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## **REXLot Holdings Limited**

**御泰中彩控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 555)**

**(1) DELAY IN COMPLETION OF  
MAJOR AND CONNECTED TRANSACTION  
(2) DEFAULT RELATING TO  
THE 6.00% CONVERTIBLE BONDS DUE 2016  
(ISIN: XS0683220650)  
AND  
THE 4.50% CONVERTIBLE BONDS DUE 2019  
(ISIN: XS1057356773)  
AND  
(3) OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made by the Company pursuant to Rules 13.09(2), 13.19 and 14.36 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **DELAY IN COMPLETION OF THE DISPOSAL**

As disclosed in the Disposal Disclosure Documents, Completion of the Disposal is conditional upon the satisfaction (or waiver, if applicable) of certain Conditions Precedent.

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

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

The Company intends to seek the Bondholders' Consent shortly for further extension of the Relevant Event Redemption Date and is currently in discussion with relevant parties, including primarily the Purchaser and VC (the Company's executive Director and substantial shareholder (as defined in the Listing Rules)) to formulate a proposal for the Bondholders. Further announcement(s) in relation to the proposal will be made by the Company as soon as practicable. On this basis, the Company, having consulted its legal advisers, expects the possible courses of actions to be taken by the Trustee in relation to the Bonds would not have substantial impact on the Company, provided that the Bondholders' Consent can be obtained.

The Purchaser has also confirmed that it (or the consortium that controls it) has sufficient offshore cash resources available for Completion as at the date of this announcement and that such offshore cash resources will be maintained until Completion.

#### **EVENT OF DEFAULT UNDER THE BONDS**

As Completion of the Disposal has not taken place as at the date of this announcement, the Company does not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016, which would result in an Event of Default under the Bonds. Upon the occurrence of an Event of Default, the Bondholders may, through the Trustee, take action against the Company in respect of the Bonds. In that case, if the Company is not able to satisfy the payment obligation, the business of the Group and the interests of the Company and the Shareholders may be materially and adversely affected.

The Directors believe that the Disposal is the most efficient way to obtain sufficient offshore cash resources to satisfy its redemption obligations under the Bonds. The Company is considering to seek the Bondholders' Consent shortly to allow more time for the Company to complete the Disposal. Further announcement(s) will be made by the Company in relation thereto as soon as practicable.

**Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. An Event of Default under the Bonds takes place upon the Company's failure to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rules 13.09(2), 13.19 and 14.36 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 7 October and 29 October 2015. Reference is also made to the announcements of the Company dated 5 January and 23 February 2016, respectively, the circular of the Company dated 29 February 2016 (the “**Circular**”) and the poll results announcement dated 18 March 2016 each relating to the Disposal (collectively, the “**Disposal Disclosure Documents**”), the Bonds Announcements and the announcements of the Company dated 29 March 2016, 8 April 2016, 29 April 2016, 3 May 2016, 4 May 2016, 19 May 2016 and 3 June 2016 respectively, which are available on the website of Hong Kong Exchanges and Clearing Limited. Terms and expressions defined in the Circular and the announcement dated 29 April 2016 shall bear the same meanings in this announcement, unless otherwise provided.

## **DELAY IN COMPLETION OF THE DISPOSAL**

As disclosed in the Disposal Disclosure Documents, the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Seller conditionally agreed to sell and the Purchaser conditionally agreed to purchase the entire issued share capital of Multi Glory (together with the Loan) at an aggregate cash consideration of HK\$2,150,000,000 in accordance with the terms and subject to the conditions of the Sale and Purchase Agreement. The principal terms of the Sale and Purchase Agreement and other information relating to the Disposal have been disclosed in the Disposal Disclosure Documents.

It is intended that, subject to Completion, the net proceeds from the Disposal will be applied by the Company for the redemption of the Put Bonds.

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and, by virtue of VC's indirect interest in the Purchaser as disclosed in the Disposal Disclosure Documents, a connected transaction of the Company under Chapter 14A of the Listing Rules. The Disposal was approved by the Independent Shareholders in the SGM on 18 March 2016 pursuant to Chapters 14 and 14A of the Listing Rules.

As disclosed in the Disposal Disclosure Documents, Completion of the Disposal is conditional upon the satisfaction (or waiver, if applicable) of certain conditions precedent (the "**Conditions Precedent**").

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

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

The Company intends to seek the Bondholders' Consent shortly for further extension of the Relevant Event Redemption Date and is currently in discussion with relevant parties, including primarily the Purchaser and VC (the Company's executive Director and substantial shareholder (as defined in the Listing Rules)) to formulate a proposal for the Bondholders. Further announcement(s) in relation to the proposal will be made by the Company as soon as practicable. On this basis, the Company, having consulted its legal advisers, expects the possible courses of actions to be taken by the Trustee in relation to the Bonds would not have substantial impact on the Company, provided that the Bondholders' Consent can be obtained.

