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

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)

CONNECTED TRANSACTION: ISSUE OF 6% CONVERTIBLE BONDS DUE 2016 IN THE PRINCIPAL AMOUNT OF HK\$77,800,000 TO KINGLY PROFITS

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

AmCap
Ample Capital Limited
豐盛融資有限公司

Capitalised terms used on this cover page shall have the same meanings as defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 31 of this circular.

A letter of recommendation from the Independent Board Committee is set out on page 32 of this circular.

A letter from Ample Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 33 to 47 of this circular.

A notice convening the SGM to be held on Tuesday, 22 November 2011 at 4:30 p.m. at Suite 2601, 26/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 53 to 55 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company at its Hong Kong branch share registrar at Tricor Standard Limited, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

5 November 2011

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DEFINITIONS

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

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bond Issue”	the issue of the Bonds by the Company pursuant to and in accordance with the Subscription Agreement;
“Bondholder(s)”	holder(s) of the Bonds from time to time;
“Bond(s)”	the Company’s 6% convertible bond(s) due 2016, issued or to be issued by the Company pursuant to and in accordance with the Subscription Agreement, comprising the Underwritten Bond(s), the Placed Bond(s) (including the VC Placed Bond(s)) and the Option Bond(s);
“Change of Control”	a “Change of Control” occurs when: (i) any person or persons, other than VC or any of his affiliates, executors, administrators or successors together, acquires Control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity;

DEFINITIONS

“Closing Price”	for Shares for any Trading Day shall be the price published in the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	REXLot Holdings Limited, a company incorporated in Bermuda with limited liability;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contracts”	the Subscription Agreement, the Trust Deed and the Paying and Conversion Agency Agreement as defined in the Subscription Agreement;
“Control”	the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
“Conversion Price”	the price at which New Shares will be issued upon conversion of the Bonds which will initially be HK\$0.6175 per Share and will be subject to adjustment in the manner provided for in the Terms and Conditions;
“Director(s)”	director(s) of the Company;
“Exercised Option Bonds”	the principal amount of HK\$70,000,000 of the Option Bonds in respect of which the Lead Manager has partially exercised the Option and agreed to subscribe for;
“Firm Bond(s)”	the Underwritten Bond(s) and the Placed Bond(s), but excluding the VC Placed Bond(s);
“Firm Bonds Closing Date”	28 September 2011;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, namely Mr. Yuen Wai Ho, Mr. Chow Siu Ngor and Mr. Lee Ka Lun, established for the purpose of advising the Independent Shareholders in relation to the issue of the VC Placed Bonds and the transactions contemplated thereunder;
“Independent Financial Adviser”	Ample Capital Limited, which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the issue of the VC Placed Bonds and the transactions contemplated thereunder;
“Independent Shareholders”	Shareholders other than VC and his associates;
“Issue Price”	with respect to the Bonds, 100% of the principal amount thereof;
“Kingly Profits”	Kingly Profits Corporation, a company incorporated in the British Virgin Islands, the entire issued share capital of which is indirectly held by VC as at the Latest Practicable Date;
“Last Trading Day”	21 September 2011, being the last full Trading Day immediately before the time at which the Subscription Agreement is signed;
“Latest Practicable Date”	2 November 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;

DEFINITIONS

“Lead Manager”	Daiwa Capital Markets Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Lock-up Bond(s)”	the Placed Bond(s) in the principal amount of HK\$505,700,000, subject to the terms of the Subscription Agreement and the Bondholder Lock-up Agreement referred to therein;
“Lock-up Conversion Shares”	the Shares to be issued upon conversion of the Lock-up Bonds;
“Lock-up Securities”	the Lock-up Bonds and the Lock-up Conversion Shares;
“Lock-up Shares”	1,198,805,635 Shares held directly (or through nominees), or indirectly through companies controlled by, VC or the subsidiaries of such companies (or through their respective nominees);
“Maturity Date”	28 September 2016;
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds;
“Offering Circular”	the offering circular dated on 23 September 2011 for use in connection with the offering of the Bonds and the listing of the Bonds on the SGX-ST;
“Option”	the option, exercisable in whole or in part solely at the discretion of the Lead Manager, on one or more occasions, on or before the 30th day following the Firm Bonds Closing Date, to subscribe for all or some of the Option Bonds;
“Option Bond(s)”	the Bonds up to an aggregate principal amount of HK\$145,500,000 which may be issued by the Company upon exercise of the Option;

DEFINITIONS

“Option Closing Date”	7 November 2011, being the date on which the Exercised Option Bonds are to be issued by the Company against payment for the Exercised Option Bonds;
“Placed Bond(s)”	the Bonds in the principal amount of HK\$505,700,000 for which the Lead Manager acts as placement agent;
“PRC”	the People’s Republic of China;
“Relevant Indebtedness”	any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate, depositary receipt, bill of exchange or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), whether or not initially distributed by way of private placement and for the avoidance of doubt shall not include indebtedness under any bi-lateral loan, non-transferable loan or loan facility or transferable loan or loan facility;
“Securities Act”	the US Securities Act of 1933, as amended;
“Security Interest”	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving the issue of the VC Placed Bonds and the transactions contemplated thereunder;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;

DEFINITIONS

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holders of the Share(s);
“Share Option Scheme”	the share option scheme disclosed in the annual report of the Company dated 29 March 2011;
“Subscription Agreement”	the subscription agreement entered into between the Company and the Lead Manager dated 21 September 2011 in respect of the Bond Issue;
“subsidiary(ies)”	in relation to any person (the “ first person ”), any other Person (the “ second person ”) of which the first person owns or controls (either directly or through one or more other subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other second person which at any time has its accounts consolidated with those of the first person or which, under the laws of Hong Kong or Bermuda, regulations or Hong Kong Financial Reporting Standards promulgated by the Hong Kong Institute of Certified Public Accountants from time to time, should have its accounts consolidated with those of the first person;
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules;
“Terms and Conditions”	the terms and conditions of the Bonds;
“Trading Day”	a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for dealing business;
“Trustee”	The Bank of New York Mellon, London Branch;
“Underwritten Bond(s)”	the Bonds in the principal amount of HK\$389,000,000 which the Lead Manager has procured subscribers to subscribe and pay for on a fully underwritten basis;
“US” or “United States”	the United States of America;

DEFINITIONS

“US\$”	United States dollars, the lawful currency of the US;
“VC”	Mr. Chan How Chung, Victor, a Director and Substantial Shareholder of the Company and thus a connected person of the Company;
“VC Placed Bond(s)”	the Placed Bonds in the principal amount of HK\$77,800,000 to be issued to Kingly Profits, subject to Independent Shareholders’ approval;
“VC Placed Bonds Closing Date”	on or before the fifth business day following the satisfaction (or waiver, if applicable) of all the conditions to the issue of the VC Placed Bonds, or such later date as the Company and the Lead Manager may agree; and
“%”	per cent.

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:

Mr. Chan How Chung, Victor

Mr. Boo Chun Lon

Independent non-executive Directors:

Mr. Yuen Wai Ho

Mr. Chow Siu Ngor

Mr. Lee Ka Lun

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite 2601, 26/F., Sino Plaza

255-257 Gloucester Road

Causeway Bay

Hong Kong

5 November 2011

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION:
ISSUE OF 6% CONVERTIBLE BONDS DUE 2016
IN THE PRINCIPAL AMOUNT OF HK\$77,800,000 TO KINGLY PROFITS**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 September 2011, in which the Board announced that on 21 September 2011 the Company and the Lead Manager entered into the Subscription Agreement whereby the Company agreed to issue up to HK\$1,040,200,000 in aggregate principal amount of 6% convertible bonds due 2016. HK\$77,800,000 in principal amount of the Bonds shall be issued by the Company to Kingly Profits, a company indirectly wholly-owned by Mr. Chan How Chung, Victor, a Director and Substantial Shareholder of the Company, subject to, among other conditions precedent, the Independent Shareholders' approval. By virtue of VC being a connected person of the Company, Kingly Profits as VC's associate is also a connected person of the Company.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) details of the issue of the VC Placed Bonds and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice to convene the SGM.

THE SUBSCRIPTION AGREEMENT

Date: 21 September 2011

Parties: The Company and the Lead Manager

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

Issue of the Underwritten Bonds: The Lead Manager has procured subscribers to subscribe and pay for the Underwritten Bonds in an aggregate principal amount of HK\$389,000,000 at the Issue Price on a fully-underwritten basis.

