

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 New Bonds and the Shares mentioned herein have not been, and will not be, registered under 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 New Bonds or the Shares will be made in the United States.

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

**PROPOSED FURTHER ISSUE OF HKD DENOMINATED
6% CONVERTIBLE BONDS DUE 2016
(WITH AN OPTION FOR THE ISSUE OF
ADDITIONAL HKD DENOMINATED
6% CONVERTIBLE BONDS DUE 2016);
CONNECTED TRANSACTION;
AND
RESUMPTION OF TRADING**

Sole Bookrunner and Lead Manager



Daiwa Capital Markets Hong Kong Limited

Reference is made to the announcements of the Company dated 22 September 2011, 28 September 2011, 28 October 2011, 7 November 2011, 28 November 2011 and 3 April 2012 and the circular of the Company dated 5 November 2011 in relation to the Existing Bonds.

Proposed Issue of New Bonds

On 3 September 2012, the Company and the Lead Manager entered into the Subscription Agreement in relation to the proposed issue of the New Bonds. The New Bonds, when issued, will be denominated in Hong Kong Dollars and have a principal amount of up to HK\$429,000,000, and will be consolidated and form a single series with the Existing Bonds, such that they will be issued on the same terms as the Existing Bonds, and will rank *pari passu* with the Existing Bonds.

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

- (1) the Lead Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the New Underwritten Bonds in an aggregate principal amount of HK\$312,000,000 at the Issue Price plus an amount corresponding to the accrued interest of the New Underwritten Bonds from, and including, 28 March 2012 to, but excluding, the New Underwritten Bonds Closing Date on a fully-underwritten basis; and
- (2) the Company has appointed the Lead Manager as agent to the exclusion of all others and the Lead Manager has agreed to act as agent for the Company in respect of the proposed offering of the New VC Bonds in an aggregate principal amount of up to HK\$39,000,000 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 of the New VC Bonds from, and including, 28 September 2012 to, but excluding, the New VC Bonds Closing Date.

In addition, the Company has granted to the Lead Manager an option (the “**Option**”) to subscribe for all or some of the New Option Bonds up to an additional aggregate principal amount of HK\$78,000,000, and the Option shall be exercisable in whole or part, on one occasion only, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the New Underwritten Bonds Closing Date. The New Option Bonds will be subscribed at the Issue Price plus, in the case where the Option Closing Date is before 28 September 2012, an amount corresponding to the accrued interest on the New Option Bonds from, and including, 28 March 2012 to, but excluding, the Option Closing Date or, in the case where the Option Closing Date is after 28 September 2012, an amount corresponding to the accrued interest of the New Option Bonds from, and including, 28 September 2012 to, but excluding, the Option Closing Date.

Based on the initial Conversion Price of HK\$0.6175 per Share and assuming full issuance (including issuance of the New Option Bonds and the New VC Bonds) and full conversion of the New Bonds at the initial Conversion Price, the New Bonds will be convertible into 694,736,841 New Shares, representing:

- (1) approximately 8.16% of the issued ordinary share capital of the Company as at the date of this announcement, and
- (2) approximately 7.54% of the issued ordinary share capital of the Company, as enlarged.

It is intended that the New Bonds will be listed on the SGX-ST. The Company will apply to the SGX-ST for the listing of the New Bonds and the Company will apply 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 PARAGRAPH 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 1,198,805,635 Shares, representing approximately 14.08% 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.

Accordingly, the proposed issue of the New 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 New VC Bonds and the transactions contemplated thereunder. VC and his associates will abstain from voting in the SGM.

The Circular containing, among other things, (i) further details of the issue of the New 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 despatched to the Shareholders on or before 18 October 2012 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 New Bonds, except the New VC Bonds, will be issued under the general mandate of the Company granted to the Directors at the annual general meeting of the Company held on 28 June 2012. All the New Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date. As at the date of this announcement, no Shares have been issued under the General Mandate.

Use of Proceeds

The gross proceeds from the issue of the New Bonds will be approximately HK\$384,345,000 (assuming maximum number of New Bonds are issued in full except for the New Option Bonds) to HK\$469,755,000 (assuming maximum number of New Bonds are issued in full), and the net proceeds from the issue of New Bonds will amount to approximately HK\$373,345,000 (assuming maximum number of New Bonds are issued in full except for the New Option Bonds) to HK\$456,755,000 (assuming maximum number of New Bonds are issued in full).

