THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the securities of the Company may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of the Prospectus Documents and the consent letter referred to in paragraph headed "Qualification and consent of expert" in appendix III to this prospectus have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

新濠環彩
MelcoLot

MelcoLot Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

OPEN OFFER ON THE BASIS OF THREE (3) OFFER SHARES FOR EVERY TEN (10) EXISTING SHARES

Sole Financial Adviser on the Open Offer to the Company

citi

Underwriters

citi

Deutsche Bank

Terms used in this cover page have the same meanings as defined in this prospectus.

The Latest Time for Acceptance of and payment for the Offer Shares is at 4:00 p.m. on Thursday, 22 May 2014. The procedure for application is set out on pages 16 to 17 of this prospectus.

The Open Offer is conditional upon, among others, the fulfillment or waiver of the conditions set out under the section headed "Conditions of the Open Offer" and the paragraph headed "Termination of the Underwriting Agreement" in this prospectus.

Shareholders should note that the existing Shares have been dealt in on an ex-entitlement basis since Monday, 28 April 2014. If the Underwriters terminate the Underwriting Agreement, or if any of the conditions of the Open Offer is not fulfilled, the Open Offer will not proceed. Any Shareholder or other person dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be on or before 5:00 p.m. on Monday, 26 May 2014) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Thursday, 8 May 2014

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

Page

The expected timetable for the Open Offer as set out below is for indicative purpose only and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled. The expected timetable is subject to change, and any change will be announced in a separate announcement by the Company as and when appropriate.

	2014
Publication of the announcement of the first quarter results of the Company for the three months ended 31 March 2014	Monday, 12 May
Latest time for acceptance of and payment for the Offer Shares	4:00 p.m., Thursday, 22 May
Latest time for the Open Offer to become unconditional	5:00 p.m., Monday, 26 May
Announcement of results of the Open Offer on the GEM's website	Wednesday, 28 May
Certificates for the Offer Shares to be despatched on or before	Thursday, 29 May
Dealings in the fully-paid Offer Shares commence	Friday, 30 May

All references to times and dates in this prospectus are references to Hong Kong local times and dates.

Effect of bad weather on the Latest Time for Acceptance

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Thursday, 22 May 2014, being the date of the Latest Time for Acceptance:

(i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same business day; or

(ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Thursday, 22 May 2014, the dates mentioned in the section headed "Expected timetable" in this prospectus may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE OPEN OFFER

If at any time prior to the Latest Time for Termination:

(a) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of either of the Underwriters, or there has been a breach on the part of the Company or MLV of any other provision of the Underwriting Agreement, either of the Underwriters has reasonable cause to believe that any such beach has occurred;

(b) any event occurs or matters arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings given under the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, incorrect, incomplete or misleading in any respect, comes to the knowledge of either of the Underwriters;

(c) any statement contained in this prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect;

(d) matters have arisen or have been discovered which would, if this prospectus was to be issued at the time, constitute a material omission therefrom;

(e) there is any adverse change in the business or in the financial or trading position or prospects of any member of the Group which, in the opinion of the Underwriters, is material in the context of the issue of the Offer Shares; or

(f) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):

    (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, fiscal, regulatory, currency or market matters or conditions or equity securities or stock or other financial conditions or any monetary or trade settlement system (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the United Kingdom or the PRC;

    (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgments, decrees or rulings of any governmental authority (the "**Laws**") or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;

(iii) any event of force majeure affecting Hong Kong, the United States, the United Kingdom or the PRC including, without limitation, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance);

(iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange or the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong due to exceptional financial circumstances or otherwise;

(v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the United States, the United Kingdom or the PRC; or

(vi) any suspension of dealings in the Shares for a period of over five consecutive business days (other than as a result of announcing the Open Offer),

which, in the opinion of the Underwriters:

(i) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;

(ii) has or will have or is likely to have a material adverse impact on the success of the Open Offer or dealings in the Offer Shares in the secondary market; or

(iii) makes it impracticable, inadvisable or inexpedient to proceed with the Open Offer on the terms and in the manner contemplated in the Announcement and this prospectus,

then in any such case the Underwriters may jointly by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

If the Underwriters terminate the Underwriting Agreement, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriters.

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

"Announcement"	the announcement of the Company dated 11 April 2014 in respect of, among other things, the Open Offer
"Application Form"	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares
"Approved LVM"	the lottery vending machines with specification approved and selected by the CSLA upon authentication, being the lottery vending machines approval and selection process conducted by the CSLA at the very beginning of the lottery vending machines procurement cycle that the authorised distributor must provide the specifications and models of lottery vending terminals to the CSLA for its evaluation and selection before supplying such particular approved model to the CSLA, from time to time
"associates"	has the meaning ascribed thereto in the GEM Listing Rules
"Beijing Telenet"	Beijing Telenet Information Technology Ltd.# (北京電信達信息技術有限公司), a company established in the PRC, 52.5% of the entire equity interest of which is indirectly beneficially owned by the Company and the remaining 5.0%, 5.0% and 37.5% of the entire equity interest of which are owned by Mr. Ding Jingge, Mr. Li Xuefeng and Beijing Haiyin Huacai Information Technology Limited# (北京海熒華彩信息技術有限公司) respectively
"Board"	the board of Directors
"business day"	any day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Citi"	Citigroup Global Markets Asia Limited, a company incorporated in Hong Kong with limited liability, one of the Underwriters and the sole financial adviser
"Company"	MelcoLot Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM

"CSLA"	the China Sports Lottery Administration Centre of the PRC, the state-owned exclusive sports lottery operator responsible for the administration of the issuance of sports lotteries in the PRC at a national level
"CWL"	the China Welfare Lottery Issuance Centre of the PRC, the state-owned exclusive welfare lottery operator responsible for the administration of the issuance of welfare lotteries in the PRC at a national level
"Deutsche Bank"	Deutsche Bank AG, Hong Kong Branch, one of the Underwriters
"Directors"	directors of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) (as defined in the GEM Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
"Intradak"	Beijing Intradak System Technology Co., Ltd.# (北京英特達系統技術有限公司), a company established in the PRC with limited liability and owned as to 35% and 65% by Beijing Haiyin Huacai Information Technology Limited# (北京海熒華彩信息技術有限公司) and two Independent Third Parties respectively
"Last Trading Day"	10 April 2014, being the last trading day of the Shares on the Stock Exchange immediately preceding the date of the Underwriting Agreement
"Latest Time for Acceptance"	4:00 p.m. on Thursday, 22 May 2014 or such other date and/or time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of, and payment for, the Offer Shares as described in this prospectus

"Latest Time for Lodging"	4:30 p.m. on Tuesday, 29 April 2014 or such other date and/or time as may be agreed between the Company and the Underwriters, being the latest time for lodging transfer of the Shares and/or exercising the Share Options in order to qualify for the Open Offer
"Latest Time for Termination"	5:00 p.m. on the second business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters, being the latest time to terminate the Underwriting Agreement
"Latest Practicable Date"	30 April 2014, being the latest practicable date for the purpose of ascertaining certain information included in this prospectus
"Melco"	Melco International Development Limited, a company incorporated in Hong Kong and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code 200
"MLV"	Melco LottVentures Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Melco, the controlling Shareholder holding 983,626,409 Shares, representing approximately 40.69% of the total issued share capital of the Company as at the Latest Practicable Date
"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Open Offer
"Offer Share(s)"	the new Share(s) to be allotted and issued under the Open Offer, which will be a total of 725,224,723 Offer Shares
"Open Offer"	the offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
"Overseas Shareholder(s)"	the Shareholders with addresses in the register of members of the Company as at the close of business on the Record Date which are outside Hong Kong
"Posting Date"	8 May 2014 or such later date as may be agreed between the Underwriters and the Company, being the date for the despatch of the Prospectus Documents

"PRC"	the People's Republic of China, which for the purpose of this prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus Documents"	collectively, this prospectus and the Application Form
"Qualifying Shareholders"	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
"Record Date"	7 May 2014 or such other date as may be agreed between the Company and the Underwriters, being the date for the determination of the entitlements under the Open Offer
"Relevant Proportion"	50% in respect of Citi and 50% in respect of Deutsche Bank
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share Option Schemes"	collectively, (i) the share option scheme adopted by the Company and became effective on 20 April 2002 which came into effect after the initial listing of the Shares on GEM on 17 May 2002 and expired on 20 April 2012; and (ii) the share option scheme adopted by the Company and became effective on 18 May 2012
"Share Options"	options to subscribe for Shares granted under the Share Option Schemes
"Share Options Holders"	holders of the Share Options
"Share(s)"	existing share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Shares
"Shareholder Loan"	the outstanding loan with a principal amount of HK$240,506,000 owed by the Company to MLV
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.90 per Offer Share
"Underwriters"	Citi and Deutsche Bank

"Underwriting Agreement"	the underwriting agreement dated 11 April 2014 and entered into among the Company, MLV and the Underwriters in relation to the Open Offer
"Underwritten Shares"	430,136,801 Offer Shares, being the total number of Offer Shares less the number of Offer Shares which MLV has undertaken to take up under the Open Offer
"Wu Sheng"	Wu Sheng Computer Technology (Shanghai) Co., Ltd.# (伍盛計算機科技（上海）有限公司), a company established in the PRC with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

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

MelcoLot Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

Directors:
Mr. Tsui Che Yin, Frank* *(Chairman)*
Mr. Ko Chun Fung, Henry# *(Chief Executive Officer)*
Mr. Tsang Yuen Wai, Samuel#
Mr. Tam Chi Wai, Dennis#
Mr. Tsoi, David+
Mr. Pang Hing Chung, Alfred+
Ms. Chan Po Yi, Patsy+

Executive Director
* Non-executive Director
+ Independent Non-executive Director

Registered office:
Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 3701, 37th Floor
The Centrium
60 Wyndham Street
Central, Hong Kong

8 May 2014

To the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders

Dear Sir or Madam,

OPEN OFFER ON THE BASIS OF THREE (3) OFFER SHARES FOR EVERY TEN (10) EXISTING SHARES

1. INTRODUCTION

On 11 April 2014, the Company announced the Open Offer at the Subscription Price of HK$0.90 per Offer Share on the basis of three (3) Offer Shares for every ten (10) existing Shares held on the Record Date and the entering into of the Underwriting Agreement with the Underwriters on 11 April 2014 in relation to the Open Offer.

