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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in REXLot Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

MAJOR AND CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL AND NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



建泉融資有限公司
VBG Capital Limited

A letter from the Board is set out on pages 8 to 16 of this circular. A letter of advice from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter of recommendation from VBG Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 30 of this circular.

A notice convening the SGM of REXLot Holdings Limited to be held at Room 1, United Conference Centre, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 31 October 2016 at 4:00 p.m. is set out on pages 44 to 45 of this circular.

Whether or not you are able to attend and vote at the SGM in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

30 September 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “2017 Bonds” | the HK\$1,393,700,000 6.00% convertible bonds due 2017 (ISIN: XS0683220650) issued by the Company, of which HK\$307,884,733.92 in aggregate principal amount remains outstanding as at the Latest Practicable Date; |
| “2019 Bonds” | the HK\$1,900,000,000 4.50% convertible bonds due 2019 (ISIN: XS1057356773) issued by the Company, of which HK\$1,682,430,259 in aggregate principal amount remains outstanding as at the Latest Practicable Date; |
| “Assignor” | the Seller or such other member of the Group (but excluding each member of the Disposal Group) as designated by the Seller, which holds the benefits of the Loan immediately following the completion of the Restructuring; |
| “associate(s)” | has the same meaning ascribed to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “Bonds” | collectively, the 2017 Bonds and the 2019 Bonds; |
| “Bonds Announcements” | the announcements of the Company dated 22 September 2015, 7 October 2015, 29 October 2015, 29 March 2016, 8 April 2016 and 29 April 2016, 3 May 2016, 4 May 2016, 19 May 2016, 3 June 2016 and 27 July 2016, 2 August 2016, 3 August 2016, 9 September 2016 and 15 September 2016 in relation to the Bonds; |

DEFINITIONS

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| “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, the Shares of which are listed on the Main Board of the Stock Exchange; |
| “Completion” | the completion of the Disposal and the assignment of the Loan in accordance with the terms and conditions of the Sale and Purchase Agreement; |
| “connected person(s)” | has the same meaning ascribed to it under the Listing Rules; |
| “Deed of Guarantee” | the deed of guarantee dated 2 August 2016 executed by the Company in favour of the Purchaser guaranteeing the Seller’s obligations under the Sale and Purchase Agreement; |
| “Delayed Relevant Event Redemption Date” | a date (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) from but excluding 28 January 2017 to and including 28 February 2017; |
| “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” | directors of the Company; |

DEFINITIONS

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| “Disposal” | the disposal of the Sale Share by the Seller and the assignment of the Loan by the Assignor, in each case, in accordance with the terms and subject to the conditions of the Sale and Purchase Agreement; |
| “Disposal Disclosure Documents” | the announcements of the Company dated 5 January 2016, 23 February 2016 and 2 August 2016, respectively, the circular of the Company dated 29 February 2016 and the poll results announcement dated 18 March 2016 each relating to the Disposal; |
| “Disposal Group” | means Multi Glory, the Relevant Holding Companies and the Target Group; |
| “DMB” | the Group’s Distribution and Marketing Business; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | 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; |
| “Independent Board Committee” | an independent committee of the Board appointed to advise the Independent Shareholders in respect of the Supplemental Agreement; |
| “Independent Financial Adviser” or “VBG Capital” | VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed by the Company to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement; |
| “Independent Shareholders” | Shareholders other than those who have material interest in the Disposal; |

DEFINITIONS

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| “Independent Third Party(ies)” | a third party independent of the Company and the connected persons of the Company, and not a connected person of the Company; |
| “Latest Practicable Date” | 27 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “Loan” | the entire amount owing from Multi Glory to the Assignor as at the date of Completion, which is interest-free and to be assigned by the Assignor to the Purchaser pursuant to the Sale and Purchase Agreement at Completion; |
| “Mega Market” | Mega Market Assets Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by VC, hence an associate of a connected person of the Company; |
| “Mega Market Loan” | an interest-free unsecured loan in an amount up to HK\$360,000,000 to the Company granted by Mega Market to finance the Company’s repayment obligations for the third partial redemption of the Bonds; |
| “Multi Glory” | Multi Glory Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “New Long Stop Date” | 28 February 2017 (or such other date as agreed between the parties to the Supplemental Agreement); |
| “Original Long Stop Date” | 27 July 2016 (or such other date as agreed between the parties to the Original Sale and Purchase Agreement); |
| “Original Sale and Purchase Agreement” | the agreement dated 4 January 2016 (as supplemented and amended on 23 February 2016, 21 March 2016, 28 March 2016, 28 April 2016 and 27 July 2016) entered into between the Seller and the Purchaser in relation to: (i) the Disposal; and (ii) the assignment of the Loan; |

DEFINITIONS

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| “Outstanding Restructuring PRC Approval” | the relevant approval from the relevant PRC authority in respect of the Restructuring; |
| “PRC” or “China” | the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan; |
| “Put Bonds” | has the meaning ascribed to it in the Bonds Announcements; |
| “Purchaser” | Sunjet Investments Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “Relevant Delisting Event” | any Delisting occurring or existing as at any time on or prior to 28 January 2017; |
| “Relevant Event Redemption Date” | has the meaning ascribed to it in the Bonds Announcements; |
| “Relevant Holding Companies” | Global Union Group Limited, Konrad Development Limited, 港樂貿易(深圳)有限公司 (Gang Le Trading (Shenzhen) Co., Ltd.*) and 深圳市鵬樂實業發展有限公司 (Shenzhen Peng Le Industrial Development Co., Ltd.*); |
| “Remaining Group” | the Group excluding the Disposal Group after the Completion; |
| “Restructuring” | restructuring of the Group to transfer 100% interest in the Target Group to Multi Glory; |
| “Revised Proposals” | has the meaning ascribed to it in the Bonds Announcements; |
| “Sale and Purchase Agreement” | the Original Sale and Purchase Agreement, as supplemented and amended by the Supplemental Agreement; |
| “Series” | the 2017 Bonds or the 2019 Bonds, as the case maybe; |

DEFINITIONS

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|--------------------------|---|
| “Sale Share” | One share in the capital of Multi Glory, representing the entire issued share capital of Multi Glory; |
| “Seller” | REXCAPITAL Financial Group Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “SGDB” | the Group’s System and Games Development Business; |
| “SGM” | a special general meeting of the Company to be convened to approve the Supplemental Agreement and the transactions contemplated thereunder; |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company; |
| “Shareholder(s)” | the holder(s) of the Share(s); |
| “Sinodata” | 深圳市思樂數據技術有限公司 (Shenzhen Sinodata Technology Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “subsidiary(ies)” | has the same meaning ascribed to it under the Listing Rules; |
| “Supplemental Agreement” | the supplemental agreement to the Original Sale and Purchase Agreement dated 2 August 2016 entered into between the Seller and the Purchaser; |
| “Target Group” | means (1) Sinodata; (2) 深圳市思樂數據設備服務有限公司 (Shenzhen Sinodata Equipment Services Co., Ltd.*) and (3) 深圳市思遠卓越科技開發有限公司 (Shenzhen Siyuan Zhuoyue Technology Development Co., Ltd.*); |

