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## **REXCAPITAL Financial Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 555)**

### **MAJOR TRANSACTION**

The Board is pleased to announce that on 15 March 2006, the Purchaser (which is a wholly-owned subsidiary of the Company), the Company and the Vendor entered into the Share Purchase Agreement under which, among other matters, the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital of Multi Glory. Sinodata, a subsidiary of Multi Glory upon the completion of the Share Transfer and Capital Contribution, is involved in the development and production of proprietary lottery machines, related operating software system and networks (including the provision of incidental consultancy services) for welfare lottery industry in China.

The consideration payable by the Group for the Acquisition is HK\$227,880,000 which is to be satisfied as to HK\$152,880,000 in cash and as to HK\$75,000,000 by the issue of the Consideration Shares to the Vendor (or its nominee) at a price of HK\$0.15 per Consideration Share.

Completion of the Share Purchase Agreement is conditional upon the fulfillment of certain conditions precedent which include, among other things, the approval of the Share Purchase Agreement, the Capital Contribution Contract and the transactions contemplated therein by the Shareholders at the Special General Meeting.

The proposed Acquisition pursuant to the Share Purchase Agreement and the proposed Capital Contribution pursuant to the Capital Contribution Contract constitute a major transaction for the Company pursuant to Chapter 14 of the Listing Rules and are, thus, subject to the approval of the Shareholders.

A circular containing further information on the Share Purchase Agreement and the Capital Contribution Contract and a notice convening the Special General Meeting to approve the Share Purchase Agreement and the Capital Contribution Contract and the issuance of the Consideration Shares as required under Chapter 14 of the Listing Rules will be despatched to the Shareholders within 21 days after the publication of this announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 March 2006 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 March 2006.

## **THE SHARE PURCHASE AGREEMENT**

### **Background**

On 15 March 2006, the Purchaser (a wholly owned subsidiary of the Company), the Company and the Vendor entered into the Share Purchase Agreement under which the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital of Multi Glory. Multi Glory is holding a 90% interest in the registered capital of Shenzhen JV. Upon completion of the Share Transfer, Shenzhen JV will be interested in 45.436% of the registered capital of Sinodata. Sinodata and its subsidiary are involved in the development and production of proprietary lottery machines, related operating software system and networks (including the provision of incidental consultancy services) for the welfare lottery industry in China.

### **Date**

15 March 2006 (the Supplemental Agreement was entered into on 20 March 2006)

### **Parties**

- The Company: REXCAPITAL Financial Holdings Limited, as the issuer of the Consideration Shares
- The Purchaser: REXCAPITAL Financial Group Limited, a wholly-owned subsidiary of the Company
- The Vendor: Magic Dynasty Limited, the beneficial owner of the entire issued share capital of Multi Glory

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is an Independent Third Party.

### **Conditions**

Completion of the Share Purchase Agreement is conditional upon fulfillment or waiver (by the Purchaser), as the case may be, of the following conditions:

- (i) the warranties remaining true and accurate and not misleading from the date of the Share Purchase Agreement to the Completion Date inclusive;
- (ii) the Purchaser being satisfied with the result of due diligence conducted on the financial, legal, contractual, taxation, trading positions and title to assets of the Sinodata Group;
- (iii) the Vendor having complied fully with the pre-completion obligations and having performed all of the covenants and agreements required to be performed by it under the Share Purchase Agreement on or prior to the Completion Date;
- (iv) all necessary consents required to be given by third parties to the Vendor for the transactions contemplated under the Share Purchase Agreement having been granted and being in full force and effect;
- (v) no pending or threaten litigation which would restrain, prohibit, impose limitations or conditions or otherwise challenge the transactions contemplated by the Share Purchase Agreement;
- (vi) the due establishment of Shenzhen JV with CITIC Media HK being beneficially interested in 90% of its registered capital in accordance with the applicable laws in the PRC and the paying up of the required registered capital;

- (vii) the completion of the Share Transfer to the satisfaction of the Purchaser;
- (viii) the receipt by the Purchaser of a legal opinion by a firm of qualified lawyers in the PRC in such form and substance satisfactory to the Purchaser;
- (ix) during the period from the date of the Share Purchase Agreement to the Completion Date, there not having occurred any material adverse effect on the financial position and operating performance of the Sinodata Group as a whole;
- (x) the passing of an ordinary resolution by the Shareholders at a special general meeting of the Company or the execution of a written approval by Kingly Profits Corporation pursuant to Rule 14.44 of the Listing Rules to approve and/or ratify the Share Purchase Agreement, the Capital Contribution Contract and the transactions contemplated therein;
- (xi) the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal, in the Consideration Shares; and
- (xii) if so required, the Bermuda Monetary Authority shall have approved the issue of the Consideration Shares pursuant to the Share Purchase Agreement.