Issue of the Placed Bonds: The Lead Manager has acted as placement agent for the Company in respect of the offering and sale of the Placed Bonds in an aggregate principal amount of HK\$505,700,000 at the Issue Price.

Option to issue Option Bonds: The Company has granted to the Lead Manager the Option to subscribe for all or some of the Option Bonds up to an aggregate principal amount of HK\$145,500,000, and the Option shall be exercisable in whole or part, on one or more occasions, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the Firm Bonds Closing Date.

On 28 October 2011, the Lead Manager partially exercised the Option to subscribe for, and the Company shall, subject to the conditions precedent prescribed by the Subscription Agreement, issue, the Exercised Option Bonds in the principal amount of HK\$70,000,000.

For the avoidance of doubt, the Option in respect of the Option Bonds other than the Exercised Option Bonds has lapsed after 28 October 2011 and is no longer exercisable thereafter.

LETTER FROM THE BOARD

- Proposed Issue of the VC Placed Bonds: Amongst the Placed Bonds, a principal amount of HK\$77,800,000 is proposed to be issued to Kingly Profits, a connected person of the Company by virtue of it being an associate of VC, a Director and Substantial Shareholder of the Company, subject to, among other conditions precedent, Independent Shareholders' approval.
- Stabilisation: The Lead Manager, in its capacity as stabilising manager, or persons acting on its behalf (the "**Stabilising Manager**") may, to the extent permitted by the applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in doing so the Stabilising Manager shall act as principal and not as agent of the Company and any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilising Manager.
- Conditions Precedent of the VC Placed Bonds: The completion of the issue of the VC Placed Bonds is conditional upon the following conditions precedent (collectively referred to as the "**Conditions**"):
1. **Contracts:** the execution and delivery of the Contracts on or before the VC Placed Bonds Closing Date, each in a form reasonably satisfactory to the Lead Manager, by the respective parties;
 2. **Shareholder Lock-up:** VC shall have executed a lock-up agreement on or before the VC Placed Bonds Closing Date and such lock-up agreement shall be in full force and effect on the VC Placed Bonds Closing Date;
 3. **Compliance:** on the VC Placed Bonds Closing Date:
 - (i) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and

LETTER FROM THE BOARD

- (ii) there having been delivered to the Lead Manager a certificate, dated as of such date, of a duly authorised officer of the Company to such effect;
4. **Accuracy of representations:** the representations and warranties by the Company in the Subscription Agreement are true and correct on the date of the Subscription Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the VC Placed Bonds Closing Date with reference to the facts and circumstances then subsisting;
5. **Other consents:** on or prior to the VC Placed Bonds Closing Date there shall have been delivered to the Lead Manager copies of all consents and approvals required in relation to the issue of the VC Placed Bonds and the Company's obligations under the Trust Deed, the Agency Agreement (both as defined in the Subscription Agreement) and the VC Placed Bonds (including the consents and approvals required from all lenders), if applicable;
6. **Certificate of No Default:** on the date of the Subscription Agreement and the VC Placed Bonds Closing Date, there having been delivered to the Lead Manager a certificate of no default, dated as of such date, of a Director or a duly authorised signatory of the Company;
7. **Listing:** the SGX-ST having agreed, subject to the issue of the VC Placed Bonds, to list the VC Placed Bonds and the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the VC Placed Bonds (or, in each case, the Lead Manager being satisfied that such approval will be granted);

LETTER FROM THE BOARD

8. **Placing Letter:** on the date of the Subscription Agreement, Kingly Profits shall have executed an investor representation letter, in a form reasonably satisfactory to the Lead Manager, and such investor representation letter shall be in full force and effect on the VC Placed Bonds Closing Date;
9. **Bondholder Lock-up:** Kingly Profits (and if so required by the Company, its ultimate beneficial owner(s)) shall have executed a lock-up agreement (the “**Bondholder Lock-up Agreement**”) on or before the VC Placed Bonds Closing Date substantially in the form set out in the Subscription Agreement (or in such other form as may be required by the Company) and such lock-up agreement shall be in full force and effect on the VC Placed Bonds Closing Date; and
10. **Independent Shareholders’ Approval at the SGM.**

VC may, at his discretion and upon such terms as he thinks fit, waive compliance with the whole or any part of the Conditions (other than Conditions 1, 5, 7 and 10 above). Conditions 1, 2, 8 and 9 have already been completed as of the Latest Practicable Date.

Completion:

Completion of the issue of the Firm Bonds, comprising the Underwritten Bonds and the Placed Bonds (other than the VC Placed Bonds), took place on 28 September 2011. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, each of the placees of the Firm Bonds and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and any of its connected persons.

LETTER FROM THE BOARD

Completion of the issue of the Exercised Option Bonds will, subject to the conditions precedent being satisfied, take place on the Option Closing Date. To the best of the Directors knowledge, information and belief, having made all reasonable enquiry, each of the placees of the Exercised Option Bonds and their respective ultimate beneficial owners will be third parties independent of and not connected with the Company and any of its connected persons.

Completion of the issue of the VC Placed Bonds will, subject to the Conditions being satisfied (including that Independent Shareholders' approval being granted), take place on the VC Placed Bonds Closing Date.

Distribution:

The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds will be offered and sold in an institutional offering outside the United States in reliance on Regulation S of the Securities Act. The Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

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

LETTER FROM THE BOARD

Company's Lock-up
Undertaking:

The Company has undertaken with the Lead Manager that neither the Company nor any person acting on its behalf will

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

in any such case without the prior written consent of the Lead Manager between the date of the Subscription Agreement and the date which is 90 calendar days after the later of the Firm Bonds Closing Date and the Option Closing Date (if any) (both dates inclusive), except for the Bonds and the New Shares issued on conversion of the Bonds and except for the grant of options, and Shares issued on exercise of the option granted, under the Share Option Scheme.

LETTER FROM THE BOARD

Shareholder's Lock-up
Undertaking:

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

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

LETTER FROM THE BOARD

Bondholder's Lock-up Undertaking:

Each purchaser of the Placed Bonds, including Kingly Profits, has undertaken or will undertake, among other things, that, for a period from the date of the relevant Bondholder Lock-up Agreement up to 12 months after the date of the relevant Bondholder Lock-up Agreement (both dates inclusive) (the “**First Lock-up Period**”), neither it nor any of its subsidiaries (if applicable) or affiliates or spouse (if applicable) or family members (if applicable) over which it exercises management or voting control, nor any person acting on its or their behalf will, without the prior written consent of the Company,

- (a) offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Securities or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Securities or other instruments representing interests in the Lock-up Securities,
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Lock-up Securities,
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, or
- (d) announce or otherwise make public an intention to do any of the foregoing (actions referred to in (a), (b), (c) and (d) are collectively referred to as “**Dealings**”).

LETTER FROM THE BOARD

Each purchaser of the Placed Bonds, including Kingly Profits, has further undertaken or will further undertake, among other things, that, for a period from the date immediately following the expiry of the First Lock-up Period up to 24 months after the date of the relevant Bondholder Lock-up Agreement, neither it nor any of its subsidiaries (if applicable) or affiliates or spouse (if applicable) or family members (if applicable) over which it exercises management or voting control, nor any person acting on his or their behalf will, without the prior written consent of the Company, have any Dealings in respect of any Lock-up Securities in excess of 50% of the principal amount of the Lock-up Bonds, whether such Dealings take the form of Dealings in respect of the Lock-up Bonds or in respect of the Lock-up Conversion Shares or in respect of both Lock-up Bonds and Lock-up Conversion Shares, in each case from time to time and on an aggregate basis.

For the avoidance of doubt, the Bondholder's Lock-up Undertaking does not preclude any conversion of the Lock-up Bonds according to its terms at any time.

