



LOTTVISION LIMITED

(Incorporated in Bermuda)

(Company Registration Number: 32308)

PROPOSED PLACEMENT OF 10,526,316 NEW ORDINARY SHARES (THE "PROPOSED PLACEMENT")

A. TERMS OF PLACEMENT

The Board of Directors of LottVision Limited (the "**Company**") wishes to announce that the Company has entered into a placement agreement dated 29 April 2014 ("**Placement Agreement**") with Feng Jia Chen (the "**Placee**"), whereby the Placee has agreed to subscribe for 10,526,316 new ordinary shares in the capital of the Company ("**Placement Shares**") at the issue price of S\$0.019 ("**Subscription Price**") per Placement Share, subject to and upon the terms of the Placement Agreement.

The Placement Shares will represent (i) approximately 0.60% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 0.59% of the enlarged issued and paid-up share capital of the Company after the issue of the Placement Shares.

The Subscription Price represents a discount of approximately 9.5% to the volume weighted average price ("**VWAP**") of S\$0.021 for each ordinary share in the capital of the Company, based on trades done on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 29 April 2014 (being the full market day on which the Placement Agreement was signed).

The Placement Shares, when issued and delivered, shall be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the shares of the Company ("**Shares**") existing as at the date of issue of the Placement Shares except for any dividends, rights, allotments, distributions or other entitlements the record date of which falls on or before the date of issue.

The Placee was introduced to the Company by the business associates of the Company. The Placee is entering into the Placement Agreement for financial investment purposes and the Company is undertaking the Proposed Placement for business investments and working capital purposes.

The Placee has no connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Listing Manual of the SGX-ST. Under the terms of the Placement Agreement, the Placee has represented, warranted and undertaken to and for the benefit of the Company that (i) there is no relationship whatsoever between the Placee or any other shareholders of the Company ("**Shareholders**"); (ii) there is no agreement, arrangement or understanding between the Placee and/or its concert parties with Shareholders to acquire Shares to obtain or consolidate effective control of the Company and (iii) the Placee is not acting in concert with any other Shareholder in relation to the Shares.

Upon the completion of the Proposed Placement, the Placee will not be interested in more than 5% of the enlarged issued and paid-up share capital of the Company. The Placee has undertaken

not to sell, transfer, assign, dispose or realise or otherwise reduce any interests in the Placement Shares for a period of six months from the completion date of the Placement Agreement.

B. CONDITIONS PRECEDENT

The Proposed Placement is, *inter alia*, conditional upon:

- (i) approval in-principle for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
- (ii) the approval of the Directors and Shareholders of the Company (where necessary) being obtained in respect of the transactions contemplated by the Placement Agreement including but not limited to the issue and allotment of the Placement Shares, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the parties thereto; and
- (iii) the subscription, issue and allotment, and offering (if any) of the Placement Shares being in compliance with the Securities and Futures Act (Chapter 289) in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore.

If any of the conditions set forth above is not satisfied on or before six (6) months (or such other later date as the parties may agree) (the “**Long-Stop Date**”) after the date of the Placement Agreement,

- (i) the Company shall refund the Subscription Price received by the Company from the Placees (if any) to the Placees without interest within three (3) market days of the Long-Stop Date; and
- (ii) the Placement Agreement shall *ipso facto* cease and determine thereafter and none of the parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

C. AUTHORITY FOR THE ISSUE OF THE PLACEMENT SHARES

The Placement Shares will be allotted and issued pursuant to the general share issue mandate obtained at the annual general meeting of the Company held on 29 July 2013. The number of issued Shares (excluding treasury shares) as at the date of the aforesaid annual general meeting is 1,760,729,764 Shares (“**Share Base**”). The 10,526,316 Placement Shares represent about 0.60% of the Share Base.

The Company will be applying to the SGX-ST for the dealing in, listing and quotation of the Placement Shares on the Official List of the SGX-ST and will make the necessary announcements once the approval-in-principal of the listing and quotation of the Placement Shares have been obtained from the SGX-ST.