The Purchaser may in its absolute discretion at any time waive in writing any of the conditions set out in paragraphs (i) to (xii) above (or any part thereof) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. The Purchaser shall not be entitled to exercise such right of waiver in respect of paragraphs (x), (xi) and (xii) above if as a result of such waiver the Purchaser would be in breach of the Listing Rules, the rules or regulations of any relevant governmental, statutory or regulatory authority or agency, or any other person or body, in Hong Kong or Bermuda.

If any of the above conditions has not been fully fulfilled or satisfied or complied with or waived by 15 July 2006 (or such later date as may be agreed in writing between the Vendor and the Purchaser), the Purchaser shall not be bound to proceed with the purchase of the entire issued share capital of Multi Glory and the Share Purchase Agreement shall cease to have any effect save in respect of claims arising out of any antecedent breach of the Share Purchase Agreement.

### **Consideration**

The aggregate consideration for the Acquisition is HK\$227,880,000. The consideration is payable by the Purchaser in the following manner:

- (i) at Completion, an aggregate amount equal to HK\$152,880,000 shall be paid by way of cash; and
- (ii) at Completion, by way of the Company issuing and allotting to the Vendor (or its nominee as it may designate) 500,000,000 new Shares at a price of HK\$0.15 per Consideration Share.

The consideration has been agreed by the parties after arm's length negotiation. In arriving at the consideration, the Directors have considered factors including, the prospects of Sinodata and its subsidiary taking into account, among other information, the leading position of Sinodata in the machine and system supply section to the welfare lottery business in China and the business opportunities in the growing welfare lottery market in China.

The consideration as to HK\$152,880,000 shall be paid in cash and financed by the Group's internal resources and/or borrowings from financial institutions or financed by way of new equity.

The Consideration Shares represent approximately 16.67% of the existing issued share capital of the Company and will represent approximately 14.29% of the enlarged issued share capital of the Company upon the issue and allotment of the Consideration Shares pursuant to the Completion. The issue price of HK\$0.15 per Consideration Share represents:

- (i) a discount of approximately 5.66% to the closing price of HK\$0.159 per Share as quoted on the Stock Exchange on 15 March 2006, being the last trading day of the Shares on the Stock Exchange before the publication of this announcement;
- (ii) a discount of approximately 1.83% to the average closing price of HK\$0.1528 per Share for the last five consecutive trading days up to and including 15 March 2006;
- (iii) a premium of approximately 11.28% to the average closing price of HK\$0.1348 per Share for the last ten consecutive trading days up to and including 15 March 2006; and
- (iv) a premium of approximately 1.84 times over the audited consolidated net tangible assets of the Group of HK\$0.053 per Share as at 31 December 2004.

The Vendor has undertaken to the Company and the Purchaser that during the period commencing from the Completion Date and ending on the date which is six months after the Completion Date, it shall not, inter alia, offer, pledge, charge, sell, contract to sell or otherwise transfer or dispose of, either directly or indirectly, any of the Consideration Shares.

The Consideration Shares will be issued pursuant to the Shareholders' approval to be sought by the Company at the Special General Meeting.

The issue price of the Consideration Shares was determined after arm's length negotiations between the Company and the Vendor. The Board considers that the terms of the Share Purchase Agreement, including the issue price of the Consideration Shares, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Completion**

Completion of the Share Purchase Agreement shall take place on the third business day immediately following the day on which all of the above conditions are satisfied or waived, or such later date as may be mutually agreed by the parties in writing.

As at the date of the announcement, there is no agreement between the Company and the Vendor as to whether the Vendor will nominate any person to the board of directors of the Company upon Completion.