Termination:

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

1. if there shall have come to the notice of the Lead Manager any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions of the Subscription Agreement has not been satisfied or waived by the Lead Manager on or prior to the Firm Bonds Closing Date or the Option Closing Date, as the case may be;

LETTER FROM THE BOARD

3. if in the opinion of the Lead Manager, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

4. if, in the opinion of the Lead Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the SGX-ST and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded (other than any suspension relating to the issue of the Bonds); (iii) a general moratorium on commercial banking activities in the United States, Singapore, the People's Republic of China, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services generally in the United States, Hong Kong, the People's Republic of China, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds or the Shares to be issued upon conversion of the Bonds or the transfer thereof; or

LETTER FROM THE BOARD

5. if, in the opinion of the Lead Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the issue, offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Conversion Shares:

Based on the initial Conversion Price of HK\$0.6175 per Share and assuming full conversion of the Firm Bonds at the initial Conversion Price, the Firm Bonds will be convertible into 1,322,914,979 New Shares, representing:

- (i) approximately 17.06% of the issued ordinary share capital of the Company as at the Latest Practicable Date, and
- (ii) approximately 14.20% of the issued ordinary share capital of the Company as enlarged, assuming the Firm Bonds are fully converted, and the Exercised Option Bonds and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each.

Based on the initial Conversion Price of HK\$0.6175 per Share and assuming issuance and full conversion of the Exercised Option Bonds at the initial Conversion Price, the Exercised Option Bonds will be convertible into 113,360,323 New Shares, representing:

- (i) approximately 1.46% of the issued ordinary share capital of the Company as at the Latest Practicable Date, and
- (ii) approximately 1.22% of the issued ordinary share capital of the Company as enlarged, assuming the Firm Bonds are fully converted, and the Exercised Options Bonds and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each.

LETTER FROM THE BOARD

Based on the initial Conversion Price of HK\$0.6175 per Share and assuming full conversion of the VC Placed Bonds at the initial Conversion Price, the VC Placed Bonds will be convertible into 125,991,902 New Shares, representing:

- (i) approximately 1.63% of the issued ordinary share capital of the Company as at the Latest Practicable Date, and
- (ii) approximately 1.35% of the issued ordinary share capital of the Company as enlarged, assuming the Firm Bonds are fully converted, and the Exercised Options Bonds and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds (including the VC Placed Bonds) are summarised as follows:

Issuer:	REXLot Holdings Limited
Lead Manager:	Daiwa Capital Markets Hong Kong Limited
Principal amount of the Bonds:	Up to HK\$1,040,200,000.
Principal amount of the Firm Bonds already issued:	HK\$816,900,000, comprising: <ul style="list-style-type: none">(i) HK\$389,000,000 principal amount of the Underwritten Bonds; and(ii) HK\$427,900,000 principal amount of the Placed Bonds (excluding the VC Placed Bonds).

LETTER FROM THE BOARD

Principal amount of the Exercised Option Bonds to be issued:	<p>The Company has granted to the Lead Manager the Option to subscribe for the Option Bonds up to the aggregate principal amount of HK\$145,500,000.</p> <p>On 28 October 2011, the Lead Manager partially exercised the Option to subscribe for, and the Company shall, subject to the conditions precedent prescribed by the Subscription Agreement, issue, the Exercised Option Bonds in the principal amount of HK\$70,000,000.</p> <p>For the avoidance of doubt, the Option in respect of the Option Bonds other than the Exercised Option Bonds has lapsed after 28 October 2011 and is no longer exercisable thereafter.</p>
Principal amount of the VC Placed Bonds:	HK\$77,800,000.
Initial Bondholder of the VC Placed Bonds:	Kingly Profits, a company wholly owned by Smart Ease Corporation, which in turn is wholly owned by VC, who is a Director and Substantial Shareholder of the Company.
Issue Price:	100% of the principal amount of the Bonds, i.e. HK\$77,800,000 for the VC Placed Bonds.
Form and Denomination:	The Bonds will be issued in registered form, in the denomination of HK\$100,000 each and integral multiples thereof.
Interest:	<p>The Bonds bear interest from (and including) 28 September 2011, at the rate of 6% per annum payable semi-annually in arrear on 28 March and 28 September in each year.</p> <p>Since the Exercised Option Bonds and the VC Placed Bonds will fall to be issued after 28 September 2011, any interest accrued from (and including) 28 September 2011 up to (but excluding) the Option Closing Date or the VC Placed Bonds Closing Date, as the case may be, will be payable by the respective subscribers to the Company upon completion of such Bonds.</p>
Maturity Date:	28 September 2016.

LETTER FROM THE BOARD

- Negative pledge: So long as any Bond remains outstanding, the Company shall not, and the Company shall procure that none of its subsidiaries will, create or permit to subsist any Security Interest, upon the whole or any part of its present or future undertaking, asset or revenues (including uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of the Relevant Indebtedness, without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee; or (ii) providing such other security of the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders, save for any Security Interest created over any undertaking, assets or revenues of a subsidiary incorporated in the PRC to secure any Relevant Indebtedness or any guarantee or indemnity in respect of the Relevant Indebtedness where such Relevant Indebtedness is issued, offered or provided in the PRC.
- Conversion period: On or after 8 November 2011 up to and including 18 September 2016.
- Conversion price: The initial Conversion Price is HK\$0.6175 per Share, representing:
- (i) a premium of 30.00% over the closing price of HK\$0.475 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
 - (ii) a premium of approximately 34.88% over the volume weighted average closing price of HK\$0.4578 per Share for the last five consecutive trading days up to and including the Last Trading Day;
 - (iii) a premium of approximately 30.27% over volume weighted average closing price of HK\$0.4740 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

LETTER FROM THE BOARD

The initial Conversion Price was determined after arm's length negotiations between the Company and the Lead Manager with reference to the closing price of the Shares quoted on the Hong Kong Stock Exchange on 21 September 2011.

The Conversion Price will be subject to adjustment for, among other things, subdivision, reclassification or consolidation of Shares, bonus issues, rights issues, capital distributions, distributions, change of control and other dilutive events as described in the Terms and Conditions. The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in Hong Kong or Bermuda.

Final Redemption:

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

Redemption at the option
of the Company:

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

- (i) may at any time after 28 September 2014 and prior to the Maturity Date redeem in whole, or in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the Closing Price of the Shares for each of 20 consecutive Trading Days, the last of which occurs not more than five Trading Days prior the date upon which notice of such redemption is published was at least 130% of the prevailing Conversion Price; or

LETTER FROM THE BOARD

- (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued (including any further bonds issued pursuant to the Condition 16 of the Terms and Conditions and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.

Redemption for Taxation
Reasons:

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (the "**Tax Redemption Notice**") to the Bondholders at their principal amount together with interest accrued to such date fixed for redemption, if (i) the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong, the PRC or Bermuda or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 21 September 2011, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it. This will be subject to the non-redemption right of each Bondholder under Condition 8B(ii) of the Terms and Conditions.

Non-redemption right
from Condition 8(B)(ii)
of the Terms and
Conditions:

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that no additional amounts in respect of any payment of principal or premium to be made in respect of such Bond(s) pursuant to Condition 9 of the Terms and Conditions shall be payable and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

LETTER FROM THE BOARD

Redemption at the option
of the Bondholders:

On 28 September 2014 (the “**Put Option Date**”), the holder of each Bond has the right, at such holder’s option, to require the Company to redeem all or some only of such holder’s Bond(s) at their principal amount together with interest accrued to the Put Option Date.

Redemption for Delisting,
Suspension of Trading
or Change of Control:

If at any time:

- (a) the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or
- (b) there is a Change of Control,

the holder of each Bond will have the right at such holder’s option, to require the Company to redeem all or some only of such holder’s Bond(s) at their principal amount together with interest accrued to the relevant date for redemption.

Listing:

The Company has received approval-in-principle from the SGX-ST for the listing of the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of US\$200,000 (or its equivalent) for so long as the Bonds are listed on the SGX-ST.

Approval has been granted by the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares to be allotted and issued upon conversion of the Firm Bonds and the Exercised Option Bonds.

LETTER FROM THE BOARD

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in the New Shares to be allotted and issued upon conversion of the VC Placed Bonds, subject to Independent Shareholders' approval.

Clearing Systems:

The Bonds will be represented by a global bond certificate. Title to the Bonds will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank S.A./N.V. ("**Euroclear**"), and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). So long as the Bonds are represented by a global bond certificate, interests in the Bonds will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg.

Voting rights:

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares.

Transferability:

Except for the Lock-up Bonds, the Bonds are freely transferable.

