the date of this announcement, Kingly Profits also holds the Existing Bonds in the principal amount of HK\$116,800,000.

Accordingly, the proposed issue of the VC Bonds to Kingly Profits constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and therefore it is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Directors (other than the independent non-executive Directors who will form their view after being advised by the independent financial adviser) consider that the terms and conditions of the proposed issue of the VC Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

SGM

The SGM will be convened and held to consider and, if though fit, to approve the issue of the VC Bonds and the transactions contemplated thereunder.

As VC has a material interest in the issue of the VC Bonds and the transactions contemplated thereunder, VC and his associates will abstain from voting on the relevant resolution at the SGM. In addition, VC had abstained from voting on the resolutions in relation to the issue of the Bonds at the Board meeting held on 9 April 2014.

The Circular containing, among other things, (i) further details of the issue of the VC Bonds and the transactions contemplated thereunder; (ii) a letter of recommendations from the independent board committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders; and (iv) a notice to convene the SGM, is expected to be dispatched to the Shareholders on or before 14 May 2014 as more time is required to finalize certain information to be included in the Circular.

GENERAL MANDATE

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 11 June 2013, the Company granted the general mandate to the Directors to (i) allot and issue up to 20% of the issued ordinary share capital of the Company, being 1,693,146,093 Shares plus (ii) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of the resolution in respect of granting of the General Mandate. As at the date of this announcement, the Company has repurchased 51,225,000 Shares subsequent to the passing of the resolution on 11 June 2013. The New Shares to be issued upon conversion of the Bonds, except the VC Bonds, will be issued under the General Mandate. As at the date of this announcement, there has been no issue of Shares under the General Mandate.

COMPLETION OF THE SUBSCRIPTION AGREEMENT IS SUBJECT TO THE SATISFACTION AND/OR WAIVER (IF APPLICABLE) OF THE CONDITIONS PRECEDENT THEREIN. IN ADDITION, THE SUBSCRIPTION AGREEMENT MAY BE TERMINATED UNDER CERTAIN CIRCUMSTANCES. PLEASE REFER TO SECTION HEADED “THE SUBSCRIPTION AGREEMENT” ABOVE FOR FURTHER INFORMATION. SHAREHOLDERS AND INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any equity fund raising activities in the 12 months immediately prior to the date of this announcement.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in lottery system and games development business and distribution and marketing of lottery products in the PRC. It has a well diversified business portfolio with nationwide network that covers almost all types of lotteries in the PRC. The Group offers a comprehensive array of products and services, including lottery systems and games development, terminals production and maintenance, instant lottery design and printing, as well as distribution and marketing of lottery products. For more information, please visit the Company’s website at www.rexlot.com.hk.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;

“Bondholder(s)”	holder(s) of the New Bonds from time to time;
“Bonds”	the Firm Bonds, Option Bonds (if any) and the VC Bonds;
“Bond Issue”	the issue of the Bonds by the Company pursuant to the terms and conditions of the Subscription Agreement;
“Change of Control”	a “Change of Control” occurs when: (i) any person or persons, other than VC or any of his affiliates, executors, administrators or successors, acquires Control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity;
“Circular”	the circular to be dispatched to the Shareholders relating to, among other things, the issue of the VC Bonds and the transactions contemplated thereunder;
“Closing Price”	“Closing Price” for Shares for any Trading Day shall be the price published in the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;
“Company”	REXLot Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Hong Kong Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Contracts”	the Trust Deed and the Paying and Conversion Agency Agreement;
“Control”	the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
“Conversion Price”	the price at which the Shares will be issued upon conversion of the Bonds which will initially be HK\$1.4070 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds;
“Director(s)”	director(s) of the Company;
“Existing Bonds”	the 6.00% convertible bonds due 2016 which the Company had initially issued on 28 September 2011, 7 November 2011 and 28 November 2011 and further issued on 13 September 2012, 19 October 2012 and 13 November 2012;
“Firm Bonds”	the bonds in an aggregate principal amount of HK\$1,200,000,000 to be issued by the Company which the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for;
“Firm Bonds Closing Date”	17 April 2014, or such later date not being later than 2 May 2014, as the Company and the Managers may agree;
“General Mandate”	the general mandate to allot and issue Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 11 June 2013;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Shareholders”	Shareholders other than VC and his associates;
“Issue Price”	with respect to the Bonds, 100% of the principal amount thereof;
“Kingly Profits”	Kingly Profits Corporation, a company incorporated in the British Virgin Islands, the entire issued share capital of which is indirectly held by VC as at the date of this announcement;
“Last Trading Day”	9 April 2014, being the last full trading day immediately before the time at which the Subscription Agreement is signed;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Lock-up Shares”	1,230,539,822 Shares held directly (or through nominees), or indirectly through companies controlled by, VC or the subsidiaries of such companies (or through their respective nominees);
“Managers”	Daiwa Capital Markets Hong Kong Limited and Merrill Lynch Far East Limited;
“Maturity Date”	17 April 2019;
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds;