### **CAPITAL CONTRIBUTION CONTRACT**

The completion of the Capital Contribution Contract, to which Shenzhen JV is a party, is expected to take place after Completion. After Completion, Shenzhen JV will become a subsidiary of the Company and as such, the obligations of Shenzhen JV under the Capital Contribution Contract will in effect become the obligations of the Group. Details of the Capital Contribution Contract are as follows:

#### **Date**

23 February 2006

#### **Parties**

CITIC Media and 4 Independent Third Parties.

## **Major Terms of the Capital Contribution Contract**

Pursuant to the Capital Contribution Contract, CITIC Media has agreed to procure one of its subsidiaries to contribute RMB30,000,000 into the registered capital and reserves of Sinodata. On 9 March 2006, CITIC Media has nominated one of its indirect subsidiaries, Shenzhen JV, to take up all its rights and obligations under the Capital Contribution Contract.

Upon completion of the Capital Contribution, Shenzhen JV's interest in the registered capital of Sinodata will be enlarged from 45.436% to 50.9%.

### **Conditions**

The Capital Contribution Contract shall become effective upon the satisfaction of the following conditions:

- (i) the completion of internal approval by each party with respect to the Capital Contribution;
- (ii) approval by the shareholders of Sinodata with respect to the Capital Contribution; and
- (iii) immediately before completion of the Capital Contribution, the registered capital of Sinodata being owned as to 45.436% by Shenzhen JV and 54.564% by 4 Independent Third Parties.

### **Consideration**

RMB30,000,000 to be paid in cash by Shenzhen JV into the capital of Sinodata. 90% of such consideration (RMB27,000,000) is to be contributed by the Group and 10% of such consideration (RMB3,000,000) is to be contributed by CITIC Media into Shenzhen JV in proportion to their respective equity interest in Shenzhen JV.

The consideration of RMB27,000,000 under the Capital Contribution Contract shall be financed by the Group's internal resources and/or borrowings from financial institutions or by way of new equity.

### **Completion**

Completion of the Capital Contribution Contract shall take place on the fifth business day immediately following the day on which the Capital Contribution Contract becomes effective.

## **INFORMATION ON THE SINODATA GROUP**

### **Multi Glory**

Multi Glory is an investment holding company established in the British Virgin Islands with limited liability. It has no business activity save for being beneficially interested in the entire issued share capital of CITIC Media HK, which in turn is interested in 90% of the registered capital of Shenzhen JV. On 9 March 2006, CITIC Media has nominated Shenzhen JV to take up all its rights and obligations under the Share Transfer Contracts and the Capital Contribution Contract. Upon completion of the Share Transfer, Shenzhen JV will be interested in 45.436% of the registered capital of Sinodata and upon completion of the Capital Contribution, its interest in Sinodata will be increased to 50.9%.

### **Shenzhen JV**

Shenzhen JV is a Sino-foreign equity joint venture established in the PRC on 13 March 2006 between CITIC Media and CITIC Media HK. Each of CITIC Media and CITIC Media HK is obliged to contribute 10% and 90% into the registered capital of Shenzhen JV respectively. Upon completion of the Share Transfer and the Capital Contribution, Shenzhen JV will be interested in 50.9% of the registered capital of Sinodata.

## **Sinodata**

Sinodata is a limited liability company established in the PRC in March 1998 with a registered capital of RMB32,000,000. The principal business of Sinodata is in the development and production of proprietary lottery machines, related operating software system and networks (including the provision of incidental consultancy services) for the welfare lottery industry in China. Sinodata has obtained the necessary licenses in to relation to the operation of its business. Apart from such licenses, the selling of such lottery machines, related operating software system and networks by Sinodata does not require the obtaining of any other license or authorization from the relevant authority in the PRC.

Sinodata has its headquarter in Shenzhen and its main business is the deployment of welfare lottery system in China including the supply of machines and maintenance of the network. Its lottery systems are used for Computer Ticket Games (CTG) in welfare lottery, i.e. Power Ball, 3D, etc. CTG accounted for over 97% of China's welfare lottery revenue in 2005.