The Company intends to use the net proceeds from the New Bond Issue for repurchase of shares of the Company and general working capital.

Resumption of Trading in the Shares

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on 4 September 2012 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 5 September 2012.

PROPOSED ISSUE OF NEW BONDS

Reference is made to the announcements of the Company dated 22 September 2011, 28 September 2011, 28 October 2011, 7 November 2011, 28 November 2011 and 3 April 2012 and the circular of the Company dated 5 November 2011 in relation to the Existing Bonds.

On 3 September 2012, the Company and the Lead Manager entered into the Subscription Agreement in relation to the proposed issue of the New Bonds. The New Bonds, when issued, will be denominated in Hong Kong Dollars and have a principal amount of up to HK\$429,000,000, and will be consolidated and form a single series with the Existing Bonds, such that they will be issued on the same terms as the Existing Bonds, and will rank *pari passu* with the Existing Bonds.

The principal terms of the Subscription Agreement are set out below.

THE SUBSCRIPTION AGREEMENT

A. Date: 3 September 2012

B. Parties: The Company and the Lead Manager.

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

C. Proposed Issue of the New Underwritten Bonds: The Lead Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the New Underwritten Bonds in an aggregate principal amount of HK\$312,000,000 at the Issue Price plus an amount corresponding to the accrued interest of the New Underwritten Bonds from, and including, 28 March 2012 to, but excluding, the New Underwritten Bonds Closing Date on a fully-underwritten basis. Such payment shall be made by a depositary on behalf of the Lead Manager in Hong Kong Dollars in same day settlement funds on the New Underwritten Bonds Closing Date to such Hong Kong dollar account as shall be notified by the Company to the Lead Manager not later than three days prior to the New Underwritten Bonds Closing Date.

- D. Proposed Issue of the New VC Bonds: The Company has appointed the Lead Manager as agent to the exclusion of all others and the Lead Manager has agreed to act as agent for the Company in respect of the proposed offering of the New VC Bonds in an aggregate principal amount of up to HK\$39,000,000 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 of the New VC Bonds from, and including, 28 September 2012 to, but excluding, the New VC Bonds Closing Date. Such payment shall be made by VC to the Company on the New VC Bonds Closing Date. For further details of Kingly Profits and the New VC Bonds, please refer to the section headed "Connected Transaction" below.
- E. Option to issue New Option Bonds: In addition, the Company has granted to the Lead Manager the Option to subscribe for all or some of the New Option Bonds up to an additional aggregate principal amount of HK\$78,000,000, and the Option shall be exercisable in whole or part, on one occasion only, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the New Underwritten Bonds Closing Date. The New Option Bonds will be subscribed at the Issue Price plus, in the case where the Option Closing Date is before 28 September 2012, an amount corresponding to the accrued interest on the New Option Bonds from, and including, 28 March 2012 to, but excluding, the Option Closing Date or, in the case where the Option Closing Date is after 28 September 2012, an amount corresponding to the accrued interest of the New Option Bonds from, and including, 28 September 2012 to, but excluding, the Option Closing Date. Such payment shall be made by a depositary on behalf of the Lead Manager in Hong Kong Dollars in same day settlement funds on the Option Closing Date to such Hong Kong dollar account as shall be notified by the Company to the Lead Manager not later than three days prior to the Option Closing Date.

F. Stabilisation: The Lead Manager, in its capacity as Stabilising Manager, or persons acting on its behalf (the “**Stabilising Manager**”) may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the New Bonds at a level higher than that which might otherwise prevail, but in doing so the Stabilising Manager shall act as principal and not as agent of the Company and any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilising Manager.