Status:

The Bonds constitute direct, unconditional, unsubordinated and (subject to the Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The following table illustrates, respectively, (1) the existing shareholding structure as at the Latest Practicable Date; (2) the shareholding structure assuming the Firm Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.6175 each; (3) the shareholding structure assuming the Firm Bonds are fully converted, and the Exercised Option Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each; and (4) the shareholding structure assuming the Firm Bonds are fully converted, and the Exercised Options Bonds and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each, on the assumptions that (a) there will be no other change to the share capital of the Company from the Latest Practicable Date until the completion of the conversion of the Firm Bonds, the Exercised Option Bonds and the VC Placed Bonds in full, save for the issue of the New Shares as a result of the conversion of the Firm Bonds, the Exercised Option Bonds or the VC Placed Bonds (as the case may be); and (b) save as disclosed in column (1) below, the Bondholders do not and will not hold any Shares other than the New Shares as a result of the conversion of the Firm Bonds, the Exercised Option Bonds or the VC Placed Bonds (as the case may be).

Shareholder	(1) Existing shareholding structure as at the Latest Practicable Date		(2) Assuming the Firm Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.6175 each		(3) Assuming the Firm Bonds are fully converted, and the Exercised Option Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each		(4) Assuming the Firm Bonds are fully converted, and the Exercised Options Bonds and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each	
	<i>% of issued share capital of</i>		<i>% of enlarged share capital of</i>		<i>% of enlarged share capital of</i>		<i>% of enlarged share capital of</i>	
	<i>No. of Shares</i>	<i>the Company</i>	<i>No. of Shares</i>	<i>the Company</i>	<i>No. of Shares</i>	<i>the Company</i>	<i>No. of Shares</i>	<i>the Company</i>
VC and his associates (<i>Note 1</i>)	1,198,805,635	15.46	1,198,805,635	13.21	1,198,805,635	13.05	1,324,797,537	14.22
Ameriprise Financial Inc (<i>Note 2</i>)	696,817,050	8.99	696,817,050	7.68	696,817,050	7.58	696,817,050	7.48
Capital Research and Management Company (<i>Note 3</i>)	545,429,500	7.04	545,429,500	6.01	545,429,500	5.94	545,429,500	5.86
Public	5,311,672,815	68.51	5,311,672,815	58.52	5,311,672,815	57.80	5,311,672,815	57.02
Bondholders	-	-	1,322,914,979	14.58	1,436,275,302	15.63	1,436,275,302	15.42
	<u>7,752,725,000</u>	<u>100.00</u>	<u>9,075,639,979</u>	<u>100.00</u>	<u>9,189,000,302</u>	<u>100.00</u>	<u>9,314,992,204</u>	<u>100.00</u>

Notes:

- VC is taken to be interested in 1,098,000,000 Shares held by Keen Start Limited and 100,805,635 Shares held by Kingly Profits Corporation. As at the Latest Practicable Date, each of Keen Start Limited and Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by VC.

LETTER FROM THE BOARD

2. Amongst the total of 696,817,050 Shares held by Ameriprise Financial Inc, 37,154,050 Shares were held by its wholly owned subsidiary, Columbia Management Investment Advisers, LLC and 659,663,000 Shares held by Columbia Wanger Asset Management LLC, which in turn is wholly owned by Columbia Management Investment Advisers, LLC.
3. The interest in these Shares was attributable on account of holding through corporations that are wholly owned by The Capital Group Companies, Inc, the owner of the entire shares of Capital Research and Management Company.

INFORMATION ABOUT THE GROUP

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

FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any equity fundraising activities in the past twelve months immediately before the Latest Practicable Date (save and except for the issue of the Firm Bonds and the Exercised Option Bonds).

REASONS AND BENEFITS OF THE ISSUE OF THE VC PLACED BONDS

The Directors believe 2011 is a milestone year for the lottery market in China in light of the introduction of the first national legislation on lottery and the subsequent provisional measures on electronic lottery distribution. The Directors anticipate that the distinctive characteristics of electronic lottery distribution channels, such as mobility and interactivity, will facilitate the creation of a unique set of lottery products on these platforms. After years of preparation, the Group has achieved a significant breakthrough in the launch of an electronic distribution channel through Mobile Electronic Lottery Platform in Liaoning province.

In light of the above developments, the Group intends to further extend its business coverage to other major provinces as well as engage in strategic acquisitions and/or co-operations to expand its electronic lottery market share in China as and when the opportunity arises. As this may require substantial capital support, the Directors consider that the issue of the Bonds will place the Group in a more advantageous position when these opportunities arise.

LETTER FROM THE BOARD

Having given due consideration to the following factors, the Directors (including the independent non-executive Directors) consider that the proposed issue of the VC Placed Bonds to Kingly Profits is in the interests of the Company and the Shareholders as a whole:

- (1) having regard to the then subsisting market condition and under recommendation by the Lead Manager, the Directors were of the view that the provision of capital by VC, as a Substantial Shareholder and part of the management of the Company, would provide confidence to the then potential investors and would be conducive to the completion of the then proposed Bond Issue;
- (2) the VC Placed Bonds forms part of the Bond Issue of which more than 90% have been or will be (as the case may be) issued to independent third parties of the Company and the principal terms of the VC Placed Bonds are the same as those of the Bonds issued to the independent third parties of the Company; and
- (3) upon full conversion of the Bonds into New Shares, the public shareholding will be diluted from 68.51% to 57.80% (assuming that the Bonds, except the VC Placed Bonds, are converted into New Shares), or from 68.51% to 57.02% (assuming that the Bonds are converted into New Shares in full), hence the dilution impact of full conversion of the VC Placed Bonds on the public float of the Company is less than 1% which is minimal.

USE OF PROCEEDS OF THE VC PLACED BONDS

The total gross proceeds from the issue of the Firm Bonds and the Exercised Option Bonds will be HK\$886,900,000. The total net proceeds from the issue of the Firm Bonds and the Exercised Option Bonds will be approximately HK\$862,000,000. The gross proceeds from the issue of the VC Placed Bonds will be HK\$77,800,000. The net proceeds from the issue of the VC Placed Bonds will be approximately HK\$77,000,000.

The Company intends to use the net proceeds from the issue of the VC Placed Bonds in the same manner as the use of proceeds from the Bond Issue in general, namely as general working capital and pursuing opportunities identified in the lottery market in China, particularly in the new electronic lottery market. Currently, the Directors are proactively identifying such opportunities as would be beneficial to the Group. However, as at the Latest Practicable Date, no concrete business or investment proposal has been finalised which will fall to be discloseable under the Listing Rules. The Company will make an appropriate disclosure to the Shareholders as and when required under and in accordance with the Listing Rules.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, VC is a Director and a Substantial Shareholder of the Company, indirectly holding 1,198,805,635 Shares which represent approximately 15.46% of the issued ordinary share capital of the Company. As VC is a connected person of the Company and the entire issued share capital of Kingly Profits is held indirectly by VC, Kingly Profits being an associate of VC is also a connected person of the Company.

Accordingly, the issue of the VC Placed Bonds and the transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements therein.

SGM

The SGM will be convened on Tuesday, 22 November 2011 at 4:30 p.m. at Suite 2601, 26/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong at which an ordinary resolution shall be proposed to seek approval from the Independent Shareholders of, amongst others, the issue of the VC Placed Bonds and the grant of a specific mandate for the allotment and issue of the New Shares upon the exercise of the conversion rights attaching to the VC Placed Bonds. A notice convening the SGM, together with the resolution to be proposed at the SGM, is set out on pages 53 to 55 of this circular.

As VC has a material interest in the issue of the VC Placed Bonds and the transactions contemplated thereunder, VC and his associates shall abstain from voting on the relevant resolution at the SGM. In addition, he had abstained from voting in the Board resolution dated 21 September 2011 in relation to the Bond Issue.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholder, other than VC and his associates, is required to abstain from voting on the relevant resolution in respect of the issue of the VC Placed Bonds and the transactions contemplated thereunder at the SGM.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company at its Hong Kong branch share registrar at Tricor Standard Limited, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, established for the purpose of advising the Independent Shareholders in relation to the issue of the VC Placed Bonds and the transactions contemplated thereunder, comprises all the independent non-executive Directors, namely Mr. Yuen Wai Ho, Mr. Chow Siu Ngor and Mr. Lee Ka Lun.

Ample Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the issue of the VC Placed Bonds and the transactions contemplated thereunder.

A letter of advice from the Independent Financial Adviser is set out on pages 33 to 47 of this circular, and a letter of recommendation from the Independent Board Committee is set out on page 32 of this circular.