Sinodata has been in operation for over 7 years with growing track records. The consolidated net profit after taxation of Sinodata and its subsidiary has grown from RMB10.7 million to RMB19.6 million between 2003 and 2005, representing an approximately 83% growth during such period. Sinodata also has extensive geographical coverage in China. Currently, it has over 36,000 lottery machines located in 13 provinces in China. Sinodata is the single largest computer ticket lottery machine provider in China, accounting for approximately 40% of the total welfare lottery market in China in terms of geographical coverage, number of machines deployed and welfare lottery revenue generated in the provinces covered.

Sinodata is operating on a revenue model based on the selling of proprietary lottery machines, related operating software system and networks (including the consultancy fees derived from provision of incidental consultancy services and maintenance fees derived from providing maintenance services to its customers) and sharing certain percentage of lottery sales from its customers. The customers of Sinodata are authorized operators mainly, local lotteries issuance centers of welfare lottery in China.

## **Welfare Lottery Business in China**

The lottery market in China can be broadly classified into two categories, Welfare Lottery and Sports Lottery:

### ***Sports Lottery***

Sports lottery is administered by China Sport Lottery Administration Center, which roughly accounted for 42% market share in the Chinese lottery market in 2005. Sinodata does not participate in this lottery market.

### ***Welfare Lottery***

Welfare lottery commenced operation in 1987 which accounted for about 58% market share in the Chinese lottery market in 2005. It provides an alternative revenue source for the welfare activities in China.

At present, games covered by welfare lottery can broadly be divided into:-

- Computer Ticket Games (CTGs)
- Instant Lottery Games or Scratch Cards (SCs); and
- On-line Games (including Video Lottery Terminals (VLT) and Keno (VLT/Keno))

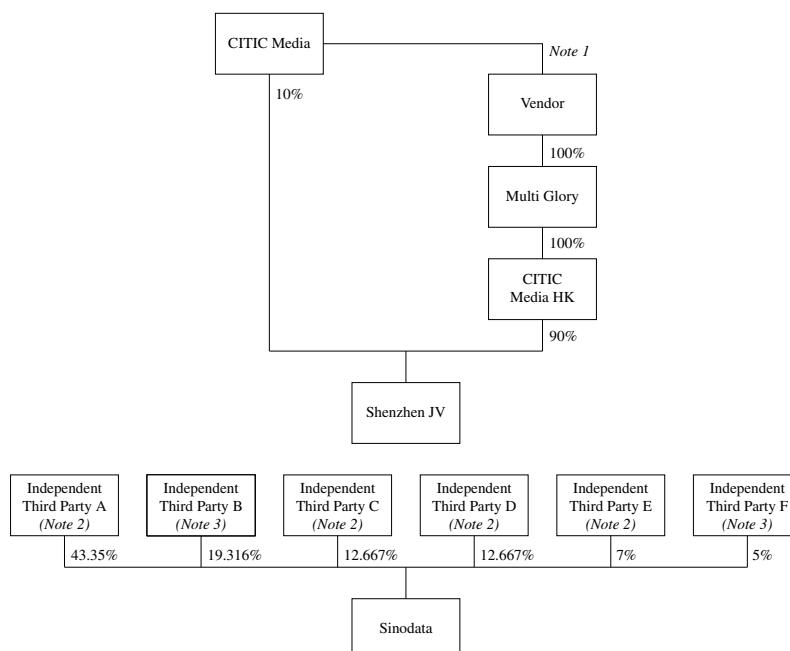
CTGs are the pre-dominant revenue contributor to the revenue in welfare lottery, which accounted for over 97% (or over RMB40 billion) of welfare lottery revenue in China in 2005. VLT/Keno and SCs together accounted for less than 3% of the welfare lottery revenue in China in 2005.

The product and services offered by Sinodata included the production and sale of lottery machines, related operating software system and networks systems which are used for CTGs in welfare lottery.

## Shareholding Structure of Sinodata

As at the date of this announcement, the entire registered capital of Sinodata is owned by 6 Independent Third Parties.

The shareholding structure of the Sinodata Group as at the date of this announcement is as follows:



### Notes:

1. The Vendor is an indirect wholly-owned subsidiary of CITIC Media.
2. Independent Third Party A is a PRC corporate investor.  
Independent Third Party C, D and E are individual investors who are PRC residents.
3. Both Independent Third Party B and F are PRC corporate investors.