G. Conditions Precedent: The obligation of the Lead Manager to subscribe and pay for the New Underwritten Bonds is conditional on, among other things, the conditions precedent set out in conditions 1 to 10 below and the completion of the issue of the New VC Bonds is conditional on, among other things, the conditions precedent set out in conditions 1 to 9 (except conditions 3 and 6) (the following conditions precedents are collectively referred to as, the “**Conditions**”):

1. **Contracts:** in relation to the New Underwritten Bonds, the execution and delivery (on or before the New Underwritten Bonds Closing Date) of the Underwritten Bonds Supplemental Trust Deed (as defined in the Subscription Agreement) and the Underwritten Bonds Supplemental Paying and Conversion Agency Agreement (as defined in the Subscription Agreement), and in relation to the New VC Bonds, the execution and delivery (on or before the New VC Bonds Closing Date) of the VC Bonds Supplemental Trust Deed (as defined in the Subscription Agreement) and the VC Bonds Supplemental Paying and Conversion Agency Agreement (as defined in the Subscription Agreement), as the case may be, each in a form reasonably satisfactory to the Lead Manager, by the respective parties;

2. **Shareholder Lock-up:** VC shall have executed a lock-up agreement on or before the New Underwritten Bonds Closing Date and such lock-up agreement shall be in full force and effect on the New Underwritten Bonds Closing Date and the Option Closing Date (if any);
3. **Auditors' Letters:** upon three days prior to the New Underwritten Bonds Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager letters, in form and substance reasonably satisfactory to the Lead Manager, dated the date of the Offering Circular in the case of the first letter and dated the New Underwritten Bonds Closing Date and the Option Closing Date (if any) in the case of the subsequent letters, and addressed to the Lead Manager from Ting Ho Kwan & Chan, Certified Public Accountants, the auditors to the Company;
4. **Compliance:** on the New Underwritten Bonds Closing Date and the Option 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 Lead Manager a certificate, dated as of such date, of a duly authorised officer of the Company to such effect;

5. **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 New Underwritten Bonds Closing Date and the Option Closing Date (if any) with reference to the facts and circumstances then subsisting;
6. **Material Adverse Change:** up to and including the New Underwritten Bonds Closing Date and the Option 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 Lead Manager, is material and adverse in the context of the issue and offering of the New Bonds;
7. **Other consents:** on or prior to the New Underwritten Bonds Closing Date and the Option Closing Date (if any), there shall have been delivered to the Lead Manager copies of all consents and approvals required in relation to the issue of the New Bonds and the performance of the Company's obligations under the Contracts (as defined in the Subscription Agreement) and the New Bonds (including the consents and approvals required from all lenders), if applicable;
8. **Certificate of No Default:** on the date of the Subscription Agreement, the New Underwritten Bonds Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager a certificate of no default, dated as of such date, of a director or a duly authorised signatory of the Company;

9. **Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the New Bonds and the SGX-ST having agreed, subject to the issue of the New Bonds, to list the New Bonds (or, in each case, the Lead Manager being satisfied that such listing will be granted); and
10. **Legal Opinions:** on or before the New Underwritten Bonds Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager opinions, in form and in substance satisfactory to the Lead Manager, dated the New Underwritten Bonds Closing Date and the Option Closing Date (if any), of legal counsels and such other resolutions, consents, authorities and documents relating to the issue of the New Bonds, as the Lead Manager may reasonably require.

In addition, the completion of the issue of the New VC Bonds is further subject to the approval of the Independent Shareholders at the SGM in accordance with the Listing Rules.

The Lead Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the Conditions (other than Condition 1).

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 1, 7 and 9) in respect of the New VC Bonds.

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

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

I. Distribution: The New Bonds and the New Shares to be issued upon conversion have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The New 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 New VC Bonds which are proposed to be issued to a connected person of the Company, the New Bonds will not be offered to the public in Hong Kong or placed to any connected persons of the Company. The New Bonds have not been offered or sold and will not be offered to sold in Hong Kong to the public within the meaning of the Companies Ordinance.

The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealing in the New Bonds (except for the New VC Bonds) by any connected person of the Company.

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.

J. Company's Lock-up
Undertaking:

The Company has undertaken with the Lead Manager 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 New Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the New Bonds, the Shares or securities of the same class as the New Bonds or the Shares or other instruments representing interests in the New 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 Lead Manager between the date of the Subscription Agreement and the date which is 90 calendar days after the later of the New Underwritten Bonds Closing Date and the Option Closing Date (both dates inclusive); except for the Bonds and 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.