DEFINITIONS

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| “Tax CP” | the condition precedent to Completion under the Original Sale and Purchase Agreement in relation to the granting of tax clearances; |
| “VC” | Mr. Chan How Chung, Victor, a Director and a substantial shareholder (within the meaning of the Listing Rules) of the Company; |
| “Withheld Amount” | HK\$200,000,000; and |
| “%” | per cent. |

* *The English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

LETTER FROM THE BOARD

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

Executive Directors:

Chan How Chung, Victor
Boo Chun Lon

Independent non-executive Directors:

Yuen Wai Ho
Chow Siu Ngor
Lee Ka Lun

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business:

Suite 2601, 26/F.
Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

30 September 2016

*To the Shareholders and, for information only,
the holders of convertible bonds of the Company*

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION
SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to Disposal Disclosure Documents and the Bonds Announcements.

On 4 January 2016 (as supplemented), the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Original Sale and Purchase Agreement pursuant to which (i) the Seller conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued share capital of Multi Glory); and (ii) the Seller conditionally agreed to procure the assignment of and the Purchaser conditionally agreed to accept the assignment of the Loan, at an aggregate case consideration of HK\$2,150,000,000 in accordance with the terms and conditions of the Original Sale and Purchase Agreement.

LETTER FROM THE BOARD

Completion of the Disposal is conditional upon the satisfaction (or waiver, if applicable) of certain conditions precedent. One of the conditions precedent to Completion is the Tax CP. On 29 June 2016, the State Administration of Taxation promulgated the Bulletin 42, which affects related party transactions such as the Disposal. 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, on 27 July 2016, the Purchaser agreed to extend the Original Long Stop Date under the Original Sale and Purchase Agreement to 28 February 2017, the New Long Stop Date, so that Completion of the Disposal may take place on or before such date, subject only to obtaining of the tax clearances. As of the Latest Practicable Date, the Company is collating the relevant documents including finalising the valuation report for submission to the relevant PRC authorities for review and consideration. As agreed and confirmed by the Purchaser, all the conditions precedent to Completion under the Original Sale and Purchase Agreement have been satisfied and fulfilled save and except for the Tax CP.

In order to expedite the Completion of the Disposal in light of the recent promulgation of Bulletin 42, on 2 August 2016, the Seller and the Purchaser entered into the Supplemental Agreement whereby the Seller and the Purchaser agreed to certain amendments to the Original Sale and Purchase Agreement together with other consequential amendments. The amendments provided for in the Supplemental Agreement shall only take effect on the date when the Supplemental Agreement and the transactions contemplated thereunder have been approved by the Independent Shareholders.

The purpose of this circular is to provide you with, among other things, (1) further information regarding the Supplemental Agreement and the transactions contemplated thereunder; (2) a letter of advice from the Independent Board Committee to the Independent Shareholders; (3) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the SGM.

THE SUPPLEMENTAL AGREEMENT

Set out below are the principal terms of the Supplemental Agreement:

Date: 2 August 2016

Parties: (i) the Seller, a wholly-owned subsidiary of the Company; and
(ii) the Purchaser.

LETTER FROM THE BOARD

Amendments to the Original Sale and Purchase Agreement:

Extension of the Original Long Stop Date

The Long Stop Date has been extended to 28 February 2017 (or such other date as may be agreed between the parties of the Supplemental Agreement). In the event that any of the conditions has not been satisfied (or, if applicable, waived pursuant to the terms of the Sale and Purchase Agreement) prior to the New Long Stop Date, then the Seller and the Purchaser shall not be bound to proceed with the sale and purchase of the Sale Share, and the Sale and Purchase Agreement shall cease to be of any effect, save for the specific clauses as set forth in the Sale and Purchase Agreement which are to survive such termination and save in respect of claims arising out of any antecedent breach of Sale and Purchase Agreement.

The Tax CP

Pursuant to the Original Sale and Purchase Agreement, one of the conditions precedent to Completion is the Tax CP.

Under the Supplemental Agreement, the Seller and the Purchaser have agreed that the Tax CP shall be deemed to be fulfilled so long as the Seller has, to the reasonable satisfaction of the Purchaser, submitted all the documents as required by the relevant PRC authorities for the purpose of Bulletin 42.

The Withheld Amount

Pursuant to the Original Sale and Purchase Agreement, the Withheld Amount (being HK\$200,000,000) from the Consideration would be withheld by the Purchaser. After Completion, if the amount of tax demanded by the relevant PRC tax authority exceeds the Withheld Amount, the Seller shall pay such excess amount to the Purchaser. On the other hand, if the Withheld Amount exceeds the amount of tax demanded by the relevant PRC tax authority, the Purchaser shall refund such excess amount to the Seller.

Under the Supplemental Agreement, the Seller and the Purchaser have agreed to increase the Withheld Amount to HK\$350,000,000 or such other amount of tax stated on a demand notice issued by the relevant PRC authorities received by the Seller prior to Completion.

LETTER FROM THE BOARD

Deed of Guarantee

In consideration of the Purchaser entering into the Sale and Purchase Agreement, on 2 August 2016, the Company executed the Deed of Guarantee pursuant to which the Company agreed to guarantee in favour of the Purchaser the due performance and observance by the Seller of all its obligations under or pursuant to the Original Sale and Purchase Agreement as supplemented and amended by the Supplemental Agreement in accordance with the terms of the Deed of Guarantee.

INFORMATION RELATING TO THE PURCHASER

The Purchaser is a joint venture company, which is:

- (a) 35% owned by Keenox Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by VC;
- (b) 33% owned by Fortunate Sky Limited, a company incorporated in the British Virgin Islands wholly-owned by Pacific Paradise Investments Limited, a company incorporated in the Cayman Islands, which is 60% owned by Mega Market and 40% in the aggregate indirectly-owned by other corporate and individual investors who are independent of the Company and its connected persons; and
- (c) 32% owned by Truth Vanguard Limited, a company incorporated in the British Virgin Islands, which is wholly-owned in the aggregate by four individual investors who are independent of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save and except for VC and Keenox Limited (which is wholly-owned by VC), Pacific Paradise Investments Limited (which is 60% owned by VC), Fortunate Sky Limited (which is wholly-owned by Pacific Paradise Investments Limited) and Mega Market (which is wholly-owned by VC), all the ultimate beneficial owners of the Purchaser are Independent Third Parties and each of them will not hold more than 10% effective beneficial interest in Multi Glory immediately after Completion. Based on the information provided by the Purchaser, the Purchaser is a joint venture company set up by its investors to hold the investment in the Target Group.