The purpose of this prospectus is to provide you with, among other things, further details regarding the Open Offer, including (i) the procedures for application and payment for the Open Offer; (ii) certain financial information of the Group; and (iii) general information of the Group.

2. THE OPEN OFFER

Issue Statistics

Basis of the Open Offer:	three (3) Offer Shares for every ten (10) existing Shares held on the Record Date
Number of existing Shares in issue:	2,417,415,745 Shares as at the Latest Practicable Date
Number of Open Offer Shares to be issued:	725,224,723 Offer Shares
Aggregate nominal value of the Offer Share:	HK$7,252,247.23
Subscription Price:	HK$0.90 per Offer Share payable in full on application
Enlarged issued share capital upon completion of Open Offer (assuming no new Shares have been allotted and issued before completion of the Open Offer):	3,142,640,468 Shares

725,224,723 Offer Shares to be issued pursuant to the terms of the Open Offer represent 30% of the total issued share capital of the Company as at the Latest Practicable Date and 23.1% of the total enlarged issued share capital of the Company immediately upon completion of the Open Offer (assuming no new Shares are issued except pursuant to the Open Offer between the Latest Practicable Date and completion of the Open Offer).

As at the Latest Practicable Date, the Company has outstanding Share Options which entitle the Share Option Holders to subscribe for 40,273,868 Shares upon exercise in full of the subscription rights attaching thereto. Save as disclosed above, the Company does not have any other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The undertakings

(a) Taking up the assured entitlement by MLV

As at the Latest Practicable Date, MLV owned 983,626,409 Shares, representing approximately 40.69% of the total issued share capital of the Company. Pursuant to the Underwriting Agreement, MLV has irrevocably undertaken to the Company and to the Underwriters to subscribe for, and procure the subscription for 295,087,922 Offer Shares, being its full entitlement to the Offer Shares in respect of the Shares which are registered in its name on the date of the Underwriting Agreement (and which MLV has undertaken to the Company and the Underwriters will remain registered in the same name on the Record Date).

Save as disclosed above, as at the Latest Practicable Date, the Board has not received any indication or irrevocable undertakings from any other Shareholders of their intention to take up their respective entitlement to the Open Offer either in part or in full. The Board also has not received any indication or irrevocable undertakings from any of the Share Options Holders of their intention not to exercise the subscription rights to subscribe for Offer Shares on or before the Record Date.

(b) Non-disposal undertaking given by MLV

Pursuant to the Underwriting Agreement, MLV further undertakes to the Underwriters that for a period of three months from the date of despatch of the certificates for the Offer Shares, it will not and shall procure that none of its nominees and its associates (whether individually or together and whether directly or indirectly) will:

(i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Offer Shares) or any interests therein beneficially owned or held by MLV or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;

(ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk or ownership of such Shares, whether any such transaction described in paragraph (i) above or this paragraph (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

(iii) announce any intention to enter into or effect any such transaction described in paragraphs (i) or (ii) above,

unless with the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed).

(c) Anti-dilution undertaking given by the Company

The Company undertakes to the Underwriters, and MLV undertakes to the Underwriters to procure, that for the period from the date of the Underwriting Agreement and ending on the date which is three months from the date of despatch of the certificates for the Offer Shares, the Company will not (except for the Offer Shares and save for the issue, grant or award of options or Shares: (i) pursuant to the Share Option Schemes or other reward or incentive plans, arrangements, policies and/or schemes that may from time to time be adopted or determined by the Company for the purpose of providing incentives and rewards to employees, directors, advisers and consultants of Melco and the Group; or (ii) without prejudice to (i) above, to the employees, directors, advisers and consultants of Melco and the Group in recognition of their performance or contributions to or regarding business or development of the Group, provided that all such issue, grant or award of options or Shares shall not, in aggregate, exceed 10% of the total issued share capital of the Company as at the date of completion of the Open Offer):

(i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;

(ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (i) above; or

(iii) announce any intention to enter into or effect any such transaction described in paragraph (i) or (ii) above,

unless with the prior written consent of the Underwriters (such consent not to be unreasonably withheld or delayed).

Terms of the Open Offer

Subscription Price

The Subscription Price is HK$0.90 per Offer Share, payable in full when a Qualifying Shareholder applies for the Offer Shares.

The Subscription Price represents:

(a) a discount of approximately 23.7% to the closing price of HK$1.18 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement;

(b) a discount of approximately 24.4% to the closing price of HK$1.19 per Share quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 25.1% to the average of the closing prices of approximately HK$1.202 per Share for the last five trading days up to and including the Last Trading Day;

(d) a discount of approximately 24.9% to the average of the closing prices of approximately HK$1.198 per Share for the last ten trading days up to and including the Last Trading Day;

(e) a discount of approximately 19.9% to the theoretical ex-entitlement price of approximately HK$1.1231 per Share based on the closing price of HK$1.19 per Share quoted on the Stock Exchange on the Last Trading Day; and

(f) a discount of approximately 25.0% to the closing price of HK$1.20 per Share quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation among the Company and the Underwriters with reference to, among other things, the then market price and trading liquidity of the Shares under the prevailing market. The Directors consider the terms of the Open Offer and the Subscription Price to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net price per Offer Share will be approximately HK$0.88.

Fractions of the Offer Shares

Fractions of Offer Shares will not be allotted and entitlements will be rounded down to the nearest whole number. Offer Shares representing the aggregate of fractions of Offer Shares will be allotted to the Underwriters or the Underwriters' nominee.

Qualifying Shareholders will be entitled to subscribe for 3 Offer Shares for every integral multiple of 10 Shares. Any Qualifying Shareholder who holds a balance of less than an integral multiple of 10 Shares will not be entitled to any Offer Share for such balance.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company and is negotiated on an arm's length basis with the Underwriters, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriters.

Odd lots arrangements

The Company will not procure an agent to arrange for odd lots matching service.

In view that all Shareholders are treated equally, and additional costs and efforts will need to be put in to administer the odd lots matching service, the Directors consider that the absence of matching service arrangement is not uncommon and the interests of the Shareholders will not be prejudiced.

Status of the Offer Shares

When allotted, issued and fully-paid, the Offer Shares will rank pari passu in all respects with the existing Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Offer Shares.

Share Certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer and the Underwriting Agreement, certificates for all Offer Shares are expected to be posted by ordinary post to those Shareholders who have accepted and (where applicable) applied for and paid for the Offer Shares at their own risk on or before Thursday, 29 May 2014.

Application for listing

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. No part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

The primary listing of the Shares is on the Stock Exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares which are registered in Hong Kong will be subject to the payment of stamp duty and other applicable fees in Hong Kong.

Board lot size of the Offer Shares

The board lot size of the Offer Share will remain as 4,000 Shares.

3. QUALIFYING SHAREHOLDERS AND RIGHTS OF THE NON-QUALIFYING SHAREHOLDERS

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company has sent (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) this prospectus for information only, to the Non-Qualifying Shareholders. To qualify for the Open Offer, the Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder.

Rights of the Non-Qualifying Shareholders

This prospectus has not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. There were five Overseas Shareholders on the Record Date with registered address located in the United States of America, South Korea and the PRC.

Having made enquiries regarding the legal restrictions under the laws of the United States of America, South Korea and the PRC and the requirements of the relevant regulatory body or stock exchanges, the Directors have been advised by its legal advisers that there are no specific legal restrictions and/or regulatory requirements applicable in the PRC in terms of offering the Offer Shares with respect to the Open Offer to the Overseas Shareholders whose registered addresses are in the PRC. In view of this, the Directors have decided to extend the Open Offer to the Overseas Shareholders whose registered addresses are in the PRC. Accordingly, such Overseas Shareholders together with the Shareholders with registered addresses in Hong Kong are the Qualifying Shareholders.

The Directors were informed by the Company's legal advisers as to the laws of the United States of America and South Korea that this prospectus or documents related to the Open Offer must be registered in the relevant places or comply with certain requirements under applicable exemptions before it may be extended to such Shareholders in the United States of America and South Korea. The Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholders in the United States of America and South Korea and such Overseas Shareholders will be regarded as Non-qualifying Shareholders as the extension of the Open Offer to the Non-Qualifying Shareholder would, or might, in the absence of compliance with registration or other exemption requirements or other special formalities, be unlawful or impracticable and the cost to be incurred would outweigh the possible benefits to the relevant Non-Qualifying Shareholder and the Company. The Company has sent a copy of this prospectus to each of the Non-Qualifying Shareholders for information only, but not the Application Form.

No action has been taken to permit the offering of the Offer Shares, or the distribution of this prospectus or the Application Form, in any territory or jurisdiction outside Hong Kong and the PRC. Accordingly, no person receiving a copy of this prospectus or the Application Form in any territory or jurisdiction outside Hong Kong and the PRC may treat it as an offer or invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or the Application Form outside Hong Kong and wishing to take up the Offer Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholders and/or residents in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholders and/or residents, the Overseas Shareholders and/or residents shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Offer Shares to any such Overseas Shareholders and/or residents, if at the Company's absolute discretion issuing the Offer Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. If you are in any doubt as to your position, you should consult your professional advisers.

4. PROCEDURES FOR ACCEPTANCE AND PAYMENTS

Qualifying Shareholders will find enclosed with this prospectus the Application Form which entitles the Qualifying Shareholders to subscribe, subject to payment, for the number (or any lesser number) of Offer Shares shown therein. If a Qualifying Shareholder wishes to exercise his/her/its rights to subscribe for the Offer Shares specified in the Application Form (or a number of Offer Shares less than that specified in the Application Form), the Qualifying Shareholder must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 22 May 2014. All remittances must be made by cheques or cashier's orders in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by a licensed bank in Hong Kong and made payable to "MelcoLot Limited – Open Offer Account" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:00 p.m. on Thursday, 22 May 2014, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured entitlements under the Open Offer.