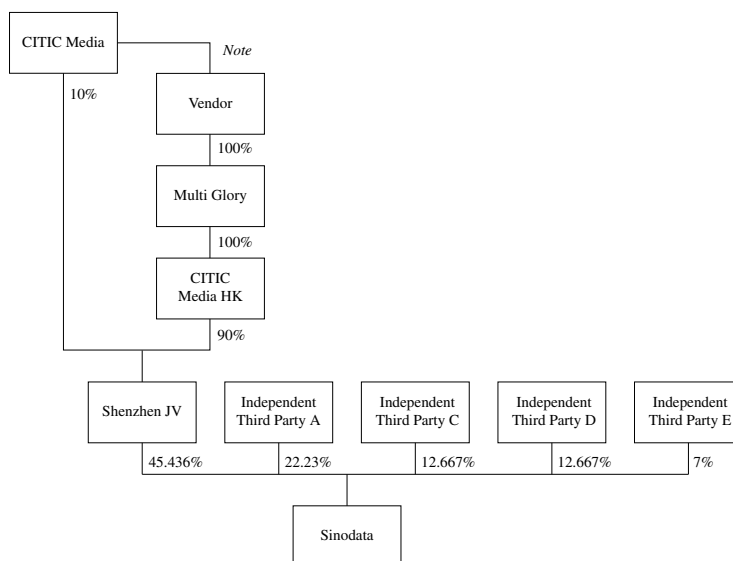
Independent Third Parties A, C, D and E will remain as shareholders of Sinodata after completion of the Share Transfer and Independent Third Parties B and F will cease to be shareholders of Sinodata after completion of the Share Transfer.

Pursuant to A Share Transfer Contract, Independent Third Party A will transfer 21.12% in the registered capital of Sinodata before completion of the Capital Contribution to Shenzhen JV. Pursuant to B Share Transfer Contract, Independent Third Party B will transfer 19.316% in the registered capital of Sinodata before completion of the Capital Contribution to Shenzhen JV. Pursuant to C Share Transfer Contract, Independent Third Party F will transfer 5% in the registered capital of Sinodata before completion of the Capital Contribution to Shenzhen JV.

The satisfactory completion of the Share Transfer is a condition precedent to Completion and it is the understanding between the parties to the Share Purchase Agreement that CITIC Media, through Shenzhen JV, will be responsible for paying the consideration to the relevant Independent Third Party for the Share Transfer.

In that regard, upon completion of the Share Transfer, the registered capital of Sinodata will be owned as to 45.436% by Shenzhen JV and 54.564% by 4 Independent Third Parties.

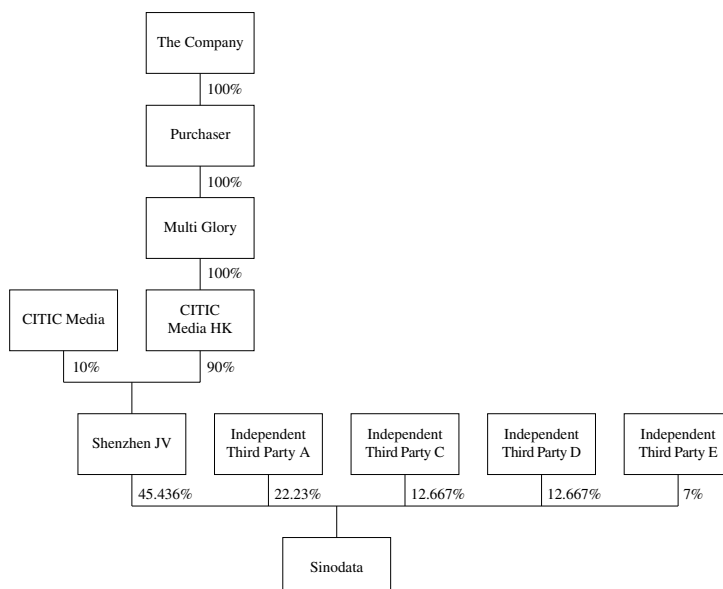
The shareholding structure of the Sinodata Group as at the completion of the Share Transfer is as follows:



*Note:* The Vendor is an indirect wholly-owned subsidiary of CITIC Media.