LETTER FROM THE BOARD

INFORMATION RELATING TO THE DISPOSAL GROUP

The business of the Disposal Group is carried out mainly by the Target Group, which is the business of design and provision of lottery systems and equipment for lottery in the PRC for traditional Welfare Computer Ticket Games operations. The Disposal Group comprises Multi Glory, the Relevant Holding Companies and the Target Group.

Audited consolidated financial information of the Disposal Group

The audited consolidated net profit before and after taxation of the Disposal Group for each of the two financial years ended 31 December 2015 and 2014 are set out below:

| | Financial year ended 31 December | |
|----------------------------|----------------------------------|-----------------|
| | 2015 | 2014 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Net profit before taxation | 135,156 | 134,444 |
| Net profit after taxation | 114,072 | 114,145 |

The unaudited consolidated net assets of the Disposal Group after adjustment for intercompany current accounts, dividends and non-controlling interest as at 30 June 2016 was approximately HK\$1,884,347,000.

Each of Multi Glory and the Relevant Holding Companies is not carrying out any material business activities other than as a holding company.

FINANCIAL EFFECT OF THE DISPOSAL

With reference to the terms of the Original Sale and Purchase Agreement, the Group will not be entitled to the profit/loss after taxation of the Disposal Group after 1 January 2016. Corresponding adjustments will be made upon Completion and the gain on sale of the Disposal Group at Completion Date will be adjusted accordingly.

The actual gain or loss on the Disposal to be recorded might or might not be different given that (1) the estimation is based on the assets and liabilities of the Disposal Group as at 30 June 2016 which might be different from those on the date of Completion and (2) the actual PRC tax amount to be paid may be more or less than HK\$350,000,000. The Company believes that the actual PRC tax amount shall be approximately HK\$200,000,000. The amendment to the Withheld Amount is for prudence sake and for the purpose of expediting the Completion.

LETTER FROM THE BOARD

An estimated gain of approximately HK\$50,607,000 from the Disposal will be recorded as if the Completion has taken place on 30 June 2016 and the estimated provision for PRC tax for the Disposal is HK\$200,000,000, the detailed calculation of which is set out as follows:

| | Total <i>HK\$'000</i> |
|---|---------------------------------|
| Cash consideration | 2,150,000 |
| <i>Less:</i> Net asset value of the Disposal Group | (1,884,347) |
| <i>Less:</i> Estimated legal and professional fees and related expenses | (12,000) |
| Release of exchange reserve | <u>(3,046)</u> |
| Estimated gain on the Disposal before taxation | 250,607 |
| <i>Less:</i> Estimated Provision for PRC tax for the Disposal | <u>(200,000)</u> |
| Estimated gain on the Disposal after taxation | <u><u>50,607</u></u> |

The consideration less the provision for PRC tax for the Disposal is HK\$1,950,000,000 and it is in premium of approximately 3.5% over the unaudited consolidated net assets of the Disposal Group after adjustment for intercompany current accounts, dividends and non-controlling interest as at 30 June 2016.

An estimated loss of approximately HK\$99,393,000 from the Disposal will be recorded as if the Completion has taken place on 30 June 2016 and the estimated provision for PRC tax for the Disposal is equivalent to the revised Withheld Amount, the detailed calculation of which is set out as follows:

| | Total <i>HK\$'000</i> |
|---|---------------------------------|
| Cash consideration | 2,150,000 |
| <i>Less:</i> Net asset value of the Disposal Group | (1,884,347) |
| <i>Less:</i> Estimated legal and professional fees and related expenses | (12,000) |
| Release of exchange reserve | <u>(3,046)</u> |
| Estimated gain on the Disposal before taxation | 250,607 |
| <i>Less:</i> Revised Withheld Amount | <u>(350,000)</u> |
| Estimated loss on the Disposal after taxation | <u><u>(99,393)</u></u> |

LETTER FROM THE BOARD

The consideration less the revised Withheld Amount is HK\$1,800,000,000 and it is in discount of approximately 4% under the unaudited consolidated net assets of the Disposal Group after adjustment for intercompany current accounts, dividends and non-controlling interest as at 30 June 2016.

It is expected that as a result of the Disposal, the Group's total assets and total liabilities will decrease as Disposal Group will no longer be consolidated in the financial statement of the Company. However, the total equity attributable to the Group is expected to increase based on the estimated gains from the Disposal (subject to final audit).

Immediately after Completion, each of Multi Glory, the Relevant Holding Companies and the members of the Target Group will cease to be subsidiaries of the Company.

REASONS AND BENEFITS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As Completion of the Disposal has not taken place as at 29 July 2016, the Company did not have sufficient offshore cash resources to satisfy its redemption obligations in relation to the Put Bonds on 29 July 2016, which has resulted in an event of default under each Series. As disclosed in the Bond Announcements, at the bondholders' meetings held on 9 September 2016: (i) the holders of 2017 Bonds have agreed to delay the maturity date of the 2017 Bonds from 28 September 2016 to 28 February 2017; and (ii) the holders of each Series have agreed to delay the Relevant Event Redemption Date (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) to the Delayed Relevant Event Redemption Date in relation to any Relevant Delisting Event.

The Company is committed to fulfilling its redemption obligations in relation to the Put Bonds. The amendments to the Original Sale and Purchase Agreement as provided under the Supplemental Agreement aim to expedite the Completion of the Disposal.

The Directors (excluding VC but including all independent non-executive Directors whose views are set out on pages 17 to 18 of this circular) consider that the terms of the Supplemental Agreement are fair and reasonable and it is in the interests of the Company and the Shareholders as a whole to enter into the Supplemental Agreement.

INFORMATION RELATING TO THE GROUP

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

LETTER FROM THE BOARD

The business of the Target Group is part of the Group's system and games development business. After completion of the Disposal, the Group will continue to provide lottery system and specialised equipment for the lottery market, e.g. computer ticket games and scratch card products, including printing of scratch cards, in the PRC. The other businesses of the Group in relation to the distribution and marketing of lottery products in China through various platforms will not be affected as a result of the Disposal.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all of the three independent non-executive Directors, namely Mr. Yuen Wai Ho, Mr. Chow Siu Ngor and Mr. Lee Ka Lun, has been formed to advise the Independent Shareholders in relation to the Supplemental Agreement.