RECOMMENDATION

The Board (including the independent non-executive Directors) is of the opinion that the terms and conditions of the Subscription Agreement and the VC Placed Bonds are fair and reasonable and on normal commercial terms and that the issue of the VC Placed Bonds is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Independent Shareholders vote in favour of the resolution, as set out on pages 53 to 55 of this circular, to be proposed at the SGM to approve the issue of the VC Placed Bonds and the transactions contemplated thereunder.

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

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

5 November 2011

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION:
ISSUE OF 6% CONVERTIBLE BONDS DUE 2016
IN THE PRINCIPAL AMOUNT OF HK\$77,800,000 TO KINGLY PROFITS**

We refer to the circular of the Company dated 5 November 2011 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall bear the same meanings as defined in the Circular when used herein unless the context otherwise requires.

We have been appointed by the Board to consider and advise the Independent Shareholders as to whether the terms of the issue of the VC Placed Bonds and the transactions contemplated thereunder, as set out in the letter from the Board contained on pages 8 to 31 of the Circular, are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Having considered the principal reasons and factors considered by, and the advice of the Independent Financial Adviser as set out on pages 33 to 47 of the Circular, we are of the opinion that the terms of the issue of the VC Placed Bonds and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM, as set out on pages 53 to 55 of the Circular, to approve the issue of the VC Placed Bonds and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee

Yuen Wai Ho

Independent non-executive

Director

Chow Siu Ngor

Independent non-executive

Director

Lee Ka Lun

Independent non-executive

Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Ample Capital Limited setting out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

AmCap
Ample Capital Limited
豐盛融資有限公司

Ample Capital Limited
Unit A, 14th Floor
Two Chinachem Plaza
135 Des Voeux Road Central
Hong Kong

5 November 2011

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

**CONNECTED TRANSACTION:
ISSUE OF 6% CONVERTIBLE BONDS DUE 2016
IN THE PRINCIPAL AMOUNT OF HK\$77,800,000 TO KINGLY PROFITS**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the issuance of the VC Placed Bonds, details of which are set out in the “Letter from the Board” in the circular dated 5 November 2011 to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter have the same meanings as defined elsewhere in the Circular unless the context requires otherwise.

HK\$77,800,000 in principal amount of the Bonds shall be issued by the Company to Kingly Profits, a company indirectly wholly-owned by VC, a Director and Substantial Shareholder, subject to, among other conditions precedent, the Independent Shareholders’ approval. By virtue of VC being a connected person of the Company, Kingly Profits as VC’s associate is also a connected person of the Company. As such, issuance of the VC Placed Bond is a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is therefore subject to the approval by the Independent Shareholders at the SGM. VC and his associates will abstain from voting at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, established for the purpose of advising the Independent Shareholders in relation to the issue of the VC Placed Bonds and the transactions contemplated thereunder, comprises all the independent non-executive Directors, namely Mr. Yuen Wai Ho, Mr. Chow Siu Ngor and Mr. Lee Ka Lun.

We, Ample Capital Limited, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the VC Placed Bonds are fair and reasonable so far as the Independent Shareholders are concerned and as to how the Independent Shareholders should vote at the SGM.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company and have assumed that such information, facts and opinions are true and accurate and will remain true up to the time of the SGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, or to doubt the truth or accuracy of the information provided. We have however not conducted an independent investigation into the business and affairs of the Group nor have we carried out any independent verification of the information supplied.

1. BACKGROUND AND REASONS FOR THE VC PLACED BONDS

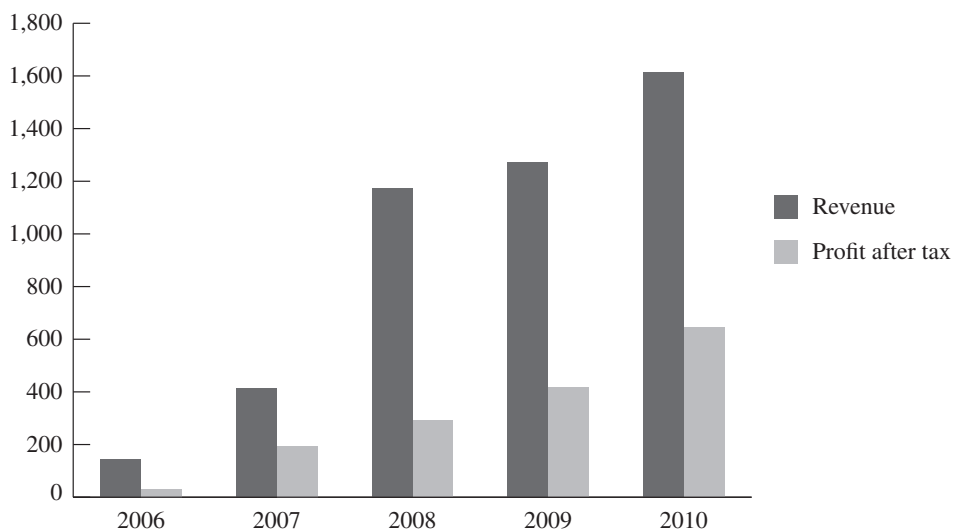
The Group is principally engaged in the provision of lottery related systems, machines and services for both Welfare and Sports Lotteries in the PRC. It has well diversified business portfolio with nationwide network that covers almost all types of lotteries in the PRC. The Group offers a comprehensive array of products and services, including lottery systems and games development, terminals production and maintenance, instant lottery design and printing, as well as distribution and marketing of lottery products.

The table and graphs below set out the financial information of the Group for the five financial years ended 31 December 2010 and 6 months ended 30 June 2010 and 30 June 2011.

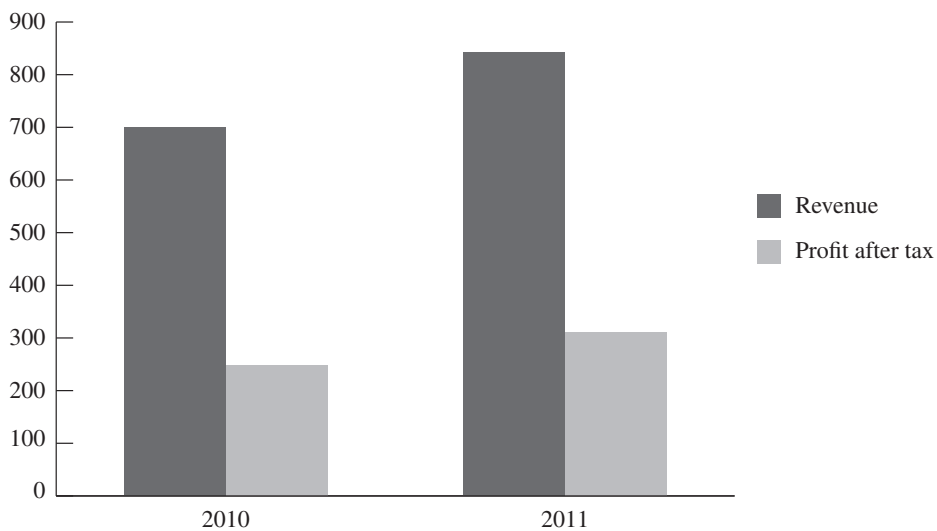
<i>In HK\$ million</i>	2006	Year ended 31 December				2010	Six months ended	
		2007	2008	2009	30 June		2010	2011
Revenue	145	413	1,173	1,272	1,614	700	843	
Profit after tax	31	194	291	416	644	248	311	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December (in HK\$ million)



For the six months ended 30 June (in HK\$ million)



LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In 2006, the Group expanded its business activities in China to the lottery business. Since then, the Group's turnover and profit have been on an upward trend notwithstanding the financial tsunami which struck the world in 2008. The Directors are confident that the China lottery market will again demonstrate its resilient nature in spite of the recent global financial turmoil. As a major participant in the industry, the Group remains optimistic about its business outlook for both short and long term. The Directors believe 2011 is a milestone year for the China lottery market which will lay the foundations and define the agenda for future growth, particularly for the "Twelfth Five-Year Plan" period started this year. With the introduction of the first national legislation on lottery and the subsequent provisional measures on electronic lottery distribution, the Directors believe the lottery issuing authorities have outlined a vital blueprint to promote sustainable development of the lottery industry. In the coming years, the evolution of those novel lottery distribution methods will open up immense opportunities for significant growth of the lottery market.