K. Shareholder's Lock-up
Undertaking:

VC undertakes, among other things, that, for a period from the date of the Subscription Agreement up to 90 calendar days after the New Underwritten Bonds Closing Date and (if any New Option Bonds are issued) the Option 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 Lead Manager,

- (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 securities of the same class as the New Bonds or the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the New Bonds, the Shares or securities of the same class as the New Bonds, the Lock-up Shares or other instruments representing interests in the New Bonds, the Lock-up 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 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.

L. Termination:

The Lead Manager may, by notice to the Company given at any time prior to payment of the net subscription monies for the New Underwritten Bonds or the New 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 Lead Manager 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 Lead Manager on or prior to the New Underwritten Bonds Closing Date or the Option Closing Date, as the case may be;
3. if in the opinion of the Lead Manager, 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 New Bonds or dealings in the New Bonds in the secondary market;

4. if, in the opinion of the Lead Manager, 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 New Bonds or the New Shares to be issued upon conversion of the New Bonds or the transfer thereof; or

5. if, in the opinion of the Lead Manager, 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 New Bonds or dealings in the New Bonds in the secondary market.

M. Conversion Shares and Conversion Price: Based on the initial Conversion Price of HK\$0.6175 per Share and assuming full issuance (including issuance of the New Option Bonds and the New VC Bonds) and full conversion of the New Bonds at the initial Conversion Price, the New Bonds will be convertible into 694,736,841 New Shares, representing:

- (i) approximately 8.16% of the issued ordinary share capital of the Company as at the date of this announcement, and
- (ii) approximately 7.54% of the issued ordinary share capital of the Company, as enlarged.

The initial Conversion Price is HK\$0.6175 per Share and the Effective Conversion Price of the New Bonds is HK\$0.6762 per Share, which represents a premium of approximately 26.02% over the volume weighted average price of HK\$0.5366 per Share for the last five consecutive trading days up to and including the Last Trading Day.

PRINCIPAL TERMS OF THE BONDS

The New Bonds, when issued, will be consolidated and form a single series with the Existing Bonds, such that it will be issued on the same terms as the Existing Bonds, and will rank *pari passu* with the Existing Bonds.

In relation to the New Underwritten Bonds, the initial holders will not be 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 the New VC Bonds, the initial holder is Kingly Profits, which is a connected person of the Company.

For easy reference, below are the summarized terms of the Bonds:

Issuer: REXLot Holdings Limited

Lead Manager: Daiwa Capital Markets Hong Kong Limited

Principal amount of the Bonds:	In respect of the New Bonds, when issued in full, will represent in aggregate of up to HK\$429,000,000 principal amount, and as at the date hereof, the aggregate principal amount of the Existing Bonds is HK\$536,800,000 outstanding, all of which are 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
Form and Denomination:	The Bonds are and will be issued in registered form, in the denomination of HK\$100,000 each
Interest:	The Bonds bear interest at the rate of 6% per annum payable semi-annually in arrear on 28 March and 28 September in each year
Maturity date:	28 September 2016
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 any guarantee or indemnity in respect 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, which is defined in the Subscription Agreement) of the Bondholders, save for any Security Interest created over any undertaking created over any undertaking, assets or revenues of a subsidiary incorporated in the PRC to secure any Relevant Indebtedness or any guarantee or indemnity in respect of the Relevant Indebtedness where such Relevant Indebtedness is issued, offered or provided in the PRC

Conversion period: The Bonds may be converted: (i) in the case of the Existing Bonds, on or after 8 November 2011; and (ii) in the case of the New Bonds, from their respective date of issue; up to and including 18 September 2016

Conversion price: The initial Conversion Price is HK\$0.6175 per Share, representing:

- (i) a premium of approximately 12.27% over the Closing Price of HK\$0.5500 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 15.08% over the volume weighted average price of HK\$0.5366 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 19.67% over volume weighted average price of HK\$0.5160 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

The Conversion Price will be subject to adjustment for, among other things, subdivision, reclassification or consolidation of Shares, bonus issues, rights issues, capital distributions, distributions, change of control and other dilutive events as described in the terms and conditions of the Bonds. 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 but 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 28 September 2014 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) 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 21 September 2011, 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 under
Condition 8(B)(ii):

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 28 September 2014 (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 Existing Bonds are listed on the SGX-ST and the Company will apply to the SGX-ST for the listing of the New Bonds. The Existing Bonds are traded on the SGX-ST in a minimum board lot size of US\$200,000 (or its equivalent) for so long as the Bonds are listed on the SGX-ST. The same will also apply to the New Bonds.