All cheques and cashier's orders accompanying completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a cashier's order, will constitute a warranty by the applicant that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Application Form in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable or renounceable. No receipt will be issued in respect of any acceptance monies received.

If the conditions of the Underwriting Agreement are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be returned to the Qualifying Shareholders or, in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk on or before Thursday, 29 May 2014.

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, holding, disposing of or dealing in the Offer Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Open Offer accepts responsibility of any tax effects or liabilities of holders of the Offer Shares resulting from the application for, holding, disposal of, or dealing in the Offer Shares.

5. CONDITIONS OF THE OPEN OFFER

The Open Offer and completion of the Underwriting Agreement are conditional upon the satisfaction of the following conditions:

(1) the release of the Announcement pursuant to the GEM Listing Rules by no later than one business day after the date of the Underwriting Agreement;

(2) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the applicable laws not later than the Posting Date;

(3) the posting of the Prospectus Documents to the Qualifying Shareholders on the Posting Date and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date;

(4) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings (which shall not be later than 30 May 2014, or such other date as the Underwriter may accept);

(5) compliance by the Company with its obligations under the Underwriting Agreement; and

(6) compliance by MLV with its obligations under the Underwriting Agreement.

The Company shall use all reasonable endeavours to procure the fulfillment of all the conditions (1), (2), (3), (4) and (5) above and MLV shall use its reasonable endeavours to procure the fulfillment of condition (6) above by the Latest Time for Termination or such other date as the Company and the Underwriters may agree and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be reasonably required by the Underwriters and the Stock Exchange in connection with the listing of the Offer Shares. If any of the above conditions is not satisfied by the Latest Time for Termination or such other date as the Company and the Underwriters may agree, completion of the Open Offer will not proceed.

As at the Latest Practicable Date, save for condition (1) above, none of the above conditions have been satisfied. Conditions (2) and (3) above are expected to have been fulfilled on the Posting Date.

6. UNDERWRITING ARRANGEMENTS

The Underwriting Agreement

Date:	11 April 2014
Underwriters:	(i) Citi; and (ii) Deutsche Bank Pursuant to the Underwriting Agreement each of Citi and Deutsche Bank has severally agreed to underwrite their Relevant Proportion of the Underwritten Shares. In case that the actual number of the Underwritten Shares is an odd number, Citi will take up an additional one Underwritten Share on top of its Relevant Proportion To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Underwriters and their respective ultimate beneficial owners are Independent Third Parties
Number of Offer Shares:	725,224,723 Offer Shares
Number of Underwritten Shares:	430,136,801 Offer Shares
Commission:	3.0% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares at the time of the Announcement

The commission rate was determined between the Company and the Underwriter by reference to the market rate. The Directors (including the independent non-executive Directors) considers the terms of the Underwriting Agreement including the commission rate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

If at any time prior to the Latest Time for Termination:

(a) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of either of the Underwriters, or there has been a breach on the part of the Company or MLV of any other provision of the Underwriting Agreement, either of the Underwriters has reasonable cause to believe that any such beach has occurred;

(b) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings given under the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, incorrect, incomplete or misleading in any respect, comes to the knowledge of either of the Underwriters;

(c) any statement contained in this prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect;

(d) matters have arisen or have been discovered which would, if this prospectus was to be issued at the time, constitute a material omission therefrom;

(e) there is any adverse change in the business or in the financial or trading position or prospects of any member of the Group which, in the opinion of the Underwriters, is material in the context of the issue of the Offer Shares; or

(f) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):

(i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, fiscal, regulatory, currency or market matters or conditions or equity securities or stock or other financial conditions or any monetary or trade settlement system (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the United Kingdom or the PRC;

(ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgments, decrees or rulings of any governmental authority (the "**Laws**") or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;

(iii) any event of force majeure affecting Hong Kong, the United States, the United Kingdom or the PRC including, without limitation, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance);

(iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange or the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong due to exceptional financial circumstances or otherwise;

(v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the United States, the United Kingdom or the PRC; or

(vi) any suspension of dealings in the Shares for a period of over five consecutive business days (other than as a result of announcing the Open Offer),

which, in the opinion of the Underwriters:

(i) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;

(ii) has or will have or is likely to have a material adverse impact on the success of the Open Offer or dealings in the Offer Shares in the secondary market; or

(iii) makes it impracticable, inadvisable or inexpedient to proceed with the Open Offer on the terms and in the manner contemplated in the Announcement and this prospectus,

then in any such case the Underwriters may jointly by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

If the Underwriters terminate the Underwriting Agreement, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriters.

7. REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Company is undertaking the Open Offer to strengthen its capital base and provide sufficient surplus capital to support future business growth and any potential asset acquisitions or growth opportunities within or beyond the Company's existing principal business.

The Board is of the view that it is in the interest of the Company and the Shareholders as a whole to raise the capital through the Open Offer since it allows the Qualifying Shareholders to maintain their pro rata shareholding interests in the Company and continue to participate in the future growth and development of the Group should they wish to do so.

The estimated net proceeds from the Open Offer (after deducting the costs and expenses in relation to the Open Offer) are expected to be approximately HK$636.2 million. The Company intends to apply the net proceeds of the Open Offer in the following manner:

(i) as to approximately HK$251.5 million for the repayment of the outstanding Shareholder Loan and the interest accrued thereon up to 31 May 2014;

(ii) as to approximately HK$30.0 million to fund the development of the rapid draw game name "Shi Shi Cai" in Chongqing Municipality; and

(iii) the balance of the net proceeds to fund any potential growth and acquisition opportunities.

The principal amount of the Shareholder Loan is HK$240,506,000, which amount is unsecured and bearing interest at 3% per annum. As at the Latest Practicable Date, the amount of interest accrued was approximately HK$10.4 million. The Shareholder Loan was initially due to mature on 30 March 2014. The Company then requested MLV to extend the Shareholder Loan to 30 March 2015 and MLV agreed to the extension. The Company has undertaken to MLV that it will repay the Shareholder Loan once it has sufficient funds to do so.

Potential growth and acquisition opportunities are currently being actively explored by the Company, with discussions at preliminary stages. Growth and acquisition opportunities that the Group is currently evaluating include opportunities to further expand the existing principal lottery terminal business as well as opportunities in the integrated resorts, casinos and hotels industries. As the Company is still reviewing several opportunities, premature disclosure will unnecessarily bring disadvantages to the Company and the Shareholders due to the commercial sensitivities of such opportunities. Details of the future plans of the Group are set out in the section headed “Financial and Future Prospects of the Group” in Appendix I to this prospectus. The Company will make further announcement(s) in accordance with the GEM Listing Rules as and when any investment opportunity discussion reaches a sufficiently advanced stage.

8. SHAREHOLDING STRUCTURES

Set out below are shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Open Offer.

	As at the Latest Practicable Date		**Immediately following completion of the Open Offer assuming all Qualifying Shareholders fully take up their respective entitlement**		**Immediately following completion of the Open Offer assuming none of the Qualifying Shareholders (save and except MLV) take up their respective entitlement**	
	Number of Shares	*Approx.%*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
MLV	983,626,409	40.69	1,278,714,331	40.69	1,278,714,331	40.69
The Directors *(Notes 1 and 2)*	1,600,620	0.07	2,080,806	0.07	1,600,620	0.05
Underwriters						
Citi	–	–	–	–	215,068,401	6.84
Deutsche Bank	–	–	–	–	215,068,400	6.84
Other Shareholders	1,432,188,716	59.24	1,861,845,331	59.24	1,432,188,716	45.57
Total:	2,417,415,745	100.00	3,142,640,468	100.00	3,142,640,468	100.00

Notes:

1. As at the Latest Practicable Date, each of Mr. Tsoi David and Mr. Pang Hing Chung, Alfred, being the independent non-executive director, is interested in 100,620 Shares and 1,500,000 Shares, respectively. The Directors are also, in aggregate, interested in 21,524,120 Share Options as at the Latest Practicable Date.

2. Save for 21,524,120 Share Options are held by the Directors, 6,939,000 Share Options are held by the substantial Shareholder, 1,284,094 Share Options are held by the directors of subsidiaries, the remaining 10,526,654 Share Options are held by the employees and advisors of the Company.

The Company will take all appropriate steps to ensure that sufficient public float be maintained upon the completion of the Open Offer in compliance with Rule 11.23(7) of the GEM Listing Rules.

As at the Latest Practicable Date, save for the undertaking given by MLV to take up its assured entitlement under the Underwriting Agreement, no Shareholders have indicated they will take up their assured entitlements under the Open Offer or not.

9. WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders should note that existing Shares have been dealt in on an ex-entitlement basis since Monday, 28 April 2014. If the Underwriters terminate the Underwriting Agreement (see the paragraph headed "Termination of the Underwriting Agreement" above), or if any of the conditions of the Open Offer (see the section headed "5. Conditions of the Open Offer" above) is not fulfilled, the Open Offer will not proceed.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be on Monday, 26 May 2014) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

10. FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

11. RISK FACTORS

Shareholders and prospective investors should consider carefully all the information set out in this prospectus and, in particular, should evaluate the following risks in connection with an investment in the Company before making any investment decision (including the Open Offer) in relation to the Company.

Risks relating to the Group's business

Reliance on the major customer

Intradak has been the major customer of Beijing Telenet. For the year ended 31 December 2013, it accounted for approximately 72% of the Group's total revenue.

In the event that Intradak decides to terminate its business relationship with the Group, the Group may not be able to find a new customer(s) in a timely manner or on terms acceptable to the Group or at all, and any such new prospective customer(s) may not be able to replace the sales volume previously generated, which will adversely affect the sales performance of the Group and thus its overall results of operation and financial position.