The Purchaser has also confirmed that it (or the consortium that controls it) has sufficient offshore cash resources available for Completion as at the date of this announcement and that such offshore cash resources will be maintained until Completion.

## **EVENT OF DEFAULT UNDER THE BONDS**

A Relevant Delisting Event having occurred, the Bondholders of each Series have the right, at each such Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Bonds on the Relevant Event Redemption Date at their principal amount together with interest accrued to the Relevant Event Redemption Date, in each case in accordance with the respective terms and conditions of the 2016 Bonds and the 2019 Bonds (the "**Put Option**"). To exercise the Put Option, a Bondholder was required to give a redemption notice ("**Relevant Event Redemption Notice**") not more than 60 days and not less than 30 days prior to the Relevant Event Redemption Date (any Bonds subject to a Relevant Event Redemption Notice being "**Put Bonds**"). Based on the Relevant Event Redemption Notices received by the Company by 29 June 2016 (being 30 days prior to the Relevant Event Redemption Date), the aggregate principal amount of the Put Bonds subject to redemption on 29 July 2016 is approximately HK\$1,723,000,000.

As Completion of the Disposal has not taken place as at the date of this announcement, the Company does not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016, which would result in an event of default (“**Event of Default**”) under the Bonds. Upon the occurrence of an Event of Default, the Bondholders may through the Trustee take action against the Company in respect of the Bonds. In that case, if the Company is not able to satisfy the payment obligation, the business of the Group and the interests of the Company and the Shareholders may be materially and adversely affected.

The Directors believe that the Disposal is the most efficient way to obtain sufficient offshore cash resources to satisfy its redemption obligations under the Bonds. The Company is considering to seek the Bondholders’ consent (“**Bondholders’ Consent**”) shortly to allow more time for the Company to complete the Disposal. Further announcement(s) will be made by the Company in relation thereto as soon as practicable.

## **GENERAL**

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

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

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

**Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. An Event of Default under the Bonds takes place upon the Company’s failure to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“2016 Bondholders”	the holders of the 2016 Bonds;
“2016 Bonds”	the HK\$1,393,700,000 6.00% convertible bonds due 2016 issued by the Company, of which HK\$307,884,733.92 in aggregate principal amount remains outstanding as at the date of this announcement;
“2019 Bondholders”	the holders of the 2019 Bonds;
“2019 Bonds”	the HK\$1,900,000,000 4.50% convertible bonds due 2019 issued by the Company, of which HK\$1,682,430,259.00 in aggregate principal amount remains outstanding as at the date of this announcement;
“Board”	the board of Directors;
“Bondholders”	collectively, the 2016 Bondholders and the 2019 Bondholders, and each a “Bondholder”;
“Bondholders’ Consent”	has the meaning ascribed to it in this announcement;
“Bonds”	collectively, the 2016 Bonds and the 2019 Bonds;
“Bulletin 42”	State Administration of Taxation’s Bulletin on Issues Relating to the Enhancement of the Declaration of Related Party Transactions and Administration of Contemporaneous Documentation, State Administration of Taxation Bulletin [2016] No. 42 (國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告 [國家稅務總局公告2016年第42號]) dated 29 June 2016, retroactively effective from 1 January 2016;
“Company”	REXLot Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;

“Conditions Precedent”	has the meaning ascribed to it in this announcement;
“Delisting”	an event which occurs when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive trading days on the Stock Exchange;
“Directors”	the directors of the Company;
“Disposal Disclosure Documents”	has the meaning ascribed to it in this announcement;
“Event of Default”	has the meaning ascribed to it in this announcement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“offshore cash resources”	cash resources outside of PRC;
“Put Bonds”	any Bonds subject to a Relevant Event Redemption Notice;
“Put Option”	has the meaning ascribed to it in this announcement;
“Relevant Delisting Event”	any Delisting occurring or existing as at any time on or prior to 29 June 2016;
“Relevant Event Redemption Date”	a date falling no earlier than 29 June 2016 and no later than 29 July 2016 (as notified by the Company to the Bondholders and the Trustee no less than two Hong Kong Business Days prior to the date on which payment is to be made);
“Relevant Event Redemption Notice”	has the meaning ascribed to it in this announcement;



“Securities Act”	the United States Securities Act of 1933, as amended;
“Series”	the 2016 Bonds or the 2019 Bonds, as the case may be;
“Shareholders”	holders of the Shares;
“Shares”	the shares of par value of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tax Clearances”	the tax clearances in respect of the Transactions from the relevant PRC tax authorities;
“Tax CP”	has the meaning ascribed to it in this announcement;
“Transactions”	the sale and purchase of the Sale Share, the assignment of the Loan under the Sale and Purchase Agreement and all other related transactions contemplated by the Sale and Purchase Agreement;
“Trustee”	The Bank of New York Mellon, London Branch, being the trustee of the Bonds;
“United States”	the United States of America; and
“%”	per cent.

By Order of the Board  
**Ng Yuen Yee**  
*Company Secretary*

Hong Kong, 27 July 2016

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