As stated in the Group's 2011 interim report, the improvement of lottery products and player experience coupled with technological advancements over the past few years have equipped the China lottery market for a proliferation of electronic lottery distribution channels. The Directors anticipated that the distinctive characteristics of electronic lottery distribution channels, such as mobility and interactivity, will facilitate the creation of a unique set of lottery products on these platforms. The Group is committed to working with international gaming design and lottery companies to develop related lottery products like electronic Scratch Card and high frequency games to take advantage of the new channels.

In addition, the above developments will effect fundamental changes to the underlying make-up of the stratified lottery consumer base as their purchasing capacities, habits and motivations vary from each other. The formation of a brand new segment of customer base which will mainly consist of white collar executives and youths who possess stronger spending power with great desire to play lottery anytime and anywhere will enable a quantum leap growth for the industry. After years of preparation, the Group has achieved a significant breakthrough in the launch of an electronic distribution channel through Mobile Electronic Lottery Platform in Liaoning province. With the expertise and successful experience gained from participating in the pilot testing program, the Group is well positioned to further extend its business coverage to other major lottery provinces as and when the opportunity arises.

In addition to positive impact on new products, the electronic lottery distribution channels could also realise the true potential of existing lottery products. The Directors believe the electronic lottery market is going to experience exponential growth in China over the next several years with a high possibility of exceeding the size of the traditional lottery market with its physical network. Therefore, the Group may engage in strategic acquisitions or co-operations in order to accomplish its goal.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors consider that the issue of the Bonds will provide the Group with strong capital support and it will be in a more advantageous position when the above mentioned expansion or investment opportunity arises.

2. BOND ISSUE AND THE VC PLACED BONDS

On 21 September 2011 the Company and the Lead Manager entered into the Subscription Agreement whereby the Company agreed to issue up to HK\$1,040,200,000 aggregate principal amount of 6% convertible bonds due 2016. Out of which, HK\$389,000,000 is fully-underwritten by the Lead Manager, HK\$505,700,000 is the Placed Bonds to be placed by the Lead Manager and the remaining HK\$145,500,000 is the Option Bonds which may be issued by the Company upon exercise of the option. Out of the HK\$505,700,000 Placed Bonds, HK\$77,800,000 is the VC Placed Bonds.

BOND ISSUE up to HK\$1,040,200,000			
Underwritten Bonds	Placed Bonds		Option Bonds
HK\$389,000,000 <i>(also known as Firm Bonds)</i>	HK\$505,700,000		Up to HK\$145,500,000
	VC Placed Bonds HK\$77,800,000	Non-VC Placed Bonds HK\$427,900,000 <i>(also known as Firm Bonds)</i>	<i>(HK\$70,000,000 was issued and the remaining HK\$75,500,000 was lapsed)</i>

On 28 September 2011, the Company announced that all the conditions precedent to the issue of the Firm Bonds under the Subscription Agreement have been satisfied and that completion of the issue of the Firm Bonds in the principal amount of HK\$816,900,000 took place on the same day. On 28 October 2011, the Lead Manager partially exercised the Option to subscribe for, and the Company shall, subject to the conditions precedent prescribed by the Subscription Agreement, issue, the Exercised Option Bonds in the principal amount of HK\$70,000,000. No further Option Bonds will be issued as the Option has lapsed after 28 October 2011 which is the 30th day following the Firm Bonds Closing Date. The Directors confirmed that the Firm Bonds and Exercised Option Bonds are issued to third parties independent of and not connected with the Company and any of its connected persons.

Only approximately 8.1% of the Bond Issue will be issued to VC, the remaining which represents more than 90% of the total Bond Issue of HK\$964,700,000 was issued to independent third parties. Bonds issued/to be issued under the Underwritten Bonds, the Placed Bonds, the VC Placed Bonds and the Option Bonds are subject to the same terms as stipulated under the Bond Issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. PRINCIPAL TERMS OF THE VC PLACED BONDS

The VC Placed Bonds formed part of the Bond Issue. For the details of the principal terms of the Bonds (including the VC Placed Bonds) are summarised under the paragraph headed “Principal Terms of the Bonds” in the “Letter from the Board” of the Circular. Extract of the principal terms are stated as follow:

Issue Price: 100% of the principal amount of the Bonds, i.e. HK\$77,800,000 for the VC Placed Bonds.

Interest: The Bonds bear interest from (and including) 28 September 2011, at the rate of 6% per annum payable semi-annually in arrear on 28 March and 28 September in each year.

Since the Exercised Option Bonds and the VC Placed Bonds will fall to be issued after 28 September 2011, any interest accrued from (and including) 28 September 2011 up to (but excluding) the Option Closing Date or the VC Placed Bonds Closing Date, as the case may be, will be payable by the respective subscribers to the Company upon completion of such Bonds.

Maturity date: 28 September 2016.

Conversion period: On or after 8 November 2011 up to and including 18 September 2016.

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

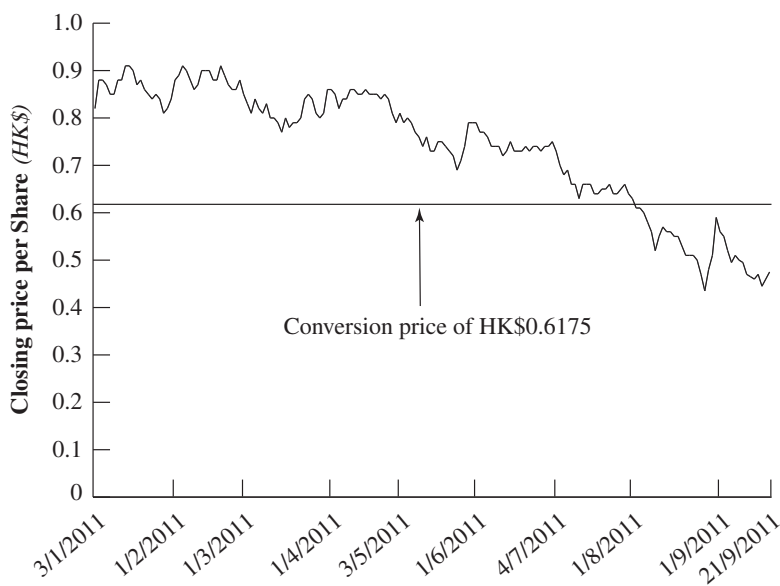
Final Redemption: Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the Terms and Conditions, the Company will redeem each Bond at its principal amount together with accrued but unpaid interest thereon on the Maturity Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.1 Conversion Price

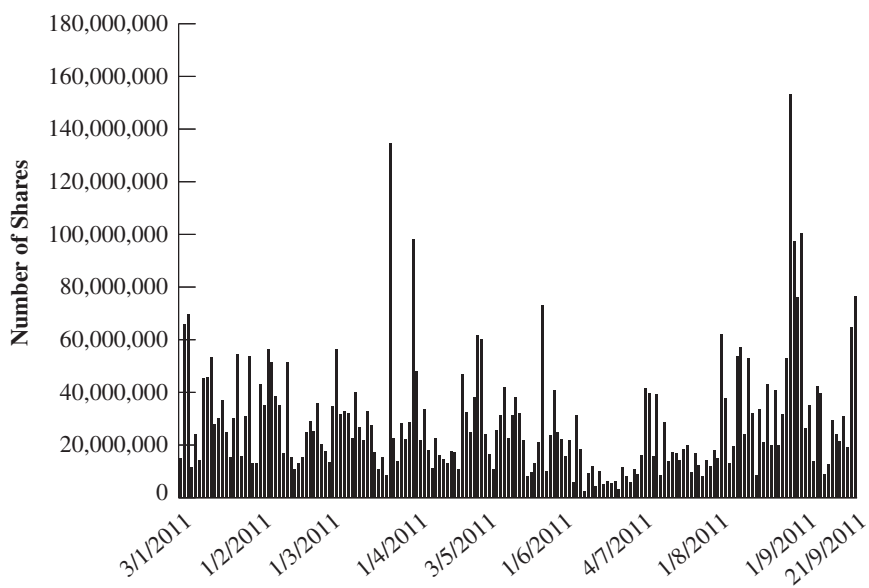
Set out below are charts showing the closing price and daily trading volume of the Shares on the Hong Kong Stock Exchange this year ended 21 September 2011 (the “**Review Period**”), being the Last Trading Day.