It is further emphasised that given the strong reliance on a major customer, should there be business failure and any interruption in the business of Intradak arising from any unexpected or catastrophic events, the Group's business and hence its operation and financial position will be adversely affected.

Reliance on the major supplier

For the year ended 31 December 2013, Wu Sheng, being the largest supplier of the Group, accounted for approximately 98% of the Group's total purchase for the year ended 31 December 2013.

In the event Wu Sheng decides to terminate its business relationship with the Group, the Group may not be able to find a new supplier(s) in a timely manner or on terms acceptable to the Group or at all, and the Group's business, results of operations and financial condition could be adversely affected.

It is further emphasised that given the strong reliance on a major supplier, should there be business failure and any interruption in the business of Wu Sheng arising from any unexpected or catastrophic events, the Group's business and hence its operation and financial position will be adversely affected.

Reliance on key executives and personnel

Given the specialised nature of the business for which the Group conducts in, the future success of the Group will depend to a large extent on the continued efforts of the Directors and senior management of the Group as a whole. There is no assurance that these key executives or personnel will not voluntarily terminate their employment with the Group. Although the Group does not rely on any one particular Director or senior management staff of the Group, the loss of any of the Group's key executives or personnel could be detrimental to the ongoing success of the Group's operations.

The Group's continued success will also depend on its ability to attract and retain qualified personnel in order to manage its existing operations as well as its future growth. The Group may not be able to successfully attract, assimilate or retain the personnel they need and this could negatively impact on the Group's ability to expand their business effectively.

Risk relating to seasonality

The Group has historically experienced seasonality, which is expected to continue. The Group generally receives more orders in the second half of the year. The Directors believe the reason for this is that agents of the CSLA generally reduce conducting purchases and replacement of Approved LVM during the first half of the year where this period has PRC national holidays such as the New Year and the Chinese New Year in January and February and the "Golden Week" in early May when the mainland Chinese celebrate during Labour Day. Although the Company issues quarterly reports, investors should be aware that comparisons of sales and operating results between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied on as indicators of the Group's performance due to the seasonality factors.

The Group recorded loss attributable to Shareholders of approximately HK$17.1 million for the year ended 31 December 2013

For the financial year ended 31 December 2013, the Group recorded a turnover of approximately HK$54.6 million, representing a decrease of about 37.2% as compared with the turnover of approximately HK$86.9 million in the preceding year. Loss attributable to the Shareholders for the year ended 31 December 2013 amounted to approximately HK$17.1 million as compared with a profit of approximately HK$79.0 million attributable to the Shareholders in the preceding year. On 27 February 2014, the Board issued a profit warning announcement that, according to the unaudited consolidated management accounts of the Group, the unaudited consolidated loss of the Company for the year ended 31 December 2013, which was mainly attributable to the combined effect of (i) the absence of a non-operational gain on group restructuring of approximately HK$226.8 million as recorded in the year ended 31 December 2012 (details of which were disclosed in the announcement of the Company dated 3 May 2013); and (ii) the decrease in the revenue of the Group for the year ended 31 December 2013 by approximately 40% as compared with the revenue of the Group for the year ended 31 December 2012. There is no assurance that the Group will not incur further losses or that the existing business of the Group will become profitable in the near future.

Risk relating to the use of proceeds and seeking new investment opportunities

The Group intends to use part of the net proceeds from the Open Offer to fund potential growth and acquisition opportunities. The Group intends to examine potential investments where the Group can leverage its and Melco's strengths in the gaming, leisure and entertainment industries, including integrated resorts, casinos, hotels and lotteries located in emerging or frontier gaming destinations. As at the Latest Practicable Date, the Group has not entered into any definitive agreements with any other party in respect of any such investment. The Group may not be able to successfully identify and make investment in any growth and acquisition opportunities. Should the Board decide to pursue a potential substantial project acquisition opportunity, the Company will need to seek Shareholders' approval in accordance with the GEM Listing Rules, where appropriate. There is no assurance that the Group will succeed in obtaining the necessary shareholder approval in such case. Any future project opportunities may also require additional external future funding and there is no assurance that the Group will successfully secure funding for such opportunities.

Risk relating to potential future expansion into the gaming, leisure and entertainment industries

Although Melco and its affiliates' have investment and operation track record in small-scale to large integrated casino resorts developments, the Group currently does not operate in the integrated resorts, casinos and hotels industries. Should the Group expand into these new industries, there is no assurance that the Group would have the necessary resources and management expertise to succeed or deliver positive results based on the expected business plan. The Group may encounter risks and difficulties frequently experienced by companies with early stage operations in new industries. Some of the risks relate to the Group's ability to:

- raise additional capital, as required;
- respond to changing financial requirements;

- operate, support, expand and develop the Group's operations in new industries;
- attract and attain customers and qualified employees;
- maintain effective control of the Group's operating costs and expenses;
- maintain internal personnel, systems, control and procedures to ensure compliance with the regulatory requirements applicable to the gaming business as well as regulatory compliance as a public company;
- respond to competitive market conditions; and
- respond to changes in regulatory environment.

The gaming industry is also highly regulated globally across jurisdictions, and there is no assurance that the Group would be able to secure the necessary license to operate in the gaming industry and comply with the regulatory requirements. Any change in the relevant gaming laws or regulations, such as more stringent requirements on licensing, tax rates and other regulatory obligations including those for anti-monetary laundering, could be difficult to comply with or significantly increase the Group's costs, which could cause the Group's future projects to be unsuccessful.

Accordingly, the Group's future business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in markets that the Group will be operating in, and by changes in government policies or changes in laws and regulations or the interpretations of these laws and regulations.

Risk relating to potential future construction development project

When evaluating potential future investment opportunities, the Group would remain flexible in the investment structure and could be involved in an investment from pure operator (management contract basis) to owner-operator or financial investor. Should the Group decide to make any investment in future construction projects, the Group will be subject to significant development and construction risks, which could have a material impact on related project timetables, cost and the Group's ability to complete the projects.

All construction projects will be subject to a number of risks, including:

- lack of sufficient, or delays in availability of, financing;
- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;

- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;
- labor disputes or work stoppages;
- disputes with and defaults by contractors and subcontractors;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread of viruses such as H1N1 or H5N1;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or costs increases.

Risk relating to potential liability for the non-compliance with all regulatory requirements

The lottery industry is highly regulated and there is no assurance that the Group, in spite of its best efforts and intentions, would be able to procure, maintain and renew the necessary licenses to operate in the lottery industry and comply with the regulatory requirements at all times. In addition, as the lottery industry is still a developing and dynamic industry, central and local regulatory bodies may revise certain procedures and/or policies to adapt to prevailing industry practices. Any such changes may or may not be consistent with precedent practices.

According to the Telecommunications Regulations of the PRC (中華人民共和國電信條例#) (the "**Regulations**") and other laws and regulations, no organisation or individual may engage in telecommunications business activities in the PRC without obtaining a value-added telecommunication business operating permit (the "**Permit**"), failing which the non-compliance operator will be subject to a fine of 3 to 5 times of the revenue generated during the period of non-compliance with the Regulations and/or penalties which may include suspension of business of the non-compliance operator.

Since 2007, the Group through Shandong Kaichuangjiyuan Electronic Commerce Co. Ltd. (山東開創紀元電子商務信息有限公司#) ("**Shandong Kaichuangjiyuan**"), an indirect non-wholly-owned subsidiary of the Company, has been providing value-added telecommunication services to the Shandong Welfare Lottery Issuance Centre ("**Shandong CWL**"). The Permit obtained by Shandong Kaichuangjiyuan in 2008 expired in October 2013 and Shandong Kaichuangjiyuan is currently in the process of renewing the Permit. Since October 2013, Shandong Kaichuangjiyuan has continued to provide services to Shandong CWL. As such, under the Regulations, Shandong Kaichuangjiyuan could be subject to a potential fine of 3 to 5 times of the revenue generated during the period of non-compliance. Based on the accumulated revenue of approximately HK$1 million of Shandong Kaichuangjiyuan generated from its operation of the value-added telecommunication business from November 2013 to March 2014, Shandong Kaichuangjiyuan is potentially exposed to a maximum liability of approximately HK$5 million by the end of March 2014. The Board expects to resolve the renewal of the Permit within the year 2014. Shareholders and potential investors are advised to evaluate the risks of such potential liability of Shandong Kaichuangjiyuan in connection with the non-compliance with the Regulations and the renewal of the Permit, which may or may not be obtained.

Risk relating to the industry

Risk relating to the delays of terminal replacement by CSLA

As disclosed in the annual report of the Company for the year ended 31 December 2013, new terminal type approval of the CSLA has been delayed. The management is of the view that the terminal replacement cycle is slower than expected and demand from the customers are uncertain. In the event of any material delays in the customer's order, the Group's financial results and positions can be materially adversely affected as a result.

Risk relating to the Group's ability to keep up with technological changes in the PRC lottery industry in order to remain competitive

The Group's performance depends on the Group's ability to continually adapt its existing products and technological know-how, timely recruitment of personnel with the relevant skills and development of new lottery products and technologies which keep up with the latest technological trends in the PRC lottery industry. In order to remain competitive, the Group has to invest funds and resources, which include staff, offices and licences, to the continued research and development of existing and potential products and technologies. However, the effect of emerging and future technological changes in relation to product specifications to the Group's research and development plans or the level of technologies required by CSLA and CWL are unpredictable. The inability to respond to the technological developments and requirements in the PRC lottery industry may lead to the loss of business, therefore will adversely affect the Group's business operations and profitability. If the Group is not able to respond to new developments successfully or do not respond in a cost-effective way, the Group's operations and financial results could be materially adversely affected.

Risk relating to the PRC

Reliance on the PRC market

Most of the Group's assets are located in the PRC, and all of the Group's products and services are sold in the PRC market. If there is any adverse change in the financial, economic, industrial, political, fiscal, social, legal or regulatory conditions in the PRC, the Group's performance may be adversely affected.