The Company has, with the approval of the Independent Board Committee, appointed VBG Capital as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in accordance with the requirements under the Listing Rules to make recommendation to the Independent Board Committee and the Independent Shareholders regarding the Supplemental Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

In addition, as the Purchaser is 35% owned by Keenox Limited and 33% owned by Fortunate Sky Limited, a company wholly-owned by Pacific Paradise Investments Limited, which is 60% owned by Mega Market, and Keenox Limited and Mega Market are in turn wholly-owned by VC (a Director and a substantial shareholder of the Company holding approximately 16.92% issued share capital of the Company as of the Latest Practicable Date), the Purchaser is an associate of VC and therefore a connected person of the Company under the Listing Rules. As a result, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As such, pursuant to Chapters 14 and 14A of the Listing Rules, the Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement and Independent Shareholders' approval requirements.

LETTER FROM THE BOARD

As VC has material interest in the Supplemental Agreement and the transactions contemplated thereunder, VC has abstained from voting on the relevant Board resolution and will abstain from voting on the ordinary resolution approving the Supplemental Agreement and the transactions contemplated thereunder at the SGM. To the best knowledge of the Directors, save as disclosed above, no other Shareholders are required to abstain from voting at the SGM.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 17 to 18 of this circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Supplemental Agreement as well as the principal factors and reasons considered by them in arriving at such advice set out on pages 19 to 30 in this circular.

The Directors (including the independent non-executive Directors whose views are set out on pages 17 to 18 of this circular but excluding VC), having taken into account the opinion and recommendation of VBG Capital, consider that the terms of the Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors but excluding VC) recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Supplemental Agreement and the transactions contemplated thereunder at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent to Completion. Accordingly, the Disposal may or may not proceed. Shareholders and investors should exercise caution when dealing in the securities of the Company.

Yours faithfully
for and on behalf of the Board of
REXLot Holdings Limited
Ng Yuen Yee
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular:

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

30 September 2016

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL

We refer to the circular issued by the Company to its Shareholders dated 30 September 2016 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board to consider the terms of the Supplemental Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders in connection therewith and as to whether, in our opinion, the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable, and whether the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. VBG Capital has been appointed as the independent financial adviser to make recommendation to us in this respect.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Circular. Having considered the principal factors and reasons considered by, and the opinion and recommendation of, VBG Capital as set out in its letter of recommendation, we consider that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable, and the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group. In view of the above, we consider that the Supplemental Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders to vote in favour of the resolution(s) approving the Supplemental Agreement and the transactions contemplated thereunder at the SGM.

Yours faithfully,
For and on behalf of
Independent Board Committee

Yuen Wai Ho

Chow Siu Ngor
Independent non-executive Directors

Lee Ka Lun

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement for the purpose of inclusion in this circular.



18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

30 September 2016

*To: The independent board committee and the independent shareholders
of REXLot Holdings Limited*

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 30 September 2016 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of recommendation forms part. Terms used in this letter of recommendation shall have the same meanings as ascribed to them under the section headed “Definitions” in this Circular unless the context requires otherwise.

References are made to the Disposal Disclosure Documents and the Bond Announcements. On 4 January 2016, the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into a sale and purchase agreement in respect of the Disposal. Pursuant to the sale and purchase agreement, (i) the Seller conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share; and (ii) the Seller conditionally agreed to procure the assignment of the Loan by the Assignor to the Purchaser, at the aggregate cash consideration of HK\$2,150,000,000. On 23 February 2016, the Seller and the Purchaser further entered into a supplemental agreement to, among other necessary amendments, re-define the Disposal Group.

The Seller proposed to conduct the Restructuring before Completion. Immediately after Completion, members of the Disposal Group will cease to be subsidiaries of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Original Sale and Purchase Agreement and the Disposal were duly passed by the then independent Shareholders at the special general meeting of the Company on 18 March 2016. Nevertheless, Completion has been delayed due to the failure of fulfilment of all conditions precedent to the Original Sale and Purchase Agreement. Further to the extension of the Original Long Stop Date as disclosed in the announcement of the Company dated 27 July 2016, in order to expedite the Completion in light of the recent promulgation of Bulletin 42 by the State of Administration of Taxation, on 2 August 2016, the Seller and the Purchaser entered into the Supplemental Agreement whereby the Seller and the Purchaser agreed to certain amendments to the Original Sale and Purchase Agreement together with other consequential amendments.

According to the Circular, the Disposal constituted a major and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules respectively, and was subject to the reporting, announcement and independent shareholders' approval requirements. The Supplemental Agreement is thus also subject to the same said requirements under the Listing Rules.

The Independent Board Committee comprising Messrs. Yuen Wai Ho, Chow Siu Ngor and Lee Ka Lun (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Supplemental Agreement at the SGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Supplemental Agreement, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Disposal Disclosure Documents, the Bonds Announcements and this Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the SGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Disposal Disclosure Documents, the Bonds Announcements and this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in this Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in this Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Circular or this Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this letter of recommendation.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, the Purchaser or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Supplemental Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of recommendation should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

We have not taken into consideration of an anonymous report containing various allegations against the Group published by Anonymous Analytics on 24 June 2015 (the “**Report**”) as we are unable to validate the accuracy and completeness of the information contained in the Report. On 18 April 2016, the Company issued a clarification announcement which stated, among other things, that (i) the Board has unanimously agreed that the allegations in the Report are inaccurate and the allegations and comments therein are without due consideration of the underlying facts and are misleading to the Shareholders and potential investors; and (ii) the auditor of the Company considers the allegations are unfounded and it is not necessary to carry out additional work in view of the Report before confirming its unqualified opinion on the 2013, 2014 and 2015 annual reports of the Company. Further reports were published by Anonymous Analytics on 19 April 2016 and 20 April 2016 respectively and the Company clarified on 24 April 2016 that the Board considers those reports contain allegations which are inaccurate, misleading and unsupported by reliable evidence. We have no reason to suspect that the above representation made by the management of the Group or the auditor of the Company was inaccurate, incomplete, misleading or deceptive.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Where information in this letter of recommendation has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Supplemental Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the entering into of the Supplemental Agreement

Financial overview the Group

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

Set out below is the consolidated financial information of the Group as extracted from the interim report of the Company for the six months ended 30 June 2016 (the “**2016 Interim Report**”) and its annual report for the year ended 31 December 2015 (the “**2015 Annual Report**”), respectively:

| | For the six months ended 30 June 2016 (unaudited) HK\$'000 | For the six months ended 30 June 2015 (unaudited) HK\$'000 | For the year ended 31 December 2015 (audited) HK\$'000 | For the year ended 31 December 2014 (audited) HK\$'000 |
|--------------------------------------|---|---|---|---|
| Revenue | 675,335 | 848,843 | 1,554,394 | 1,687,953 |
| Profit/(Loss) for the period/year | 77,460 | 323,898 | 164,234 | (172,100) |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| | As at 30 June 2016 (unaudited) <i>HK\$'000</i> | As at 31 December 2015 (audited) <i>HK\$'000</i> | As at 31 December 2014 (audited) <i>HK\$'000</i> |
|-------------------------|--|--|--|
| Non-current liabilities | | | |
| – Convertible bonds | 238,217 | 250,773 | 1,900,452 |
| Current liabilities | | | |
| – Bank borrowings | 1,008 | – | 87,500 |
| – Convertible bonds | 1,722,898 | 1,824,629 | – |
| Net asset value | 6,095,393 | 6,085,403 | 6,140,106 |