Closing price per Share on the Hong Kong Stock Exchange



Source: <http://www.hkex.com.hk/>

Trading volume



Source: <http://www.hkex.com.hk/>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

- (i) discounts of approximately 16.20% and 32.14% over average closing price of HK\$0.7369 and the highest closing price of HK\$0.91 per Share for the Review Period respectively.
- (ii) a premium of approximately 41.95% over the lowest closing price of HK\$0.435 per Share for the Review Period.
- (iii) a premium of approximately 30.27% over volume weighted average closing price of HK\$0.474 per Share for the last ten consecutive trading days up to and including the Last Trading Day.
- (iv) a premium of approximately 34.88% over the volume weighted average closing price of HK\$0.4578 per Share for the last five consecutive trading days up to and including the Last Trading Day.
- (v) a premium of 30.00% over the closing price of HK\$0.475 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day.

The Conversion Price was determined after arm's length negotiations between the Company and the Lead Manager with reference to the closing price of the Shares quoted on the Hong Kong Stock Exchange on 21 September 2011.

Although the Conversion Price represents a discount of approximately 16.20% over the average closing price of HK\$0.7369 and a discount of approximately 32.14% over the highest closing price of HK\$0.91 per Share for the Review Period, there is no guarantee that the Share Price will go back to the level of early 2011 in the near future, especially when the Shares have been trading below the Conversion Price since 2 August 2011 under current market condition. Moreover, the Company is given the option at any time after 28 September 2014 and prior to the Maturity Date to redeem in whole, or in part, the Bonds provided that the Closing Price of the Shares for each of 20 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption is published, was at least 130% of the prevailing Conversion Price. Therefore, once the Share Price is trading at above HK\$0.80 level for a period of time, the Company has the right to redeem the Bonds and as such, the Company's interest can be protected.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the Conversion Price, we have also identified a number of Hong Kong listed companies (“**Comparable Companies**”) which have issued convertible instruments during the two months ended the Last Trading Day.

Name of company (stock code)	Date of announcement	Premium/ (discount) of conversion price to the closing price as at the last trading day prior to the release of the announcement %
Hsin Chong Construction Group Ltd. (404)	28 July 2011	(2.50)
Haier Electronics Group Co., Ltd. (1169)	2 August 2011	9.97
China Resources and Transportation Group Limited (269)	2 August 2011	8.10
Birmingham International Holdings Limited (2309)	2 August 2011	(18.83)
Eternite International Company Limited (8351)	8 August 2011	11.10
China Water Industry Group Limited (1129)	18 August 2011	(0.99)
TLT Lottotainment Group Limited (8022)	23 August 2011	(36.84)
Netel Technology (Holdings) Limited (8256)	25 August 2011	42.86
EPI (Holdings) Limited (689)	25 August 2011	(6.25)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Name of company (stock code)	Date of announcement	Premium/ (discount) of conversion price to the closing price as at the last trading day prior to the release of the announcement %
CVM Minerals Limited (705)	2 September 2011	(12.30)
Beijing Development (Hong Kong) Limited (154)	15 September 2011	1.65
The Company	22 September 2011	30.00
	Minimum	(36.84)
	Maximum	42.86

Source: <http://www.hkex.com.hk/>

The Conversion Price represented a premium of 30% over the Share price of the Last Trading Day which is within the range of a discount of about 37% and a premium of about 43% of conversion price to the last closing price prior to the release of the announcement of the Comparable Companies.

3.2 Interest Rate Comparison

The table below shows the interest rate of the convertible instruments issued by the Comparable Companies.

Name of company (stock code)	Date of announcement	interest rate % p.a.
Hsin Chong Construction Group Ltd. (404)	28 July 2011	0
Haier Electronics Group Co., Ltd. (1169)	2 August 2011	3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Name of company (stock code)	Date of announcement	interest rate <i>% p.a.</i>
China Resources and Transportation Group Limited (269)	2 August 2011	9
Birmingham International Holdings Ltd (2309)	2 August 2011	5
Eternite International Company Limited (8351)	8 August 2011	0
China Water Industry Group Limited (1129)	18 August 2011	0
TLT Lottotainment Group Limited (8022)	23 August 2011	18
Netel Technology (Holdings) Limited (8256)	25 August 2011	4
EPI (Holdings) Limited (689)	25 August 2011	0
CVM Minerals Limited (705)	2 September 2011	10
Beijing Development (Hong Kong) Limited (154)	15 September 2011	1
The Company	22 September 2011	6
	Minimum	0
	Maximum	18

The 6% interest rate of the VC Placed Bonds falls within the range of convertible instruments interest rates of 0% to 18% issued by the Comparable Companies.

Most importantly, the VC Placed Bonds share the same Conversion Price and interest rate as those of other Bonds (Underwritten Bonds, non VC Placed Bonds and Option Bonds) which are placed/to be placed to independent third parties. Therefore, the Directors are of the view that the Conversion Price and the interest rate are fair and reasonable as far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. POTENTIAL DILUTION TO THE SHAREHOLDINGS OF THE SHAREHOLDERS UPON FULL CONVERSION OF THE VC PLACED BONDS

On 28 September 2011, the issuance of the Firm Bonds in the principal amount of HK\$816,900,000 by the Company has been completed. On 28 October 2011, the Lead Manager partially exercised the Option to subscribe for, and the Company shall, subject to the conditions precedent prescribed by the Subscription Agreement, issue, the Exercised Option Bonds in the principal amount of HK\$70,000,000. No further Option Bonds will be issued as the Option has lapsed after 28 October 2011 which is the 30th day following the Firm Bonds Closing Date.

The following table illustrates, respectively, (1) the shareholding structure assuming the Firm Bonds and Exercised Option Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.6175 each; (2) the shareholding structure assuming the Firm Bonds and Exercised Option Bonds are fully converted, and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each.

Shareholder	(1) Assuming the Firm Bonds and Exercised Option Bonds are fully converted into New Shares at the initial Conversion Price of HK\$0.6175 each		(2) Assuming the Firm Bonds and Exercised Option Bonds are fully converted, and the VC Placed Bonds are fully issued and converted, into New Shares at the initial Conversion Price of HK\$0.6175 each	
	<i>No. of Shares</i>	<i>% of issued share capital of the Company</i>	<i>No. of Shares</i>	<i>% of enlarged share capital of the Company</i>
VC and his associates (<i>Note 1</i>)	1,198,805,635	13.05	1,324,797,537	14.22
Ameriprise Financial Inc (<i>Note 2</i>)	696,817,050	7.58	696,817,050	7.48
Capital Research and Management Company (<i>Note 3</i>)	545,429,500	5.94	545,429,500	5.86
Public	5,311,672,815	57.80	5,311,672,815	57.02
Bondholders	1,436,275,302	15.63	1,436,275,302	15.42
	<u>9,189,000,302</u>	<u>100.00</u>	<u>9,314,992,204</u>	<u>100.00</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assumptions:

- (a) there will be no other change to the share capital of the Company from the Latest Practicable Date until the completion of the conversion of the Firm Bonds, the Exercised Option Bonds and the VC Placed Bonds in full, save for the issue of the New Shares as a result of the conversion of the Firm Bonds, the Exercised Option Bonds or the VC Placed Bonds (as the case may be); and
- (b) the Bondholders do not and will not hold any Shares other than the New Shares as a result of the conversion of the Firm Bonds, the Exercised Option Bonds or the VC Placed Bonds (as the case may be).

Notes:

1. VC is taken to be interested in 1,098,000,000 Shares held by Keen Start Limited and 100,805,635 Shares held by Kingly Profits Corporation. As at the Latest Practicable Date, each of Keen Start Limited and Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by VC.
2. Amongst the total of 696,817,050 Shares held by Ameriprise Financial Inc, 37,154,050 Shares were held by its wholly owned subsidiary, Columbia Management Investment Advisers, LLC and 659,663,000 Shares held by Columbia Wanger Asset Management LLC, which in turn is wholly owned by Columbia Management Investment Advisers, LLC.
3. The interest in these Shares was attributable on account of holding through corporations that are wholly owned by The Capital Group Companies, Inc, the owner of the entire shares of Capital Research and Management Company.