Adverse changes in the PRC's economic conditions

The growth of the PRC lottery industry is linked to the PRC's economic conditions. In the event that the growth of the economy in the PRC is at a lesser pace than anticipated, the demand for lottery products may decline or grow at a lesser pace than anticipated and, therefore, the Group's operating results and profitability could be adversely affected.

Risk relating to the Open Offer

Termination of the Underwriting Agreement

Shareholders should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events stated in the paragraph headed "Termination of the Open Offer" in this prospectus on or before the Latest Time for Termination.

Protection to minority shareholders under Cayman Islands law

As a company incorporated in the Cayman Islands, the Company's corporate affairs are governed by the memorandum and the articles of association of the Company, the Companies Law and the common law of the Cayman Islands. Cayman Islands law relating to the protection of the interests of minority shareholders differs in certain respects from those established under statutes and under judicial precedents in Hong Kong or other jurisdictions. Such difference may mean that the remedies available to the Company's minority shareholders may be different from those they would otherwise have or are familiar with under the laws of Hong Kong or other jurisdictions.

12. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF THE SHARE OPTIONS

Adjustment to the exercise price and number of the outstanding Share Options may be required under the relevant terms of the Share Option Schemes. Further announcement will be made in this regard if deemed appropriate and necessary.

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
MelcoLot Limited
Ko Chun Fung, Henry
Executive Director and Chief Executive Officer

1. FINANCIAL INFORMATION

The audited financial information of the Group for each of the three years ended 31 December 2011, 2012 and 2013 can be referred to in the annual reports of the Company for the years ended 31 December 2011 (pages 37 to 103) (http://www.hkexnews.hk/listedco/listconews/GEM/2012/0330/GLN20120330950.pdf), 2012 (pages 41 to 109) (http://www.hkexnews.hk/listedco/listconews/GEM/2013/0327/GLN20130327275.pdf) and 2013 (pages 38 to 113) (http://www.hkexnews.hk/listedco/listconews/GEM/2014/0328/GLN20140328249.pdf) respectively. The above-mentioned financial information has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.melcolot.com).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 March 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the Group had an outstanding loan from its immediate holding company of approximately HK$250.3 million (comprising the principal amount of approximately HK$240.5 million and the interest incurred thereon).

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 March 2014 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group including the estimated net proceeds of the Open Offer, the Group's internally generated funds and the expectation that MLV, the Company's immediate holding company, will not demand repayment of the Shareholder Loan before 30 March 2015 unless the Group has adequate financial resources to do so, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND FUTURE PROSPECTS OF THE GROUP

Existing business

The Group is currently engaged in the provision of lottery-related technologies, systems and solutions for two state-run lottery operators, namely as CSLA and CWL, in the PRC. The Group is a distributor of high quality, versatile lottery terminals for the CSLA lottery projects. The Group has developed a wide presence by managing a network of retail outlets in the PRC, as well as a telephone betting system in Shandong Province, the PRC, for the distribution of computer-generated lottery tickets and lottery scratch cards. The Group also provides maintenance and upgrade services for the rapid draw lottery game namely "Shi Shi Cai" in Chongqing Municipality.

In mid 2009, the Group began work on a contract for Chongqing Welfare Lottery Issuance Centre ("**Chongqing CWL**") to provide upgrade and maintenance services for "Shi Shi Cai", a popular high frequency lottery game. Since then, the Group has been the system maintenance service provider for "Shi Shi Cai". As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors there were more than 3,000 shops in Chongqing Municipality providing "Shi Shi Cai" game to the public of Chongqing Municipality.

In 2013, the Group expanded its participation in "Shi Shi Cai" in addition to its existing role as system maintenance service provider. The Group also became the software developer and has developed new software game for "Shi Shi Cai". With the roll out of the new software game, the hardware will be updated as well. The Group intends to provide new self-service terminals for Chongqing CWL in the second half of 2014. The Company plans to commit about RMB24 million (equivalent to approximately HK$30.0 million) capex for "Shi Shi Cai" in 2014.

According to the data from the Ministry of Finance, lottery sales in China amounted to RMB309.3 billion for the year 2013, representing an increase of 18.3% over the year 2012. Regardless of the fact that the lottery industry continues to show strong year-on-year growth as a whole, there is still enormous potential for future growth in China's lottery market. This situation is backed by the rising disposable income in China, together with the low lottery penetration rate and low sales rates compared to other more developed nations in per capita terms. Just a few years ago, China's lottery market consisted largely of traditional paper lotto tickets. Now, single match games, rapid-draw games, video lottery terminals and scratch games are also very common. In particular, paperless lottery sales channels such as mobile device and the internet are gaining momentum.

Integrity is the most critical foundation in the gaming industry. While the Ministry of Finance has expressed concern about the need to better monitor these new channels and implemented new regulations to govern them in conjunction with the welfare and sports lottery authorities, the operation of online sports lottery sales services has been approved under a pilot phase. It is believed that the authorities want to consolidate the lottery market, to replace thousands of private lottery operators by a handful of licensed and regulated firms, making it easier to control and regulate. These developments are anticipated to aid the planned development of the industry. The Directors believe the China lottery market will continue to grow very quickly and the government's regulatory regime will become more open and transparent. The Company is carefully monitoring the situation to identify opportunities that could be capitalized upon.

Potential new businesses

In addition to the existing business, the Board intends to seek strategic partnerships, acquisitions and/or growth opportunities that complement the Company's core competencies within the gaming, leisure and entertainment industries in addition to achieving potential synergies with our existing business, partners and networks.

The Company is an indirect non-wholly owned subsidiary of Melco. With a long-term commitment from Melco, which indirectly holds approximately 40.69% of the entire issued share capital of the Company, the Directors believe this is a unique advantage to enable the Group to be well positioned to leverage Melco's expertise within the gaming, leisure and entertainment industries as well as its extensive relationship network globally to secure potential growth opportunities and investments.

Chaired by Mr. Ho, Lawrence Yau Lung, Melco is a visionary global leader within the gaming, leisure and entertainment industries. As of 31 December 2013, Melco has a presence in the following jurisdictions:

1) Macau – through Melco Crown Entertainment Limited ("**MCE**") (Stock code: 6883), a listed associate of Melco

2) Philippines – through Melco Crown (Philippines) Resorts Corporation ("**MCP**"), a listed subsidiary of MCE, and Entertainment Gaming Asia Inc. ("**EGA**"), a listed associate of Melco

3) Russia (Primorye Integrated Entertainment Zone) – through co-investment with Summit Ascent Holdings Limited (Stock code: 0102)

4) Cambodia – through EGA

Melco has consistently demonstrated an ability to identify and secure attractive opportunities within leading and emerging gaming markets, as evidenced by its landmark projects and developments, including the City of Dreams in Cotai, Macau, the City of Dreams Manila development, and a new casino project within the Primorye Integrated Entertainment Zone.

The Board intends to adopt the following business strategies in order to support future business growth in both lottery and gaming, leisure and entertainment industries.

(i) Capture new opportunities within the gaming, leisure and entertainment industries

The Company intends to capitalise on opportunities within existing and new gaming markets. The Board considers Asia to be the fastest-growing gaming market in the world. The success of Macau as a gaming and entertainment destination has led to the legalisation, regulation and proliferation of gaming business across the Asia Pacific region, and has initiated the development and construction of casino and resorts related projects throughout the region. Further, within Europe, the economic realities of certain countries, regional and global connectivity, and outbound Asia tourism, amongst other factors, may present an impetus for the opening of new gaming markets. The Board believes the industry's development will be largely underpinned by growth in addressable gaming population, the relatively low penetration in supply, intra and inter regional connectivity, especially outbound PRC/Asia visitation, and an increasingly affluent and growing middle-class population segment.

(ii) Set up a disciplined investment framework

The Company will set up a disciplined investment framework to examine and evaluate potential investments opportunities. The Company will examine potential investments where the Group can leverage its own strength as well as the strength of Melco, whose investment and operation track record has included small-scale to large integrated casino resorts developments, in the gaming, leisure and entertainment industries. It is the Board's current intention to evaluate potential opportunities within the gaming, leisure and entertainment industries including integrated resorts, casinos, hotels and lotteries located in emerging or frontier gaming destinations. The Group will evaluate each investment opportunity on its own merits and local market conditions, with a view to enhancing returns for Shareholders. The

Company remains open to strategic partnerships, to the extent that such partnerships are of incremental value to the overall investment. Melco and its affiliates have strong and proven track record of identifying and co-operating with leading partners including its partnership with Crown Resorts Limited of Australia in MCE, as well as MCP's partnership with the SM Group's Belle Corporation in the Philippines. The Company intends to observe Melco's strong culture of compliance and risk monitoring in all the future investment projects.

The Company will remain flexible in the investment structure. Depending on the risk profile, the Group could be involved in an investment ranging from a pure operator (management contract basis) to owner-operator or financial investor. The Company will also remain flexible in the Group's funding approach should future opportunities arise that require further external funding, including primary equity or equity-linked securities, bank loan or credit facilities at the Company's level or local project financing. Should a substantial project acquisition opportunity arises, the Company would seek Shareholders' approval in accordance with the GEM Listing Rules, where appropriate.

(iii) Continue to leverage opportunities within the PRC lottery industry, in which the Group's current business operates in

The Board believes that there is still tremendous potential for future growth in the PRC lottery market. Such growth is backed by the rising disposable income of the population in the PRC, together with low lottery penetration rate and low sales rates compared to other more developed nations in per capita terms. The PRC authorities' intent and determination to better monitor and consolidate the lottery market are anticipated to further aid the planned development of the industry. The Board considers that the Group is well positioned in the lottery industry in the PRC and the Group will continue to leverage opportunities within the PRC lottery industry and to capitalise on continued growth in the PRC lottery industry.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Basis of preparation of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") to illustrate the effect of the Open Offer.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the audited consolidated statement of financial position of the Group, after making pro forma adjustments relating to the Open Offer, as if the Open Offer had been completed on 31 December 2013.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments that are (i) directly attributable to the transactions and (ii) factually supportable is summarised in the accompanying notes.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared by the directors of the Company for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of their hypothetical nature, the unaudited pro forma statement of adjusted consolidated net tangible assets does not purport to predict the adjusted consolidated net tangible liabilities of the Group upon the completion of the Open Offer or any future date.