Upon completion of the Share Transfer and the Acquisition, the Purchaser will, legally and beneficially hold the entire issued share capital of Multi Glory and CITIC Media HK and through CITIC Media HK, will legally and beneficially hold 90% interest in the registered capital of Shenzhen JV and through Shenzhen JV, will legally and beneficially hold 45.436% interest in the registered capital of Sinodata.

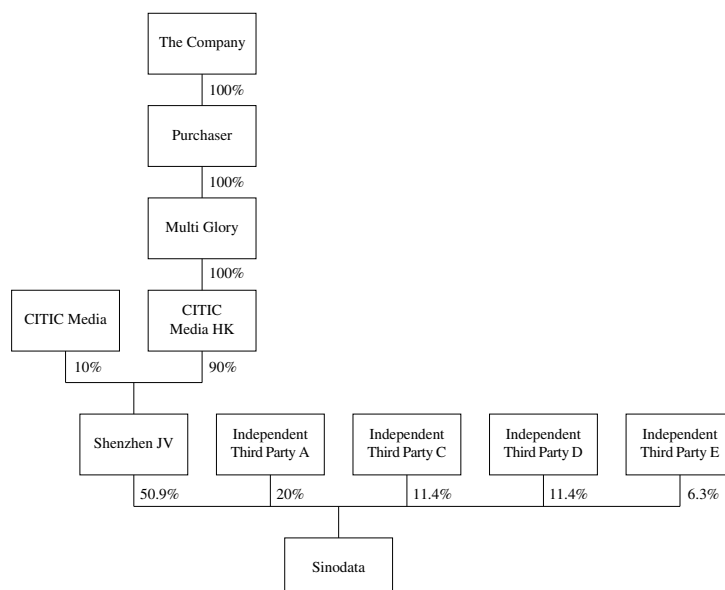
The shareholding structure of the Sinodata Group as at the completion of the Share Transfer and the Acquisition is as follows:



Upon completion of the Share Transfer, the Acquisition and the Capital Contribution, the registered capital of Sinodata will be owned as to 50.9% by Shenzhen JV and 49.1% by 4 Independent Third Parties.



The shareholding structure of the Sinodata Group as at the completion of the Share Transfer, the Acquisition and the Capital Contribution is as follows:



The total consolidated audited asset value of Sinodata and its subsidiary as at 31 December 2004 and 31 December 2003 was approximately RMB136.3 million (equivalent to approximately HK\$131.1 million) and RMB121.3 million (equivalent to approximately HK\$116.6 million) respectively.

The total consolidated audited net asset value of Sinodata and its subsidiary as at 31 December 2004 and 31 December 2003 was approximately RMB107.9 million (equivalent to approximately HK\$103.8 million) and RMB114.1 million (equivalent to approximately HK\$109.7 million) respectively. The total consolidated unaudited net asset value of Sinodata and its subsidiary as at 31 December 2005 was approximately RMB127.6 million (equivalent to approximately HK\$122.7 million).

The audited consolidated net profits of Sinodata and its subsidiary before and after taxation for the year ended 31 December 2004 was approximately RMB16.1 million (equivalent to approximately HK\$15.5 million) and RMB15.8 million (equivalent to approximately HK\$15.2 million) respectively. The audited consolidated net profits of Sinodata and its subsidiary before and after taxation for the year ended 31 December 2003 was approximately RMB11.2 million (equivalent to approximately HK\$10.8 million) and RMB10.7 million (equivalent to approximately HK\$10.3 million) respectively. The unaudited consolidated net profits of Sinodata and its subsidiary before and after taxation for the year ended 31 December 2005 was approximately RMB20.4 million (equivalent to approximately HK\$19.6 million) and RMB19.6 million (equivalent to approximately HK\$18.8 million).

As each of Multi Glory, CITIC Media HK and Shenzhen JV has not yet commenced any business as at the date of this announcement, information relating to their respective turnovers and profits are not available. Upon completion of the Share Transfer, the Acquisition and the Capital Contribution, the consolidated financial results of the Sinodata Group will be consolidated in the consolidated accounts of the Group. The Purchaser and CITIC Media, being the shareholders of Shenzhen JV, will decide from time to time whether additional capital may be required in the future for the development of Shenzhen JV's, Sinodata's and its subsidiary's businesses. In such circumstances, the Company may finance its funding requirement either by equity or debt including, but not limited to, shareholders' loans and/or bank borrowings. If such additional capital is required from the Company for Shenzhen JV, the Company will make further announcement in compliance with the Listing Rules.