“Offering Circular”	the offering circular to be issued for use in connection with the offering of the Bonds and the listing of the Bonds on the SGX-ST;
“Old Share Option Scheme”	the share option scheme of the Company as disclosed in the Company’s annual report despatched on 30 April 2012;
“Option”	the option granted by the Company to the Managers to issue the Option Bonds pursuant to the Subscription Agreement, which has been exercised in full by the Managers;
“Option Bonds”	the bonds in an aggregate principal amount of up to HK\$400,000,000 to be issued by the Company;
“Option Bonds Closing Date”	a date to be specified by the Managers upon exercise of the Option to subscribe for all or any of the Option Bonds, being a date which is at least two business days before the date on which the Option Bonds are to be issued by the Company against payment for the Option Bonds and no later than 15 business days after the date on which the Option shall have been exercised;
“Paying and Conversion Agency Agreement”	the paying and conversion agency agreement relating to the Bonds to be entered into between the Company, the Trustee and the agents named therein;
“PRC”	the People’s Republic of China;
“Regulation S”	Regulation S under the Securities Act;

“Relevant Indebtedness”	any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate, depositary receipt, bill of exchange or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), whether or not initially distributed by way of private placement and for the avoidance of doubt shall not include indebtedness under any bi-lateral loan, non-transferable loan or loan facility or transferable loan or loan facility;
“Securities Act”	the US Securities Act of 1933, as amended;
“Security Interest”	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
“SGM”	the special general meeting of the Company to be convened for the purposes of considering, and if though fit, approving the issue of the VC Bonds and the transactions contemplated thereunder;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“Share Option Scheme”	the share option scheme of the Company as disclosed in the Company’s circular dated 1 June 2012 and adopted on 28 June 2012;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company, which are listed on the Hong Kong Stock Exchange;
“Shareholder(s)”	holders of the Share(s);

“Subscription Agreement”	the subscription agreement entered into between the Company and the Managers dated 9 April 2014 in respect of the Bond Issue;
“Subsidiary(ies)”	in relation to any person (the “ first person ”), any other person (the “ second person ”) of which the first person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other second person which at any time has its accounts consolidated with those of the first person or which, under the laws of Hong Kong or Bermuda, regulations or Hong Kong Financial Reporting Standards promulgated by the Hong Kong Institute of Certified Public Accountants from time to time, should have its accounts consolidated with those of the first person;
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules;
“Trading Day”	a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business;
“Trust Deed”	the trust deed constituting the Bonds to be entered into between the Company and the Trustee (as amended or supplemented from time to time);
“Trustee”	The Bank of New York Mellon, London Branch;
“US” or “United States”	the United States of America;
“US\$”	United States dollars, the lawful currency of the US;
“VC”	Mr. Chan How Chung, Victor;

“VC Bonds”	the bonds in an aggregate principal amount of up to HK\$300,000,000 to be issued by the Company to Kingly Profits, subject to Independent Shareholders’ approval;
“VC Bonds Closing Date”	on or before the fifth business day following the satisfaction (or waiver, if applicable) of all the conditions to the issue of the VC Bonds, or such later date as the Company and the Managers may agree; and
“%”	per cent.

By Order of the Board of
REXLot Holdings Limited
Ng Yuen Yee
Company Secretary

Hong Kong, 10 April 2014

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.