Assuming that all shareholders take up their respective assured entitlements to the Offer Shares, without taking into account of any share which may be issued upon exercise of the outstanding share options of the Company, the following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group upon completion of the Open Offer:

Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets

	Consolidated net tangible liabilities of the Group as at 31 December 2013	**Pro forma adjustments**		**Unaudited pro forma adjusted consolidated net tangible assets of the Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	
Net tangible (liabilities) assets attributable to the shareholders of the Company	(210,738)	652,700	(16,500)	425,462
Number of Shares issued *('000)*	2,408,041			3,133,266
Consolidated net tangible liabilities per Share prior to completion of the Open Offer *(Note 4)*	HK$(0.09)			
Unaudited pro forma adjusted consolidated net tangible assets per Share after completion of the Open Offer *(Note 5)*				HK$0.14

Notes:

(1) Extracted from the consolidated statement of financial position of the Group as at 31 December 2013 included in the Group's published annual report for the year ended 31 December 2013.

(2) The adjustment reflects the estimated proceeds to be received by the Group arising from the Open Offer when all shareholders take up their respective entitlements to the Offer Shares on the basis of 3 Offer Shares for every 10 existing Shares of the Company of approximately HK$652.7 million before expenses by issuing 725,224,723 Offer Shares at the Subscription Price of HK$0.90 per Offer Share, assuming that the Open Offer had taken place on 31 December 2013.

(3) The adjustment reflects the payment of share issue expense amounting to approximately HK$16.5 million directly attributable to the Open Offer.

(4) The calculation of the consolidated net tangible liabilities per Share prior to completion of the Open Offer is based on 2,408,041,487 Shares in issue as at 31 December 2013, assuming that the Open Offer had taken place on 31 December 2013.

(5) The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share after completion of the Open Offer is based on 3,133,266,210 Shares comprising 2,408,041,487 Shares in issue as at 31 December 2013 and 725,224,723 Offer Shares to be issued.

The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE DIRECTORS OF MELCOLOT LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of MelcoLot Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2013 and related notes as set out in Part A of Appendix II to the prospectus issued by the Company dated 8 May 2014 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Open Offer of new Shares of the Company on the basis of 3 offer shares for every 10 existing Shares might have affected the Group's financial position as at 31 December 2013 as if the event or transaction had taken place at 31 December 2013. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2013, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("**HKSAE**") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

8 May 2014

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus 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 prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately after completion of the Open Offer, will be as follows:

Authorised:		*HK$*
5,500,000,000	Shares as at the Latest Practicable Date and upon completion of the Open Offer	55,000,000.00
Issued and fully paid or credited as fully paid:		
2,417,415,745	Shares as at the Latest Practicable Date and the Record Date	24,174,157.45
725,224,723	New Shares to be issued upon completion of the Open Offer	7,252,247.23
3,142,640,468	Shares upon completion of the Open Offer	31,426,404.68

When allotted, issued and fully-paid up, the Offer Shares will rank pari passu in all respects, including the rights as to voting, dividends, distributions and returns of capital, with the existing Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment and issue of the fully-paid Offer Shares. The Shares in issue are listed on GEM and the Offer Shares to be issued will also be listed on GEM. No part of the securities, including debt securities, of the Company is listed on, dealt in, nor is the listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchanges.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

Particulars of the Share Options are set out below:

The share option scheme adopted at the general meeting of the Company on 20 April 2002 (the "**Old Share Option Scheme**") has expired on 20 April 2012. The Share Options granted thereunder prior to the expiry date of the Old Share Option Scheme will continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme.

At the annual general meeting of the Company held on 18 May 2012, the Shareholders approved the adoption of a new share option scheme (the "**2012 Share Option Scheme**") under which the Directors may grant share options to eligible persons to subscribe for the Shares, subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2012 Share Option Scheme will remain valid for a period of 10 years from the date of its adoption.

The outstanding number of Share Options as at the Latest Practicable Date are as follows:

(a) Old Share Option Scheme

Type of participant	Date of grant	Exercisable period	Exercise price per Share	Number of Share Options outstanding at the Latest Practicable Date
			HK$	
Director:				
Mr. Pang Hing Chung, Alfred	10.7.2009 *(Note 2)*	10.7.2010 to 9.7.2019	0.280	262,060
	18.11.2010 *(Note 1)*	18.5.2011 to 17.11.2020	0.116	262,060
				524,120
Employees:	31.3.2008 *(Note 1)*	1.10.2008 to 31.3.2018	0.679	1,367,952
	10.7.2009 *(Note 2)*	10.7.2010 to 9.7.2019	0.280	969,622
	18.11.2010 *(Note 1)*	18.5.2011 to 17.11.2020	0.116	222,751
				2,560,325

(a) Old Share Option Scheme (Continued)

Type of participant	Date of grant	Exercisable period	Exercise price per Share	Number of Share Options outstanding at the Latest Practicable Date
			HK$	
Advisers: *(Note 5)*	12.1.2007 *(Note 3)*	12.1.2008 to 11.1.2017	0.067	583,082
	31.3.2008 *(Note 1)*	1.10.2008 to 31.3.2018	0.679	1,768,905
	16.2.2009 *(Note 2)*	16.2.2010 to 15.2.2019	0.229	2,777,836
	10.7.2009 *(Note 2)*	10.7.2010 to 9.7.2019	0.280	1,310,300
	18.11.2010 *(Note 1)*	18.5.2011 to 17.11.2020	0.116	1,310,300
				7,750,423
Total:				10,834,868

(b) 2012 Share Option Scheme

Type of participant	**Date of grant**	**Exercisable period**	**Exercise price per Share**	**Number of Share Options outstanding at the Latest Practicable Date**
			HK$	
Directors:				
Mr. Tsui Che Yin, Frank	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	6,000,000
Mr. Ko Chun Fung, Henry	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	3,000,000
Mr. Tsang Yuen Wai, Samuel	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	6,000,000
Mr. Tam Chi Wai, Dennis	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	6,000,000
				21,000,000
Substantial shareholder:	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	6,939,000
				6,939,000
Advisor: *(Note 5)*	2.7.2013 *(Note 4)*	2.7.2013 to 1.7.2023	0.544	1,500,000
				1,500,000
Total:				29,439,000

Notes:

(1) These grants under the Old Share Option Scheme are exercisable for a period not later than 10 years from the date of grant, within which there is a total vesting period of one year, starting from six months of the grant date at stepped six months increments of 50% of the total Share Options granted.

(2) These grants under the Old Share Option Scheme are exercisable for a period not later than 10 years from the date of grant, within which there is a total vesting period of three years, starting from the first anniversary of the grant date at stepped annual increments of 33% of the total Share Options granted.

(3) These grants under the Old Share Option Scheme are exercisable for a period not later than 10 years from the date of grant, within which there is a total vesting period of four years, starting from the first anniversary of the grant date at stepped annual increments of 25% of the total Share Options granted.

(4) These grants under the 2012 Share Option Scheme are exercisable for a period not later than 10 years from the date of grant, within which there is a total vesting period of three years, starting from the grant date at stepped annual increments of 25% of the total Share Options granted.

(5) These are individuals who rendered consultancy services in respect of the business development to the Group without receiving any compensation. The Group granted Share Options to them for recognising their services similar to those rendered by other employees.

3. DISCLOSURE OF INTERESTS

(I) Directors' and chief executive's interests

As at the Latest Practicable Date, the interests or short positions of each Director and chief executive of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(i) Long position in the Shares and Share Options of the Company

(a) Ordinary Shares of the Company

Name of Director	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company *(Note)*
Mr. Tsoi, David	Beneficial owner	100,620	0.00%
Mr. Pang Hing Chung, Alfred	Beneficial owner	1,500,000	0.06%

(b) Share Options granted by the Company

Name of Director	Capacity	Number of Share Options held	Number of underlying Shares	Approximate percentage of the issued share capital of the Company
				(Note)
Mr. Tsui Che Yin, Frank	Beneficial owner	6,000,000	6,000,000	0.25%
Mr. Ko Chun Fung, Henry	Beneficial owner	3,000,000	3,000,000	0.12%
Mr. Tsang Yuen Wai, Samuel	Beneficial owner	6,000,000	6,000,000	0.25%
Mr. Tam Chi Wai, Dennis	Beneficial owner	6,000,000	6,000,000	0.25%
Mr. Pang Hing Chung, Alfred	Beneficial owner	524,120	524,120	0.02%

Note:

As at the Latest Practicable Date, the total issued Shares was 2,417,415,745.

(ii) Long position in the shares and share options of associated corporation of the Company

Melco

(a) Ordinary shares of HK$0.50 each of Melco

Name of Director	Number of ordinary shares held	Approximate percentage of the issued share capital of Melco
	(Note 2)	*(Note 1)*
Mr. Tsui Che Yin, Frank	181,660	0.01%
Mr. Ko Chun Fung, Henry	420,000	0.03%
Mr. Tsang Yuen Wai, Samuel	997,162	0.06%
Mr. Tam Chi Wai, Dennis	779,222	0.05%
Ms. Chan Po Yi, Patsy	20,000	0.00%

(b) Share options granted by Melco

Name of Director	Number of underlying shares held pursuant to share options	Approximate percentage of the issued share capital of Melco
	(Notes 2 & 3)	*(Note 1)*
Mr. Tsui Che Yin, Frank	7,436,000	0.48%
Mr. Ko Chun Fung, Henry	474,000	0.03%
Mr. Tsang Yuen Wai, Samuel	4,203,000	0.27%
Mr. Tam Chi Wai, Dennis	5,335,000	0.35%

Notes:

(1) As at the Latest Practicable Date, the total number of the issued shares of Melco was 1,542,030,235.