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 Existing 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, *société anonyme* ("**Clearstream, Luxembourg**"). Interests in the Bonds are shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. The same will apply to the New Bonds.

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 Existing Bonds are converted into the Shares at the initial Conversion Price of HK\$0.6175 per Share each immediately before the issue of the New Bonds; (3) the shareholding structure assuming all the Existing Bonds are not converted and the New Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$0.6175 per Share each; and (4) the shareholding structure assuming all the Existing Bonds are converted into Shares at the initial Conversion Price of HK\$0.6175 per Share each and the New Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$0.6175 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 New Bonds in full, save for the issue of the New Shares as a result of the conversion of the New Bonds in full; (b) the Bondholders (excluding VC and his associates) do not and will not hold any Shares other than the New Shares as a result of the conversion of the New Underwritten Bonds and the New Option Bonds in full (as the case may be):

Shareholder	Existing shareholding structure as at the date of this announcement		Assuming all Existing Bonds are converted into the Shares at the initial Conversion Price immediately before issue of the New Bonds		Assuming all the Existing Bonds are not converted and the New Bonds are fully issued and converted into Shares at the initial Conversion Price		Assuming all the Existing Bonds are converted into Shares at the initial Conversion Price and the New Bonds are fully issued and converted into Shares at the initial Conversion Price	
	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>
VC and his associates (<i>Note 1</i>)	1,198,805,635	14.08%	1,324,797,537	14.12%	1,261,963,529	13.70%	1,387,955,431	13.77%
Ameriprise Financial Inc (<i>Note 2</i>)	588,359,000	6.91%	588,359,000	6.27%	588,359,000	6.39%	588,359,000	5.84%
Capital Research and Management Company	677,129,500	7.95%	677,129,500	7.22%	677,129,500	7.35%	677,129,500	6.72%
FIL Limited	594,841,495	6.99%	594,841,495	6.34%	594,841,495	6.46%	594,841,495	5.90%
Holders of the Existing Bonds	–	–	743,319,838	7.92%	–	–	743,319,838	7.38%
Bondholders (excluding VC and his associates)	–	–	–	–	631,578,947	6.86%	631,578,947	6.27%
Public	5,454,719,835	64.07%	5,454,719,835	58.13%	5,454,719,835	59.24%	5,454,719,835	54.12%
	<u>8,513,855,465</u>	<u>100.00%</u>	<u>9,383,167,205</u>	<u>100.00%</u>	<u>9,208,592,306</u>	<u>100.00%</u>	<u>10,077,904,046</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).

1. VC is taken to be interested in 1,098,000,000 Shares held by Keen Start Limited and 100,805,635 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.
2. Amongst the total of 588,359,000 Shares held by Ameriprise Financial Inc, 25,000,000 Shares were held by its wholly owned subsidiary, Columbia Management Investment Advisers, LLC and 563,359,000 Shares held by Columbia Wanger Asset Management LLC, which in turn is wholly owned by Columbia Management Investment Advisers, LLC.

USE OF PROCEEDS

The gross proceeds from the issue of the New Bonds will be approximately HK\$384,345,000 (assuming maximum number of New Bonds are issued in full except for the New Option Bonds) to HK\$469,755,000 (assuming maximum number of New Bonds are issued in full), and the net proceeds from the issue of New Bonds will amount to approximately HK\$373,345,000 (assuming maximum number of New Bonds are issued in full except for the New Option Bonds) to HK\$456,755,000 (assuming maximum number of New Bonds are issued in full).

The Company intends to use the net proceeds from the New Bond Issue for repurchase of shares of the Company and general working capital.