Under the contemplated shareholding structure of the Sinodata Group, upon Completion, Shenzhen JV will be entitled to nominate and appoint the members of the board of directors of Sinodata in proportion to its shareholding in Sinodata. As the Company will be interested in 90% of the registered capital of Shenzhen JV, it is expected that the Company will be entitled to exercise its power as a controlling shareholder in the board of directors of Sinodata. The Company will be entitled to nominate and

appoint the majority of the members of the board of directors in Multi Glory, CITIC Media HK and Shenzhen JV. The exact number of directors to be appointed in each of such companies has not yet been decided. It is still under negotiation as to whether CITIC Media will be entitled to appoint any member to the board of directors of Shenzhen JV.

## REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE CAPITAL CONTRIBUTION

The Group is principally engaged in the provision of financial services including broking, securities margin financing, money lending, investment trading and holding, corporate finance and asset management.

The Company has been proactively identifying suitable investment opportunities to enhance the Group's revenue base and profitability. The Directors are of the view that its proposed investment in Sinodata through Multi Glory will provide an exciting opportunity for the Group to diversify its business into the machines and system supply section of the welfare lottery market in China. The revenue generated by welfare lottery in China has increased from RMB22.6 billion in 2004 to RMB41 billion in 2005 (an increase of approximately 80%). Through the Acquisition and the Capital Contribution and given that Sinodata is one of the leaders in the supply of machine and system section in the welfare lottery business in China with it accounted for approximately 40% of the total welfare lottery market in China in terms of geographical coverage, number of machines deployed and welfare lottery revenue in the provinces covered, the Directors believe that the Group's recurrent income base could be strengthened which would have a positive impact on the Group's long term profitability. In addition, the shareholders base of the Company could be further broadened.

The Directors believe that the terms of the Share Purchase Agreement and the Capital Contribution Contract are fair and reasonable and in the interests of the shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Upon the issue and allotment of the Consideration Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Kingly Profits Corporation (Note)	1,998,805,635	66.63	1,998,805,635	57.11
The Vendor (or its nominee)	–	–	500,000,000	14.29
Public	1,001,194,365	33.37	1,001,194,365	28.60
Total	<u>3,000,000,000</u>	<u>100.00</u>	<u>3,500,000,000</u>	<u>100.00</u>

*Note:*

Kingly Profits Corporation is owned as to 70.18% by King United Agents Limited, King United Agents Limited is wholly-owned by Mr. To Shu Fai.

## INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands and is an investment holding company. It is an indirect subsidiary of CITIC Media. CITIC Group (中國中信集團) is the single largest shareholder of CITIC Media.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **LISTING RULES IMPLICATIONS**

The Acquisition contemplated under the Share Purchase Agreement and the Capital Contribution contemplated under the Capital Contribution Contract constitute a major transaction for the Company pursuant to Chapter 14 of the Listing Rules.

A circular containing further details of the Share Purchase Agreement and the Capital Contribution Contract and a notice convening the Special General Meeting to approve the Share Purchase Agreement and the Capital Contribution Contract and the issuance of the Consideration Shares as required under Chapter 14 of the Listing Rules will be despatched to the Shareholders within 21 days after the publication of this announcement.

## **GENERAL**

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 March 2006 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares of the Company with effect from 9:30 a.m. on 23 March 2006.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in the Company.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“A Share Transfer Contract”	the share transfer contract entered into between an Independent Third Party as the vendor and CITIC Media as the purchaser on 23 February 2006 in relation to the sale and purchase of 21.12% in the registered capital of Sinodata before completion of the Capital Contribution
“Acquisition”	the proposed acquisition of the entire issued share capital of Multi Glory by the Purchaser from the Vendor pursuant to the Share Purchase Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“B Share Transfer Contract”	the share transfer contract entered into between an Independent Third Party as the vendor and CITIC Media as the purchaser on 23 February 2006 in relation to the sale and purchase of 19.316% in the registered capital of Sinodata before completion of the Capital Contribution
“Board”	the board of Directors
“C Share Transfer Contract”	the share transfer contract entered into between an Independent Third Party as the vendor and CITIC Media as the purchaser on 23 February 2006 in relation to the sale and purchase of 5% in the registered capital of Sinodata before completion of the Capital Contribution