As depicted by the above table, the total revenue of the Group was approximately HK\$1,554.4 million for the year ended 31 December 2015, representing a decrease of approximately 7.9% as compared to the prior year. According to the 2015 Annual Report, the decrease was mainly attributable to the Group's lottery business in the PRC. During the same year under review, the Group recorded profit of approximately HK\$164.2 million as compared to a loss of approximately HK\$172.1 million in 2014. In this regard, we noted from the 2015 Annual Report that the Group made a provision of HK\$99,321,000 (2014: HK\$748,530,000) for impairment loss on goodwill. The impairment loss on goodwill was recognised for the Group's cash-generating unit which is used in the provision of traditional type of mobile value-added services. The goodwill was arisen as a result of the acquisition of such cash-generating unit. During 2015, as most of the traditional type of mobile value-added services had been replaced by a high technology mobile value-added service, impairment of goodwill of HK\$99,321,000 was recognised.

Businesses of the Remaining Group

The Group's lottery business can be broadly divided into the SGDB and the DMB.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Under the SGDB division, the Group is an active participant in the provision of lottery system and specialised equipment for both Computer Ticket Games (“CTG”) and scratch card products in the PRC. The SGDB division participates in upstream and midstream operations and can be further divided into:

- the Welfare CTG Business which involves the design and provision of lottery systems and equipment;
- the Sports CTG Business which involves the design, manufacturing and sales of Sports CTG terminals; and
- the Welfare Scratch Cards printing and validation services.

The DMB division distributes lottery products for both Welfare and Sports Lotteries in the PRC. The products distributed include CTG games, scratch card games, Single Match Games, high frequency games and video lottery products. All the products are distributed and sold through various platforms such as physical shops, mobile and dedicated game halls operated by the Group or its partners. The DMB division continues to maintain investment through the interest in internet lottery platform www.okooo.com (“Okooo”) to prepare for the reopening of internet distribution channel. The DMB division participates in downstream lottery operation.

The business of the Disposal Group, being the business of design and provision of lottery systems and equipment for lottery in the PRC for traditional Welfare CTG operations, is part of the Group’s SGDB division and is carried out mainly by the Target Group. As advised by the Company, such business is relatively mature and steady. Accordingly, the Disposal would lead to essential business transformation of the Group to drive for long-term growth. After Completion, the Remaining Group will continue to engage in (i) the remaining Welfare CTG Business with different focus and development prospects; (ii) the Sports CTG Business as well as (iii) the Welfare Scratch Cards printing and validation services within the SGDB division. On the other hand, other existing businesses of the Group in relation to the DMB division will not be affected as a result of the Disposal. Shareholders may refer to the section headed “Financial and trading prospect of the Remaining Group” in Appendix I to this Circular for further details regarding the prospects of the Remaining Group after Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information on the Bonds

The 2017 Bonds

The Company issued the 2017 Bonds in the principal amount of HK\$964,700,000 and HK\$429,000,000 in 2011 and 2012 respectively. The 2017 Bonds bear interest at the rate of 6% per annum payable semi-annually in arrears and will originally mature on 28 September 2016. As at the Latest Practicable Date, the conversion price of the 2017 Bonds was HK\$0.56 per Share and the 2017 Bonds are currently listed on the Singapore Exchange Securities Trading Limited.

The 2019 Bonds

The Company issued the 2019 Bonds in the principal amount of HK\$1,900,000,000 in 2014. The 2019 Bonds bear interest at the rate of 4.5% per annum payable semi-annually in arrears and will mature on 17 April 2019. As at the Latest Practicable Date, the conversion price of the 2019 Bonds was HK\$1.37 per Share and the 2019 Bonds are currently listed on the Singapore Exchange Securities Trading Limited.

The proposals in relation to the Bonds

As referred to in the announcements of the Company dated 27 July 2016, 2 August 2016 and 3 August 2016 respectively, an event of default under the Bonds has taken place on 29 July 2016 and the aggregate principal amount of the Put Bonds subject to redemption on even date was approximately HK\$1,723,000,000 (2017 Bonds: 308,000,000 + 2019 Bonds: 1,415,000,000). The Directors consider that if the Company is unable to satisfy its payment obligation, the business of the Group and the interests of the Company and the Shareholders as a whole may be materially and adversely affected. As such, the Company put forward, and the bondholders have on the bondholders' meeting on 9 September 2016 approved, the proposals to among other things, (i) delay the maturity date of the 2017 Bonds from 28 September 2016 to 28 February 2017; and (ii) delay the Relevant Event Redemption Date to a date from but excluding 28 January 2017 to and including 28 February 2017. Shareholders may refer to the announcements of the Company dated 27 July 2016, 2 August 2016, 3 August 2016 and 9 September 2016 for further information regarding the aforesaid proposals and the bondholders' meeting.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Disposal

As mentioned in the section headed “Introduction” of this letter of recommendation, the Seller and the Purchaser entered into the Original Sale and Purchase Agreement for the purpose of the Disposal, and the Original Sale and Purchase Agreement as well as the Disposal were duly approved by the then independent Shareholders at the special general meeting of the Company on 18 March 2016. It is intended that, subject to Completion, the net proceeds of the Disposal will be applied by the Company for redemption of the Put Bonds. We understand from the Directors that besides the Disposal, they have taken into account other common means of financing, namely (i) transferring the Group’s internal resources from the PRC; (ii) debt financing by means of borrowings from financial institutions; and (iii) seeking strategic investors and equity or equity-linked financing, in order to provide the Company with adequate resources to satisfy its redemption obligation under the Bonds. Having balanced against the time and other costs required as well as feasibility of each such common means of financing, the Directors were of the opinion that the Disposal is a practicable fund raising alternative available to the Group to meet the Company’s urgent financing need, not to mention that the Disposal would also provide an opportunity to realise the Group’s investment in the Disposal Group and lead to essential business transformation of the Group to drive for long-term growth.

Immediately after Completion, members of the Disposal Group will cease to be subsidiaries of the Company, and their financial results, assets and liabilities will no longer be included in the consolidated financial statements of the Remaining Group. As referred to in the Letter from the Board, the Group may record a gain or a loss on the Disposal depending on, among other things, the assets and liabilities of the Disposal Group as at the date of the Completion and the actual PRC tax amount. The Directors also expected that the Disposal would lead to an immaterial increase in the consolidated net asset value of the Remaining Group and would reduce the total borrowings of the Remaining Group significantly after the subsequent redemption of the outstanding Put Bonds by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons for the entering into of the Supplemental Agreement

Completion is conditional upon the satisfaction (or waiver, if applicable) of certain conditions precedent, and the Seller proposed to conduct the Restructuring before Completion. We understand from the Directors that Completion has been delayed pending the obtaining of the Outstanding Restructuring PRC Approval in relation to the transfer of certain equity interests in the PRC under the Restructuring.