REASONS AND BENEFITS OF THE NEW BOND ISSUE

The Directors consider that entry into the Subscription Agreement and the issue of the New 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 New Bonds (except for the proposed issue of the New 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 1,198,805,635 Shares, representing approximately 14.08% 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.

Accordingly, the proposed issue of the New 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 New 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 New VC Bonds and the transactions contemplated thereunder. VC and his associates will abstain from voting in the SGM.

The Circular containing, among other things, (i) further details of the issue of the New 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 18 October 2012 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 28 June 2012, the Company granted a general mandate to the Directors to allot and issue up to 20% of the issued ordinary share capital of the Company, being 8,513,855,465 Shares. The New Shares to be issued upon conversion of the New Bonds, except the New VC Bonds, will be issued under the General Mandate. 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 PARAGRAPH 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

Details of the fund raising exercise conducted by the Company in the past 12 months immediately preceding the date of this announcement are set out below:

Date of the announcement	Description	Net proceeds	Intended use of net proceeds as announced	Actual use of proceeds
28 September 2011 (<i>Note</i>)	Issue of the Existing Bonds	Approximately HK\$945,000,000	For general working capital and for future business development	For general working capital and for future business development

Note:

Part of the Existing Bonds were initially issued on 28 September 2011. The remaining parts of the Existing Bonds were further issued on 7 November 2011 and 28 November 2011, respectively.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the provision of lottery related systems, machines and services for both Welfare and Sports Lotteries 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.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on 4 September 2012 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 5 September 2012.

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 Existing Bonds and the New Bonds;
“Change of Control”	a “Change of Control” occurs when: <ul style="list-style-type: none">(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 New 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;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“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;
“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\$0.6175 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;
“Effective Conversion Price”	means the initial Conversion Price per Share multiplied by 109.5%;

“Existing Bonds”	the 6% convertible bonds due 2016 which the Company had initially issued on 28 September 2011 and as at the date hereof has the aggregate principal amount of HK\$536,800,000 outstanding;
“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 28 June 2012;
“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 New Bonds, 109.5% 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”	3 September 2012, being the last full trading day immediately before the time at which the Subscription Agreement is signed;

“Lead Manager”	Daiwa Capital Markets Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Lock-up Shares”	1,198,805,635 Shares held directly (or through nominees), or indirectly through companies controlled by, VC or the subsidiaries of such companies (or through their respective nominees);
“Maturity Date”	28 September 2016;
“New Bond Issue”	the issue of the New Bonds by the Company pursuant to the terms and conditions of the Subscription Agreement;
“New Bonds”	the New Underwritten Bonds, the New Option Bonds (if any) and the New VC Bonds;
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the New Bonds;
“New Option Bonds”	the bonds in an aggregate principal amount of up to HK\$78,000,000 which may be issued by the Company, subject to the exercise of the Option by the Lead Manager;
“New Underwritten Bonds”	the bonds in an aggregate principal amount of HK\$312,000,000 to be issued by the Company which the Lead Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, and once issued, will be consolidated and form a single series with the Existing Bonds;
“New Underwritten Bonds Closing Date”	13 September 2012, or such later date not being later than 27 September 2012, as the Company and the Lead Manager may agree;

“New VC Bonds”	the bonds in an aggregate principal amount of up to HK\$39,000,000 to be issued by the Company to Kingly Profits, subject to Independent Shareholders’ approval;
“New 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 New VC Bonds, or such later date as the Company and the Lead Manager may agree;
“Offering Circular”	the offering circular to be issued for use in connection with the offering of the New Bonds and the listing of the New 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 Lead Manager to issue the New Option Bonds pursuant to the Subscription Agreement;
“Option Closing Date”	a date to be specified by the Lead Manager upon exercise of the Option to subscribe for all or any of the New Option Bonds, being a date which is at least two business days before the date on which the New Option Bonds are to be issued by the Company against payment for the New Option Bonds and no later than 15 business days after the date on which the Option shall have been exercised;
“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 New VC Bonds and the transactions contemplated thereunder;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Share Option Scheme”	the share option scheme of the Company as disclosed in the Company’s circular dated 1 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 Lead Manager dated 3 September 2012 in respect of the New 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;
“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; and
“%”	per cent.

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

Hong Kong, 4 September 2012

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.