If we assume all the Bondholders exercise their right to convert the Bonds into the Shares, upon full conversion of the VC Placed Bonds, the shareholding of the Public Shareholders will be diluted slightly from 57.80% to 57.02%. Therefore, the dilution impact of full conversion of the VC Place Bonds on the Public shareholdings is considered minimal.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. FINANCIAL IMPACT OF THE VC PLACED BONDS

5.1 Net assets

The issuance the VC Placed Bonds will result in increase in non-current liability and cash. Since the amount involved in the VC Placed Bonds is only about HK\$77.8 million which represents only 1.9% of the Group's net asset of HK\$4,093 million as at 30 June 2011, it is expected that the issue of the VC Placed Bonds will not have any material impact on the Group's net asset value.

5.2 Liquidity

The issue of the VC Placed Bonds will, among other impact, increase the Company's non-current liability and cash, a current asset. Since the VC Placed Bonds is expected to have no material effect on current liabilities, its issue is expected to improve the Group's liquidity.

5.3 Gearing

The Company shall issue the VC Placed Bonds which is expected to result in an increase in debt by the principal amount of the VC Placed Bonds. At the same time, the Company's total assets is expected to increase by the amount of net proceeds of the VC Placed Bonds, an amount which is smaller than the principal amount of the VC Placed Bonds. Accordingly, the issue of the VC Placed Bonds is expected to slightly increase the Company's gearing ratio.

5.4 Earnings

The annual interest expense of about HK\$4.67 million will be incurred on the VC Placed Bonds, which only represents approximately 0.72% of the net profit of the Group for the financial year ended 31 December 2010.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION ON THE VC PLACED BONDS

Having taken into consideration the above principal factors and reasons, in particular:

- (1) the Group's turnover and profit are on an upward trend notwithstanding the financial tsunami which struck the world in 2008. The Directors are confident that the China lottery market will again demonstrate its resilient nature amidst recent concerns about a global financial downturn. The Directors believe its business development will continue to excel. They plan to extend the Group's business coverage to major lottery provinces as well as engage in strategic acquisitions/co-operation to expand its China electronic lottery market share as and when opportunities arise. The issuance of VC Placed Bonds will further improve the Group's capital strength and place the Group in a more advantageous position when these opportunities arise;
- (2) the Conversion Price and the interest rate of the VC Placed Bonds fall within the range of those of the convertible instruments issued by the Comparable Companies;
- (3) the VC Placed Bonds formed part of the Bond Issue of which more than 90% was issued to independent third parties. Therefore, the principal terms (including Conversion Price and interest rate) of the VC Placed Bonds are the same as those of the Bond Issue to the independent third parties;
- (4) the dilution impact upon full conversion of the VC Place Bonds on the Public shareholdings is about 1%, therefore, it is considered minimal; and
- (5) the size of the VC Placed Bonds is relatively small as compared with the Group's net asset value as at 30 June 2011 (less than 2%), so the financial impact of the VC Placed Bonds on the Group is insignificant.

We are of the view that the terms of the VC Placed Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the proposed resolution to approve the issuance of the VC Placed Bonds at the upcoming SGM.

Yours faithfully,
For and on behalf of
Ample Capital Limited

Jenny Chan
President
Investment Banking

H. W. Tang
President

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 matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of 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 were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Long position in the Shares and underlying Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of existing issued share capital of the Company
Chan How Chung, Victor	Interest of controlled corporation	1,198,805,635 <i>(Note)</i>	15.46%

Note: Mr. Chan How Chung, Victor is taken to be interested in 1,098,000,000 Shares held by Keen Start Limited and 100,805,635 Shares held by Kingly Profits Corporation. As at the Latest Practicable Date, each of Keen Start Limited and Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr. Chan How Chung, Victor. Kingly Profits Corporation agreed to purchase the VC Placed Bonds at the Conversion Price in accordance with the terms of the Subscription Agreement. Accordingly, Mr. Chan through Kingly Profits Corporation, is also deemed to be interested in 125,991,902 underlying Shares to be derived from the VC Placed Bonds, which represents approximately 1.63% of the Company's existing issued share capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or 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 were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

Substantial shareholders

Interest in the Company

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 of the Company 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 substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follow:

Name of Shareholders	Nature of interest	Number of shares held	Approximate percentage of existing issued share capital of the Company
Keen Start Limited	Beneficial owner	1,098,000,000 <i>(Note)</i>	14.16%
Ameriprise Financial Inc	Interest of controlled corporation	696,817,050	8.99%
Capital Research and Management Company	Investment manager	545,429,500	7.04%

Note: These Shares were 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 the same as the interest of Mr. Chan How Chung, Victor as disclosed in the section under “Disclosure of Interests – Directors and chief executive” 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 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, or who was, directly or indirectly, interested in 5% 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 SFO.

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any of its subsidiaries other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Ample Capital Limited	a licensed corporation to carry out Types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO

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

As at the Latest Practicable Date, Ample Capital Limited 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.

5. DIRECTORS' AND EXPERT'S INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors and Ample Capital Limited had, or have, any direct or indirect interest in any assets which had been or are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Company were made up. None of the Directors and Ample Capital Limited is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

6. COMPETING INTERESTS

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, is disclosed as follows:

Name of company	Competing business
RPI Finance Limited ("RPI")	Money lending
D & M Finance Limited ("D&M")	Money lending
TKR Finance Limited ("TKRF")	Money lending

Mr. Chan How Chung, Victor is a director and deemed to be the substantial shareholder of RPI and TKRF. He is a director of D&M. The terms and conditions of the financing loans of each of RPI, D&M and TKRF 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.

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 2010, the date to which the latest published audited financial statements of the Group were made up.

8. MISCELLANEOUS

- (i) The company secretary of the Company is Ms. Ng Yuen Yee, who is an associate member of The Hong Kong Institute of Chartered Secretaries.
- (ii) 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.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong, Suite 2601, 26/F., Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the SGM:

- (i) the Subscription Agreement;
- (ii) the written consent from Ample Capital Limited as referred to in section 4 headed "Expert and Consent" in this appendix;
- (iii) the letter from the Independent Board Committee, the text of which is set out on page 32 in this circular;
- (iv) the letter of advice from Ample Capital Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 33 to 47 in this circular; and
- (v) this circular.

NOTICE OF SGM

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 of REXLot Holdings Limited (the “**Company**”) will be held on Tuesday, 22 November 2011 at 4:30 p.m. at Suite 2601, 26/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong for the purposes of considering, and if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the terms of the subscription agreement dated 21 September 2011 (the “**Subscription Agreement**”) entered into between the Company as Issuer and Daiwa Capital Markets Hong Kong Limited as Lead Manager (details relating to the Subscription Agreement are set out in the circular of the Company dated 5 November 2011 and a copy of the Subscription Agreement marked “A” has been produced to the SGM and initialled by the chairman of the SGM for the purpose of identification), to the extent that they are related to the VC Placed Bonds (as defined below), be and are hereby approved, confirmed and ratified;
- (b) the creation and issue by the Company, pursuant to the Subscription Agreement, of the principal amount of HK\$77,800,000 of its 6% convertible bonds due 2016 (the “**VC Placed Bonds**”) to Kingly Profits Corporation, be and are hereby approved;

NOTICE OF SGM

- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the New Shares (as defined below) to be allotted and issued upon the conversion of the VC Placed Bonds, the directors (“**Directors**”) of the Company be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot and issue, credited as fully paid, such number of ordinary shares (the “**New Shares**”) in the capital of the Company as may be required to be issued upon the exercise of the conversion rights attaching to the VC Placed Bonds at an initial conversion price of HK\$0.6175 per Share (subject to adjustment pursuant to the terms of the VC Placed Bonds), on and subject to the terms and conditions of the VC Placed Bonds, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 29 June 2011;
- (d) all the transactions contemplated under the Subscription Agreement in connection with the issue of the VC Placed Bonds (collectively referred to as the “**Transactions**”) be and are hereby approved; and
- (e) the Directors be and are hereby authorised to do all such acts and things and sign and execute all such documents as they consider necessary or expedient in connection with the issue of the VC Placed Bonds, the allotment and issue of the New Shares upon conversion of the VC Placed Bonds and/or to give effect to the terms of, or the Transactions contemplated by, the Subscription Agreement.”

For and on behalf of the Board of
REXLot Holdings Limited
Ng Yuen Yee
Company Secretary

Hong Kong, 5 November 2011

Registered office:
Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
Suite 2601, 26/F., Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

NOTICE OF SGM

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, to vote on his 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, 26/F Tesbury Centre, 28 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 so 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 Listing Rules, voting on the ordinary resolution as set out above will be conducted by way of poll.