On 27 July 2016, the Company announced the obtaining of the Outstanding Restructuring PRC Approval. However, notwithstanding that the Company has previously announced that all the conditions precedent (save for the Outstanding Restructuring PRC Approval) have been satisfied, on 29 June 2016, the State Administration of Taxation promulgated Bulletin 42, which affects related party transactions such as the Disposal. According to the Directors, the promulgation of Bulletin 42 was not foreseeable by the Company or the Seller; and as a result thereof, the Tax CP has become an outstanding condition precedent to the Completion to be satisfied. Following the 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.

As also advised by the Directors, 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 eight to ten weeks to prepare the required additional documents. After consulting its PRC tax advisers, the Seller expects to obtain the tax clearances within two 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 either the Company or the Seller, and in the abundance of caution, the Purchaser has agreed to extend the Original Long Stop Date to 28 February 2017, so that Completion 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 to Completion have been satisfied and fulfilled save and except for the Tax CP.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Further to the extension of the Original Long Stop Date, in order to expedite the Completion in light of the recent promulgation of Bulletin 42, on 2 August 2016, the Seller and the Purchaser entered into the Supplemental Agreement whereby the Seller and the Purchaser agreed to certain amendments (as being discussed in details in the section headed “Principal terms of the Supplemental Agreement” of this letter of recommendation) to the Original Sale and Purchase Agreement together with other consequential amendments.

In view of the background of and reasons for the entering into of the Supplemental Agreement as presented above, in particular that (i) the net proceeds from the Disposal will be applied by the Company for redemption of the Put Bonds which would significantly improve the gearing position of the Group; and (ii) the purpose of the Supplemental Agreement is to expedite the Completion in light of the recent promulgation of Bulletin 42 which was not foreseeable by either the Company or the Seller, we concur with the Directors that the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as whole even though it is not conducted in the ordinary and usual course of business of the Group.

2. Principal terms of the Supplemental Agreement

Pursuant to the Supplemental Agreement dated 2 August 2016, it was agreed between the Seller and the Purchaser that:

(a) Extension of the Original Long Stop Date

The Original Long Stop Date has been extended to 28 February 2017 (or such other date as may be agreed between the parties to the Supplemental Agreement). In the event that any of the conditions has not been satisfied (or, if applicable, waived pursuant to the terms of the Sale and Purchase Agreement) prior to the New Long Stop Date, then the Seller and the Purchaser shall not be bound to proceed with the sale and purchase of the Sale Share, and the Sale and Purchase Agreement shall cease to be of any effect, save for the specific clauses as set forth in the Sale and Purchase Agreement which are to survive such termination and save in respect of claims arising out of any antecedent breach of Sale and Purchase Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) *The Tax CP*

Pursuant to the Original Sale and Purchase Agreement, one of the conditions precedent to Completion is the Tax CP. Under the Supplemental Agreement, the Seller and the Purchaser have agreed that the Tax CP shall be deemed to be fulfilled so long as the Seller has, to the reasonable satisfaction of the Purchaser, submitted all the documents as required by the relevant PRC authorities for the purpose of Bulletin 42.

(c) *The Withheld Amount*

Pursuant to the Original Sale and Purchase Agreement, the Withheld Amount (being HK\$200,000,000) from the consideration for the Disposal would be withheld by the Purchaser. After Completion, if the amount of tax demanded by the relevant PRC tax authority exceeds the Withheld Amount, the Seller shall pay such excess amount to the Purchaser. On the other hand, if the Withheld Amount exceeds the amount of tax demanded by the relevant PRC tax authority, the Purchaser shall refund such excess amount to the Seller. Under the Supplemental Agreement, the Seller and the Purchaser have agreed to increase the Withheld Amount to HK\$350,000,000 or such other amount of tax stated on a demand notice issued by the relevant PRC authorities received by the Seller prior to Completion.

Save as disclosed above, all other provisions of the Original Sale and Purchase Agreement remain unchanged and continue to be in full force and effect.

The Directors confirmed that in the event that the Independent Shareholders approve the above amendments and the Tax CP is deemed to be fulfilled upon submission of the relevant documents required under the Tax CP, Completion is expected to take place within two weeks thereafter. Furthermore, for the avoidance of doubt, if the tax clearances can be obtained before the SGM, Completion shall proceed in accordance with the existing terms of the Original Sale and Purchase Agreement. Taking into account the estimated expedited timeframe of the Completion under the amended terms of the Supplement Agreement and at the same time they also allow the flexibility for Completion to proceed in accordance with the existing terms of the Original Sale and Purchase Agreement if the tax clearances can be obtained before the SGM, we are of the opinion that the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole even though it is not conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Supplemental Agreement, and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Director

**1. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES AS AT
31 JULY 2016****Borrowings**

As at the close of business on 31 July 2016 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular), the Group had outstanding indebtedness denominated in Hong Kong dollars of approximately HK\$2,330,700,000. The outstanding indebtedness comprised of (i) amount due to a joint venture of approximately HK\$46,195,000, (ii) unsecured 6.00% convertible bonds due 2016 which was subsequently approved by the bondholders on 9 September 2016 to extend the bonds' due date to 28 February 2017 with aggregate principal amount remain outstanding approximately HK\$307,885,000; (iii) unsecured 4.50% convertible bonds due 2019 with aggregate principal amount remain outstanding approximately HK\$1,682,430,000; (iv) an obligation under a finance lease of printing machineries with outstanding amount approximately HK\$12,987,000; (v) secured bank borrowing of approximately HK\$58,582,000 included in assets/liabilities of the disposal group classified as held for sale; (vi) secured bank borrowing of approximately HK\$1,016,000; and (vii) amount due to Kingly Profits Corporation, a company wholly-owned by VC, of approximately HK\$221,605,000.

Banking Guarantee and Facilities

As at 31 July 2016, the Group had pledged the leasehold buildings and land use rights to secure the bank borrowing granted to the Group.

As at 31 July 2016, the Group had pledged the trade receivables amounting approximately HK\$27,404,000 to secure the bank borrowing granted to the Group.

As at 31 July 2016, the Group had printing machineries held under a sales and leaseback agreement.

Contingent Liabilities

As at 31 July 2016, the certain subsidiaries of the Group have issued corporate guarantees in respect of the finance lease obligation under a sales and leaseback arrangement granted to a subsidiary of the Group which will expire when the lease is terminated.