(2) This represents interests held by the relevant director as beneficial owner.

(3) Details of the 7,436,000 share options are as follows:

- 312,000 share options granted on 1 April 2008 at exercise price of HK$10.804 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 31 March 2018
- 546,000 share options granted on 17 December 2008 at exercise price of HK$2.02 are divided into 6 tranches exercisable from 1 February 2009, 1 May 2009, 1 August 2009, 1 November 2009, 1 February 2010 and 1 May 2010 respectively to 16 December 2018
- 160,000 share options granted on 3 April 2009 at exercise price of HK$2.99 are divided into 3 tranches exercisable from 3 April 2010, 3 April 2011 and 3 April 2012 respectively to 2 April 2019
- 1,198,000 share options granted on 7 April 2010 at exercise price of HK$3.76 are divided into 6 tranches exercisable from 7 April 2010, 7 April 2011, 7 April 2012, 7 April 2013, 7 April 2014 and 7 April 2015 respectively to 6 April 2020
- 2,200,000 share options granted on 8 April 2011 at exercise price of HK$5.75 are divided into 4 tranches exercisable from 5 May 2011, 8 April 2012, 8 April 2013 and 8 April 2014 respectively to 7 April 2021
- 1,320,000 share options granted on 27 January 2012 at exercise price of HK$7.10 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022
- 1,000,000 share options granted on 2 April 2013 at exercise price of HK$13.40 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023
- 700,000 share options granted on 3 April 2014 at exercise price of HK$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

Details of the 474,000 share options are as follows:

- 450,000 share options granted on 13 February 2006 at exercise price of HK$11.80 are divided into 3 tranches exercisable from 1 April 2008, 1 April 2010 and 1 April 2012 respectively to 31 January 2016

- 24,000 share options granted on 1 April 2008 at exercise price of HK$10.804 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 31 March 2018

Details of the 4,203,000 share options are as follows:

- 21,000 share options granted on 1 April 2008 at exercise price of HK$10.804 are exercisable from 1 April 2011 to 31 March 2018

- 125,000 share options granted on 7 April 2010 at exercise price of HK$3.76 are exercisable from 7 April 2015 to 6 April 2020

- 1,037,000 share options granted on 8 April 2011 at exercise price of HK$5.75 are divided into 2 tranches exercisable from 8 April 2013 and 8 April 2014 respectively to 7 April 2021

- 1,320,000 share options granted on 27 January 2012 at exercise price of HK$7.10 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022

- 1,000,000 share options granted on 2 April 2013 at exercise price of HK$13.40 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023

- 700,000 share options granted on 3 April 2014 at exercise price of HK$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

Details of the 5,335,000 share options are as follows:

- 30,000 share options granted on 1 April 2008 at exercise price of HK$10.804 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 31 March 2018

- 85,000 share options granted on 7 April 2010 at exercise price of HK$3.76 are exercisable from 7 April 2015 to 6 April 2020

- 2,200,000 share options granted on 8 April 2011 at exercise price of HK$5.75 are divided into 4 tranches exercisable from 5 May 2011, 8 April 2012, 8 April 2013 and 8 April 2014 respectively to 7 April 2021

- 1,320,000 share options granted on 27 January 2012 at exercise price of HK$7.10 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022

- 1,000,000 share options granted on 2 April 2013 at exercise price of HK$13.40 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023

- 700,000 share options granted on 3 April 2014 at exercise price of HK$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company or their respective associates (within the meaning of the GEM Listing Rules) had any interests and short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(II) Substantial shareholders' interests

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company were as follows:

Long position in the Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares held	Number of underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 1)*
MLV	Beneficial owner	983,626,409	–	40.69%
Melco Leisure and Entertainment Group Limited ("**Melco Leisure**") *(Note 2)*	Held by a controlled corporation	983,626,409	–	40.69%
Melco *(Note 3)*	Held by controlled corporations	983,626,409	–	40.69%
Mr. Ho, Lawrence Yau Lung ("**Mr. Ho**") *(Note 4)*	Held by controlled corporations	983,626,409	–	40.69%
	Beneficial owner	–	6,939,000	0.29%

Name of Shareholder	Capacity	Number of Shares held	Number of underlying Shares held	Approximate percentage of the issued share capital of the Company *(Note 1)*
Ms. Lo Sau Yan, Sharen *(Note 5)*	Held by spouse	983,626,409	6,939,000	40.98%
Global Crossing Holdings Ltd. ("**GCH**")	Beneficial owner	217,412,724	–	8.99%
Universal Rich Holdings Limited ("**Universal Rich**") *(Note 6)*	Held by a controlled corporation	217,412,724	–	8.99%
Mr. Chang Tung-Bing *(Note 7)*	Held by controlled corporations	217,412,724	–	8.99%

Notes:

(1) As at the Latest Practicable Date, the total issued Shares was 2,417,415,745.

(2) Melco Leisure was deemed to be interested in 983,626,409 Shares through its controlled corporation, MLV.

(3) Melco was deemed to be interested in 983,626,409 Shares through its controlled corporations, MLV and Melco Leisure.

(4) Mr. Ho was deemed to be interested in 983,626,409 Shares through his controlled corporations, MLV, Melco Leisure and Melco and 6,939,000 Share Options granted to him.

(5) Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho and was deemed to be interested in 983,626,409 Shares and 6,939,000 Share Options through the interest of her spouse, Mr. Ho.

(6) Universal Rich was deemed to be interested in 217,412,724 Shares through its controlled corporation, GCH.

(7) Mr. Chang Tung-Bing was deemed to be interested in 217,412,724 Shares through his controlled corporations, GCH and Universal Rich.

(III) Interests of connected company (where the Director is a director or employee of such company)

Save as disclosed above in this section, none the Directors or proposed Directors were a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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 the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Company or had any options in respect of such shares.

4. DIRECTORS' SERVICE CONTRACTS

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

5. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

(a) As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2013, the date to which the latest audited consolidated financial statements of the Group were made up.

(b) As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group since 31 December 2013, being the date to which the latest audited consolidated financial statements of the Group were made up, and which was significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in businesses which competed or might compete with the business of the Group or had any other conflict of interests which any such person had or might have with the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved or might become a party in any material litigation.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this prospectus and are or may be material:

(i) the agreement dated 26 June 2012 and entered into among Intralot International Limited ("**Intralot**"), the Company and Rising Move International Limited ("**Rising Move**"), a direct wholly-owned subsidiary of the Company in respect of (i) the disposal of the entire issued share capital of Gain Advance Group Limited beneficially owned by Rising Move, and the disposal of 98 shares in Precious Success, representing 49% of the entire issued share capital of Precious Success beneficially owned by Rising Move, by Rising Move to Intralot for a total cash consideration of HK$277,175,310; and (ii) the repurchase by the Company of the 0.1% convertible bonds issued by the Company due on 9 December 2013 in the principal amount of HK$277,175,310 with a conversion price of HK$0.991 per conversion share upon the exercise of the conversion rights attached thereto for a cash consideration of HK$277,175,310;

(ii) the agreement dated 26 June 2012 and entered into among Global Crossing Holdings Ltd. ("**GCH**") and the Company in respect of (i) the procurement of disposal of 420,000 shares in Oasis Rich International Ltd. ("**Oasis Rich**"), representing 60% of the entire issued share capital of Oasis Rich beneficially owned by Rising Move, by Rising Move to GCH for a total cash consideration of HK$175,188,566; and (ii) the repurchase by the Company of the 0.1% convertible bonds issued by the Company due on 13 December 2012 in the principal amount of HK$175,188,566 with a conversion price of HK$0.85 per conversion share upon the exercise of the conversion rights attached thereto for a cash consideration of HK$175,188,566;

(iii) the underwriting agreement dated 14 August 2012 and entered into among MLV, Power Way Group Limited and the Company in relation to open offer of 1,508,900,799 Shares at the subscription price of HK$0.078 per offer share;

(iv) the loan agreement dated 13 March 2013 (as amended by a supplemental agreement dated 26 March 2014) and entered into between MLV as lender and the Company as borrower in respect of the Shareholder Loan in the principal amount of HK$240.5 million;

(v) the license agreement dated 20 November 2013 and entered into between Melco as licensor, and the Company as licensee in relation to the grant of a revocable but non-transferable and non-exclusive licence to use the English word "Melco" and the Chinese word "新濠" in connection with the business of the Company at nil consideration; and

(vi) the Underwriting Agreement.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of Deloitte Touche Tohmatsu ("**Deloitte**") who had given opinion or advice which is contained in this prospectus:

Name	**Qualification**
Deloitte	Certified Public Accountants

Deloitte had given and had not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letter and reference to its name and opinions in the form and context in which they appear in this prospectus.

As at the Latest Practicable Date, Deloitte did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Deloitte did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2013 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. PARTICULARS OF THE DIRECTORS

The brief biographical details of the Directors are set out below:

Executive Directors

Mr. Ko Chun Fung, Henry, aged 54, is the Chief Executive Officer ("**CEO**") and Executive Director of the Company and a member of the nomination committee of the Company and a director of certain subsidiaries of the Company. Mr. Ko is also the compliance officer and an authorised representative of the Company to the Stock Exchange. He was appointed as a Director of the Company in January 2008. Mr. Ko is a seasoned professional with a strong track record of successful senior positions in Asia. He has led various high profile ventures in the telecom industry. Prior to entering the lottery industry, he was a founder of iAsia Online Systems Limited, and in his capacity as chief executive officer and executive director, nurtured its growth into a leading financial trading solutions vendor in Hong Kong and mainland China. Mr. Ko then went on the setting up of the lottery business which was subsequently acquired by the Group in late 2007, in his capacity as chief executive officer and executive director of PAL Development Limited. Upon the acquisition of the lottery business, Mr. Ko was appointed to the Board and as CEO of the Company and continues to lead the lottery business of the Group. Mr. Ko obtained a Bachelor of Engineering degree (first class honours) in 1982. In 1990 he received an Australian Postgraduate Course Award to study at the Australian Graduate School of Management, where he obtained his Master of Business Administration degree.