D. PROCEEDS FROM PROPOSED PLACEMENT

The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of S\$1,000, will be S\$190 thousand. The net proceeds will be

used for business investments and working capital purposes. Approximately 85% of the net proceeds will be used for business investments and the remaining 15% of the net proceeds will be used for working capital purposes.

E. FINANCIAL EFFECTS

For illustration purposes only, the financial effects of the Proposed Placement have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2013, and assuming that the Proposed Placement was completed on:

- (i) 1 April 2012 for illustrating the financial impact on the Group consolidated earnings per Share ("EPS"); and
- (ii) 31 March 2013, for illustrating the financial impact on the consolidated net tangible assets ("NTA") per Share of the Group.

	Before the Proposed Placement	After the Proposed Placement
Share capital		
- Issued and paid up share capital (HK\$'000)	123,251	123,988
- Number of Shares	1,760,730,000	1,771,256,316
NTA (HK\$'000)⁽²⁾	38,062	39,454
NTA per Share (HK\$ cents)	2.16	2.23
EPS (HK\$ cents)⁽¹⁾	0.59	0.59
Profit attributable to equity holders of the Company (HK\$'000)	8,808	8,808
Weighted average number of shares used to calculate diluted earnings	1,760,730,000	1,771,256,316

Notes:

- (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.
- (2) Exchanged rate between SGD and HK\$ is 1:6.15173, which is extracted from www.HSBC.com.hk.

The financial effects of the Proposed Placement on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Placement.

F. CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will collectively represent approximately 0.59% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of the existing substantial Shareholders and the Placee following completion of the Proposed Placement:

	As at the date hereof						After the Proposed Placement					
	Direct Interest		Deemed Interest		Total Interest		Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾
Substantial Shareholders												
Gao Xiangnong ⁽³⁾	174,100,000	9.89	89,794,200	5.10	263,894,200	14.99	174,100,000	9.83	89,794,200	5.07	263,894,200	14.90
Compelling Vision Management Limited ⁽³⁾	89,794,200	5.10			89,794,200	5.10	89,794,200	5.07			89,794,200	5.07
PLACEE												
Wang Guang Quan							41,000,000	2.33			41,000,000	2.31
Rao Xiao Li							41,000,000	2.33			41,000,000	2.31
Cheng Xing Yuan							84,600,000	4.80			84,600,000	4.78
Chen Hao							84,600,000	4.80			84,600,000	4.78
Deng Bin							84,600,000	4.80			84,600,000	4.78
Wei Zhen Yu							84,600,000	4.80			84,600,000	4.78
Zhang Li Ping							84,600,000	4.80			84,600,000	4.78
Yang Rui Pei							84,600,000	4.80			84,600,000	4.78
Deng Cheng Ling							84,600,000	4.80			84,600,000	4.78
Feng Jia Chen	-	-	-	-	-	-	10,526,316	0.59	-	-	10,526,316	0.59
Notes:-												
(1)	Based on the issued share capital of 1,760,730,000 Shares before the Proposed Placement.											
(2)	Based on the issued share capital of 1,771,256,316 Shares after the Proposed Placement.											
(3)	Compelling Vision Management Limited (" Compelling Vision ") is an investment holding company incorporated under the laws of the British Virgin Islands. The issued share capital of Compelling Vision is 95%-owned by Gao Xiangnong. Gao Xiangnong is deemed to be interested in the Shares held by Compelling Vision, by virtue of his interest in Compelling Vision.											

G. RULE 812 AND INTERESTED PERSONS

None of the Placees fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual or are interested persons under Chapter 9 of the SGX-ST Listing Manual.

H. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as director or shareholders of the Company) has any interest, direct or indirect, in the Proposed Placement.

BY THE ORDER OF THE BOARD

Paul Gao Xiangnong
Chief Executive Officer and Executive Director
30 April 2014