As at 31 July 2016, a subsidiary of the Group have issued corporate guarantee in respect of the secured bank borrowing granted to a subsidiary of the Group which will expire when the bank borrowing is repaid.

As at 31 July 2016, the Directors do not consider it probable that a claim will be made against these subsidiaries under any of the guarantees.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, the Group did not, as at the close of business on 31 July 2016, have any mortgage, charges, debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 July 2016, up to and including the Latest Practicable Date.

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources, its internally generated funds and the estimated net proceeds from the Disposal, the Group will have sufficient working capital for its normal business for at least the next 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECT OF THE REMAINING GROUP

Business Review

The Group consists of the Company, an investment holding company, and its subsidiaries, and is principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

The Chinese lottery market comprises two lotteries, namely, the China Welfare Lottery and the China Sports Lottery. The Group provides services to both lotteries in China.

The Group's business can be broadly divided into SGDB and DMB. The main operation and asset of the Disposal Group belongs to part of the Welfare CTG business under the Group's SGDB division, which is mainly engaged in the manufacture and provision of Welfare CTG lottery machines and supporting systems for traditional lottery market. Upon Completion, the Group will continue to operate its remaining business in SGDB by providing various lottery system and specialised equipment for the lottery market, e.g. non-traditional computer ticket games for Welfare lottery, both traditional and non-traditional computer ticket games for Sports lottery and scratch card products for Welfare lottery, including printing of scratch cards, in China. The Group's DMB division will not be affected as a result of the Disposal and will continue to distribute and market lottery products in China through various platforms.

Chinese lottery market registered total lottery sales of RMB194.25 billion in the first six months of 2016, representing an increase of 4% as compared to the same period last year. Total sales of Welfare Lottery decreased 0.5% to RMB102.28 billion and total sales of Sports Lottery increased 8.4% to RMB91.97 billion.

The Chinese lottery market presented a challenging operating environment for the Group during the first half of 2016. There was a general decline in various sectors of the Chinese lottery market and the internet lottery distribution channel remained suspended. Cost of sales/services and selling and distribution expenses including salary, marketing cost and other operating costs in the PRC increased substantially during first half of 2016 due to the Group's business restructuring and keen market competition. These have led to a general decline in the margin of the various business operations of the Group. General expenses of the Group also went up mainly due to the increase in corporate expenses in relation to the delay in the closing of the Disposal. Despite the challenging operating environment, the Group continued to deliver positive earnings, which demonstrated the resiliency of lottery industry and the strong foundation of the Group's business portfolio.

System and Games Development Business

Driven by the latest development in the lottery market, the Group's SGDB aimed to reposition its Welfare CTG business. Through the realisation of part of its long-term investment in the traditional segment of Welfare CTG market, this strategic move can unlock the substantial value of the Group's assets and allow the Group to focus on growing its business in various sectors with high growth potential in the industry. After Completion, the Group's SGDB will continue to develop its business in the upstream and mid-stream lottery market. This includes providing various lottery system and specialised equipment

for the both Welfare and Sports lottery markets, e.g. design, manufacturing and sales of specialised CTG terminals, high frequency games terminals, design and development of system management and lottery interface for physical and electronic lottery systems, design of scratch card products and validation system including manufacturing of scratch cards validation machine and equipment and printing of scratch cards, in the PRC. Meanwhile, the Group's SGDB is committed to support the revitalisation initiatives taken by lottery authorities in reviving the scratch card market.

During the first half of 2016, the Group's remaining businesses under SGDB continued to deliver solid earnings which reflected the steady execution of its strategy in a time of evolving market dynamics.

Distribution and Marketing Business

The Group's DMB will not be affected as a result of the Disposal and is principally engaged in the distribution of lottery products which include CTG games, scratch card games, single match games, high frequency games and video lottery products. Such distribution is conducted through platforms such as mobile, physical shops and dedicated game halls.

During the first half of 2016, regulatory development in relation to electronic lottery distribution resulted in a challenging operating environment for the Group's DMB. On scratch cards distribution, the Group made progress in realigning its strategy and restructuring its physical network in-line with the revitalisation campaign initiated by lottery authorities which resulted certain disruption and affected operating performance.

It is understood that the resumption of internet channel will depend on the development of the relevant regulatory framework. The Group's DMB continues to maintain investment in this channel through the interest in Okooo to prepare for the reopening of internet distribution channel. Given its existing penetration of the mobile channel, the Group's DMB is well positioned to seize enormous market opportunities driven by the overall growth in this lottery distribution method when market has regulatory clarity.

Financial and Trading Prospects

It is expected that after Completion of the Disposal and repayment of the Bonds, the overall cashflow, gearing and liquidity position of the Group will improve substantially. As such, it will put the Company on solid financial footing and allow the Company to focus on growing its business in various sectors with high growth potential in the industry.

The Group has completed a series of strategic review to address the current market dynamics and the proposed Disposal marks an important step forward in transforming the Group's lottery business. Underlying this plan are the essential actions that allow the Group to focus on driving long-term growth through our transformation initiatives. It is expected that these actions will not only advance the Group's transformation, but also will contribute to its growth rate in the future.

For the Group's SGDB, the proposed Disposal provides a good opportunity to realise the Group's investment in the relative mature segment of the lottery market. Going ahead, the Group's SGDB will continue to involve in the upstream and mid-stream lottery market with a clear strategy focused on lottery games and peripheral lottery system development which are going to prove to be robust growth drivers with long term growth prospects.

For the Group's DMB, its overarching focus continues to be investing in innovation, exploring of novel distribution channels and optimising of its existing sales networks. Looking ahead, whilst the timing for the reopening of electronic distribution channels remains uncertain, the reopening will generate tremendous market excitements and be a welcomed development for lottery industry. These channels and together with physical distribution channels are highly complementary to each other and are set to be a powerful combination that will bring vitality to the lottery market once again and introduce great new experiences to the player public.

Although it is still at the early stage in the digitisation of lottery distribution for the entire industry, the Group has already put special focus on Okooo and Mobile Electronic Lottery platforms. The Group is ideally positioned to identify and capture the broadest range of growth opportunities to be appeared in these areas. With the solid progress on this front, the Group is committed to doing everything reasonable to foster this development and acts as a reliable partner of the lottery authorities and lottery players.