Mr. Tsang Yuen Wai, Samuel, aged 59, has been an Executive Director of the Company since 2 July 2013. Mr. Tsang is Group Legal Counsel and Company Secretary of Melco, a company listed on the Stock Exchange and the parent company of the Company. In that capacity, Mr. Tsang oversees the legal, corporate and compliance matters of Melco Group. Mr. Tsang has worked as a lawyer with major law firms and listed conglomerates in Hong Kong for over 20 years. He holds a master of laws degree from University of Hong Kong and a master of business administration degree from the Australian Graduate School of Management. Mr. Tsang is currently a director of Entertainment Gaming Asia Inc., a company listed on the NASDAQ Capital Market in the United States, and Alpha Peak Leisure Inc., a company listed on the TSX Venture Exchange of Canada.

Mr. Tam Chi Wai, Dennis, aged 44, has been an Executive Director of the Company since 2 July 2013. He is also a member of the remuneration committee of the Company, an authorised representative of the Company to the Stock Exchange and a director of certain subsidiaries of the Company. Mr. Tam oversees the strategic investment, financial control, treasury and corporate finance of the Group. Mr. Tam is currently the Group Finance Director and Head of Human Resources and Administration of Melco, a company listed on the Stock Exchange and the parent company of the Company. He is also a director of Alpha Peak Leisure Inc., a company listed on the TSX Venture Exchange of Canada. Mr. Tam has more than 15 years of experience in accounting, financial control, corporate finance and mergers & acquisitions. Prior to joining Melco, Mr. Tam held senior management positions with various listed local and multinational companies.

Mr. Tam obtained his Master Degree in Accounting from Monash University and completed his PhD program at Washington Intercontinental University. He was also trained at Harvard Business School in Cambridge, USA. He holds the Honorary Vice Chairman for Greater China of the Institute of Certified Management Accountants, a fellow member of the Financial Services Institute of Australasia, a member of the Institute of Public Accountants, a member of CPA Australia, a member of the Institute of Administrative Management in United Kingdom and Advisor of General Education Development Committee in Peking University Shenzhen Graduate School. Mr. Tam is a former member of Chinese People's Political Consultative Conference, Nan Kang City, Jiang Xi Province. He is also a member of the Standing Committee of "The Economic Observer Weekly", run by the Market Economy Institute of the Development Center of China's State Council. In 2014, Mr. Tam was awarded "Asia's Best CFO (Investor Relations)" at the Asian Excellence Award by Corporate Governance Asia Magazine.

Non-executive Director

Mr. Tsui Che Yin, Frank, aged 57, has been the Chairman and Non-executive Director of the Company since 2 July 2013. He is also a member of the audit committee of the Company and a director of certain subsidiaries of the Company. Mr. Tsui is currently an executive director of Melco, a company listed on the Stock Exchange and the parent company of the Company. He is also a director of Mountain China Resorts (Holding) Limited, a company listed on the TSX Venture Exchange of Canada, an independent non-executive director of Jinhui Holdings Company Limited, a company listed on the Stock Exchange, and a non-executive director of Jinhui Shipping and Transportation Limited, a company listed on the Oslo Stock Exchange. Mr. Tsui has more than 30 years of experience in investment and banking, having held senior management positions at various international financial institutions. Prior to joining Melco, Mr. Tsui was the President of

China Assets Investment Management Limited which is the investment manager of China Assets (Holdings) Limited, a listed investment holding company in Hong Kong. Mr. Tsui graduated with a bachelor's and a master's degree in business administration from the Chinese University of Hong Kong and with a law degree from the University of London. He is a member of the Certified General Accountants Association of Canada and the Hong Kong Securities Institute.

Independent Non-executive Directors

Mr. Tsoi, David, aged 66, has been an Independent Non-executive Director of the Company since October 2001. He is also the chairman of both the audit committee and the remuneration committee and a member of the nomination committee of the Company. Being a Certified Public Accountant by profession, Mr. Tsoi currently practises as managing director of Alliott, Tsoi CPA Limited. He is a fellow member of the Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants and an associate member of the Association of Certified General Accountants of Canada and Institute of Chartered Accountants of England & Wales. He is also a fellow member of the Hong Kong Institute of Directors and a member of CPA Australia. Mr. Tsoi holds a master's degree in business administration from the University of East Asia, Macau. Mr. Tsoi is currently an independent non-executive director of CSR Corporation Limited, Enviro Energy International Holdings Limited and Universal Technologies Holdings Limited, all of which are companies listed on the Stock Exchange.

Mr. Pang Hing Chung, **Alfred**, aged 52, has been an Independent Non-executive Director of the Company since March 1999. He is also a member of both the audit committee and the nomination committee of the Company. Mr. Pang is currently the chief executive and chairman, Investment Banking, Asia of Standard Bank Plc, Hong Kong branch ("**Standard Bank**") and a member of Standard Bank's Asia Executive Committee. He is also an independent non-executive director of Summit Ascent Holdings Limited, a company listed on the Stock Exchange. Mr. Pang has over 25 years of financial, management and investment banking experience in China, Asia and the United States. Before joining Standard Bank, Mr. Pang was the managing director and vice chairman, Investment Banking Division, at BOC International Holdings Ltd. ("**BOCI**") where he was also the chairman of BOCI's commitment committee. Prior to joining BOCI, he was the managing director and president, Asia at Donaldson Lufkin & Jenrette, the United States investment banking firm. Mr. Pang holds dual Bachelor of Arts (in Economics) & Bachelor of Science (in Electrical Engineering) degrees from Cornell University, and Master of Business Administration degree from Stanford University Graduate School of Business in the United States.

Ms. Chan Po Yi, Patsy, aged 49, has been an Independent Non-executive Director of the Company since 13 November 2013. She is also the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company. Ms. Chan is currently the chief operating officer of Richemont Asia Pacific Limited, Hong Kong and Macau. She has been working with Richemont Luxury Group, one of the world leading luxury goods groups, for over 10 years. With more than 20 years of experience in several prestigious multinational corporations, Ms. Chan leads the company in maximizing operational efficiency and cost effectiveness with knowledge in risk management and corporate governance as well as in-depth perception in strategic planning and performance measurement development. Prior to joining Richemont Luxury Group, she held various management positions in Piaget, Marsh &

McLennan and other multinational companies. Ms. Chan holds a Bachelor's degree of Commerce in Accounting from University of New South Wales in Sydney, Australia and participated in the Luxury Brand Management Executive Program at ESSEC Business School. She is a member of CPA Australia, a member of Institute of Certified Management Accountants and a member of the Institute of Public Accountants, Australia.

The business address of the above Directors is Room 3701, 37th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

11. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$16.5 million, which are payable by the Company.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m. (Saturdays, Sundays and public holidays excepted) at the head office and principal place of business in Hong Kong of the Company at Unit 3701, 37th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong from the date of this prospectus up to and including the Latest Time for Acceptance:

(i) the memorandum and articles of association of the Company;

(ii) the annual reports of the Company for the two years ended 31 December 2012 and 2013;

(iii) the report from Deloitte on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in appendix II to this prospectus;

(iv) the written consent from the expert referred to in paragraph headed "Qualification and consent of expert" in this appendix;

(v) the material contracts referred to under the paragraph headed "Material contracts" in this appendix; and

(vi) this prospectus.

13. GENERAL

(a) The translation into Chinese language of this prospectus is for reference only. In the event of any inconsistency, the English text of the this prospectus shall prevail over the Chinese language text.

(b) The principal share registrar and transfer office of the Company is Royal Bank Of Canada Trust Company (Cayman) Limited at 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The registered address of Citigroup Global Market Asia Limited, the financial adviser to the Company, is 50th Floor, Citibank Tower, 3 Garden Road, Hong Kong.

(e) The principal bankers of the Group are China Construction Bank (Asia) Corporation Limited and Bank of China (Hong Kong) Limited and their registered addresses are 6 Des Voeux Road Central, Central, Hong Kong and 1 Garden Road, Central, Hong Kong respectively.

(f) The auditor of the Company is Deloitte, its registered address is at 35th Floor, One Pacific Place, 88 Queensway, Hong Kong.

(g) The legal advisers to the Company as to Hong Kong laws is Michael Li & Co. Its registered address is at 19th Floor, Prosperity Tower, No. 39 Queen's Road Central, Central, Hong Kong.

(h) The legal advisers to the Company as to Cayman Island laws is Conyers Dill & Pearman (Cayman) Limited. Its address is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(i) The authorised representatives of the Company are Mr. Ko Chun Fung, Henry and Mr. Tam Chi Wai, Dennis.

(j) As at the Latest Practicable Date, the Audit Committee of the Board comprises three independent non-executive Directors, namely Mr. Tsoi, David (Chairman of the Audit Committee), Mr. Pang Hing Chung, Alfred and Ms. Chan Po Yi, Patsy and a non-executive Director, namely Mr. Tsui Che Yin, Frank. Mr. Tsoi, David has the appropriate financial and accounting experience required by the GEM Listing Rules. The primary duties of the Audit Committee of the Board is to communicate with the management of the Group from time to time, including but not limited to review the accounting principles and practices adopted by the Company, the effectiveness of its internal control systems, the interim and annual results of the Company. The biographical details of the members of the Audit Committee of the Board are set out in paragraph headed "10. Particulars of the Directors" above.

(k) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong. Save and except for RMB, the Group has no exposure to foreign exchange liabilities. The Group will have sufficient foreign exchange, generated from the operation of the PRC subsidiaries to pay forecasted or planned dividends and to meet its foreign exchange liabilities as they become due. The Company will pay its dividends, if any, in HK$.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus Documents and the consent letter referred to in paragraph headed "Qualification and consent of expert" in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).