“Capital Contribution Contract”	the capital contribution contract entered into between 4 Independent Third Parties and CITIC Media on 23 February 2006 pursuant to which CITIC Media or its nominated subsidiary has agreed to contribute RMB30,000,000 into the capital of Sinodata, details of which are set out in the section headed “Capital Contribution Contract” of this announcement
“Capital Contribution”	the proposed contribution of RMB30,000,000 into the capital of Sinodata by CITIC Media or its nominated subsidiary pursuant to the Capital Contribution Contract
“Company”	REXCAPITAL Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Date”	the third business day immediately following the day on which all of the conditions in the Share Purchase Agreement are satisfied or waived, or such later date as may be mutually agreed by the parties in writing
“Consideration Share(s)”	500,000,000 new Shares to be issued at a price of HK\$0.15 per Share for settlement of the consideration of HK\$75,000,000 payable by the Purchaser to the Vendor (or its nominee) under the Share Purchase Agreement
“CITIC Media”	中信文化傳媒集團有限公司 (CITIC Media Group Limited), an enterprise established in the PRC
“CITIC Media HK”	CITIC Media (Hong Kong) Investment Company Limited (中信文化傳媒(香港)投資有限公司), a company incorporated in the British Virgin Islands
“Director(s)”	director(s) including independent non-executive director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) together with its/their beneficial owner(s) who or which is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, are not connected person(s) (as defined in the Listing Rules) to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Multi Glory”	Multi Glory Limited, a company incorporated in the British Virgin Islands with limited liability and will indirectly hold 90% interest in Shenzhen JV upon Completion
“PRC”	People’s Republic of China
“Purchaser”	REXCAPITAL Financial Group Limited, a wholly-owned subsidiary of the Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Purchase Agreement”	the conditional share sale and purchase agreement dated 15 March 2006, as amended by the Supplemental Agreement, entered into between the Purchaser, the Company and the Vendor in relation to the Acquisition
“Share Transfer”	the transfer of an aggregate of 45.436% in the registered capital of Sinodata prior to completion of the Capital Contribution to CITIC Media or its nominated subsidiary pursuant to the Share Transfer Contracts, the completion Share Transfer is a condition precedent to Completion
“Share Transfer Contracts”	the A Share Transfer Contract, the B Share Transfer Contract and the C Share Transfer Contract
“Shareholder(s)”	holders of the Shares
“Shenzhen JV”	深圳樂彩科技有限公司 (Shenzhen Lots Technology Limited*), a Sino-foreign equity joint venture established in the PRC with a registered capital of RMB10 million and to be indirectly owned as to 90% by the Company upon completion of the Acquisition
“Sinodata”	深圳市思樂數據技術有限公司 (Shenzhen Sinodata Technology Co., Ltd.), a limited liability company established in the PRC and to be owned as to 50.9% by Shenzhen JV upon completion of the Share Transfer and the Capital Contribution
“Sinodata Group”	Multi Glory and its subsidiaries and Sinodata and its subsidiary
“Special General Meeting”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Share Purchase Agreement, the Capital Contribution Contract and the transactions contemplated therein, including any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Share Purchase Agreement dated 20 March 2006 entered into between the Purchaser, the Company and the Vendor to amend certain terms of the Share Purchase Agreement
“Vendor”	Magic Dynasty Limited, a company incorporated in the British Virgin Islands and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“%”

per cent.

By Order of the Board  
**Chan How Chung, Victor**  
*Executive Director*

*As at the date of this announcement, the Board comprises three executive directors namely Mr. Chan How Chung, Victor, Ms. Lee Huei Lin and Mr. Boo Chun Lon and three independent non-executive directors namely Mr. Yuen Wai Ho, Mr. On Kien Quoc and Mr. Chow Siu Ngor.*

Hong Kong, 22 March 2006

\* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.