The Group will maintain its nimble, prudent and disciplined approach to capture investment opportunities that will add value to the existing business and capitalise on new opportunities in the market.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, were as follows:

Long position in the Shares and underlying Shares

| Name of Director | Nature of interest | Number of Shares held | Number of underlying Shares held | Total | Approximate percentage of the issued share capital of the Company |
|------------------------|------------------------------------|----------------------------------|----------------------------------|---------------|---|
| Chan How Chung, Victor | Interest of controlled corporation | 1,494,941,855 <i>(Note 1)</i> | 193,902,834 <i>(Note 2)</i> | 1,688,844,689 | 16.92% |

Notes:

- (1) Among these Shares, 1,187,640,997 Shares are held by Keen Start Limited and 307,300,858 Shares are held by Kingly Profits Corporation. Both Keen Start Limited and Kingly Profits Corporation are indirectly wholly owned by Mr. Chan How Chung, Victor.
- (2) Kingly Profits Corporation is deemed to be interested in 193,902,834 underlying Shares to be derived from the 2019 Bonds in the aggregate principal amount of HK\$265,646,883 at the applicable conversion price of HK\$1.37 per Share.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who were substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follow:

Long position in the Shares and underlying Shares

| Name of Shareholder | Nature of interest | Number of Shares held | Number of underlying Shares held | Total | Approximate percentage of the issued share capital in the Company |
|------------------------|------------------------------------|-----------------------|----------------------------------|---|---|
| Smart Ease Corporation | Interest of controlled corporation | 1,494,941,855 | 193,902,834 | 1,688,844,689 <i>(Notes A and B)</i> | 16.92% |
| Keen Start Limited | Beneficial owner | 1,187,640,997 | – | 1,187,640,997 <i>(Note A)</i> | 11.90% |

| Name of Shareholder | Nature of interest | Number of Shares held | Number of underlying Shares held | Total | Approximate percentage of the issued share capital in the Company |
|----------------------------|--|-----------------------|----------------------------------|--------------------------------|---|
| Kingly Profits Corporation | Beneficial owner | 307,300,858 | 193,902,834 | 501,203,692 <i>(Note B)</i> | 5.02% |
| PYN Elite Fund (non-UCITS) | Custodian corporation/ approved lending agent | 792,507,497 | – | 792,507,497 | 7.94% |

Notes:

- A. These Shares are held by Keen Start Limited as beneficial owner. Keen Start Limited is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr. Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr. Chan How Chung, Victor as disclosed in the sub-section headed “Directors and chief executives” under the section headed “Disclosure of Interests” in this appendix.
- B. These Shares and underlying Shares are held by Kingly Profits Corporation as beneficial owner. Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr. Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr. Chan How Chung, Victor as disclosed in the sub-section headed “Directors and chief executives” under the section headed “Disclosure of Interests” in this appendix.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with any member of the Group which will not expire or is not determinable within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

Save for the Sale and Purchase Agreement, the Deed of Guarantee and the facility letter in relation to the Mega Market Loan, particulars of which are disclosed in the "Letter from the Board" set out in this circular, in which VC is considered to be interested, as at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant to the business of the Group.

5. COMPETING INTEREST

Pursuant to Rule 8.10(2) of the Listing Rules, details of the interests held by the Directors in businesses that are considered to compete or is likely to compete, either directly or indirectly, with the business of the Group, are disclosed as follows:

| Name of company | Competing business |
|-----------------------------|---------------------------|
| RPI Finance Limited ("RPI") | Money lending |

VC is a director and deemed to be the substantial shareholder of RPI. The terms and conditions of the financing loans of RPI are market driven and agreed at arm's length between the borrowers and the financiers. When making decisions on the above competing business, the relevant director, in the performance of his duty as a director of the Company, has acted and will continue to act in the best commercial interest of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its recommendation for inclusion in this circular:

| Name | Qualification |
|---------------------|---|
| VBG Capital Limited | a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO |

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear herein.

As at the Latest Practicable Date, VBG Capital did not have any shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and it did not have any direct or indirect interest in any assets which have been since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to by any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (1) Second Supplemental Trust Deed dated 2 November 2015 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2019 Bonds;

- (2) Sixth Supplemental Trust Deed dated 2 November 2015 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2017 Bonds;
- (3) The Original Sale and Purchase Agreement;
- (4) Third Supplemental Trust Deed dated 12 April 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2019 Bonds;
- (5) Seventh Supplemental Trust Deed dated 12 April 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2017 Bonds;
- (6) Fourth Supplemental Trust Deed dated 7 June 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2019 Bonds;
- (7) Eighth Supplemental Trust Deed dated 7 June 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2017 Bonds;
- (8) Facility letter dated 2 August 2016 entered into between the Company and Mega Market relating to the Mega Market Loan;
- (9) The Supplemental Agreement;
- (10) The Deed of Guarantee;
- (11) Fifth Supplemental Trust Deed dated 14 September 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2019 Bonds; and
- (12) Ninth Supplemental Trust Deed dated 14 September 2016 entered into between the Company and The Bank of New York Mellon, London Branch relating the 2017 Bonds.

9. LITIGATION

As far as the Directors are aware, none of the members of the Group was at present engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Ng Yuen Yee, who is an associate member of the Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal place of business of the Company is located at Suite 2601, 26/F., Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 14th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong from 9:30 a.m. to 12:45 p.m. and from 2:15 p.m. to 5:00 p.m. on any business day in Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the Supplemental Agreement;
- (b) the memorandum of association and bye-laws of the Company;
- (c) annual reports of the Group for the financial years ended 31 December 2014 and 2015;

- (d) the letter of advice from the Independent Board Committee of the Company to the Independent Shareholders as set out in this circular;
- (e) the letter of recommendation from VBG Capital to the Independent Board Committee and the Independent Shareholders as set out in this circular;
- (f) the written consent from VBG Capital referred to in paragraph 6 of this appendix;
- (g) a copy of each contract set out in the paragraph headed “Material Contracts” in this appendix; and
- (h) this circular.

NOTICE OF SPECIAL GENERAL MEETING

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of REXLot Holdings Limited (the “Company”) will be held at Room 1, United Conference Centre, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 31 October 2016 at 4:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the supplemental agreement dated 2 August 2016 (the “**Supplemental Agreement**”) entered into between REXCAPITAL Financial Group Limited (the “**Seller**”) and Sunjet Investments Limited (the “**Purchaser**”) amending the sale and purchase agreement dated 4 January 2016 (as supplemented and amended on 23 February 2016, 21 March 2016, 28 March 2016, 28 April 2016 and 27 July 2016) entered into between the Seller and the Purchaser (a copy of the Supplemental Agreement is marked “A” and produced to this meeting and signed by the chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and
- (b) any one or more of the directors of the Company (except Mr. Chan How Chung, Victor) be and is/are hereby authorised to do all such acts and things and execute all such documents (in case of execution of documents under seal, to do so by any two directors of the Company or any director of the Company together with the secretary of the Company) and to take such steps which he/they may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Supplemental Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 30 September 2016

As at the date of this notice, 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.

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed herewith. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, at the Company's Hong Kong branch share registrar at Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof should he/she wish, and in such event, the form of proxy will be deemed to be revoked.
3. In the case of joint holders of shares, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
4. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the ordinary resolution as set out above will be conducted by way of poll.