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REXCAPITAL Financial Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 555)

PLACING OF EXISTING SHARES SUBSCRIPTION FOR NEW SHARES CONNECTED TRANSACTION AND RESUMPTION OF TRADING

On 23 March 2006, the Company, the Placing Agent and the Vendor entered into the Placing Agreement, pursuant to which the Placing Agent agreed to place, on a best efforts basis, up to an aggregate of 1,200,000,000 existing Shares at a price of HK\$0.20 per Share on behalf of the Vendor. On the same day, the Company entered into the Subscription Agreement with the Vendor for the subscription of up to an aggregate of 1,200,000,000 new Shares at the same price per Share.

Assuming all the Placing Shares are placed under the Placing Agreement, the Placing Shares represent 40% of the existing issued share capital of the Company and approximately 28.57% of the issued share capital as enlarged by the Subscription. The total number of Placing Shares to be placed by the Vendor is up to 1,200,000,000 Shares. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for the Subscription Shares which is equivalent to the number of Placing Shares comprising (i) the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares on the 1st Tranche Completion Date and the 2nd Tranche Completion Date respectively.

Assuming all the Placing Shares are placed under the Placing Agreement, the net proceeds from the subscription of the 1st Tranche Subscription Shares and 2nd Tranche Subscription Shares are approximately HK\$117.5 million and HK\$117.5 million respectively. It is intended as to approximately HK\$152.88 million of the proceeds will be used to pay the consideration for the Acquisition, and the remaining balance will be used for general working capital of the Group, including financing future working capital requirement of Multi Glory Limited upon completion of the Acquisition.

As the subscription for the 2nd Tranche Subscription Shares constitutes a connected transaction of the Company under Rule 14A.10(13)(g) of the Listing Rules and as the exemptions provided under Chapter 14A of the Listing Rules do not apply to such subscription, it is therefore subject to the reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The SGM will be convened to consider and, if deemed appropriate, approve the Connected Transaction. A circular containing particulars of the Connected Transaction, a letter of recommendation from the independent board committee to the Shareholders, a letter of advice by an independent financial adviser to the independent board committee and the Shareholders and a notice of the SGM to approve the Connected Transaction will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 10:22 a.m. on Thursday, 23 March 2006 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of Shares on the Stock Exchange from 9:30 a.m. on Monday, 27 March 2006.

The Company and the Placing Agent had discussed the various financing alternatives should an investment opportunity arises for the Company in the beginning of March 2006, during which no concrete outcome was reached by the parties. The Company and the Placing Agent concluded on the terms of the Placing and Subscription at around 10:00 a.m. on 23 March 2006 after the announcement regarding the Acquisition was published.

PLACING AGREEMENT DATED 23 MARCH 2006

Vendor:

Kingly Profits Corporation

Placing Agent:

Bear Stearns Asia Limited, which is and whose beneficial owners are not connected person and are independent of the Company and its connected persons. The placing commission is 1.5% of the aggregate Placing Price of the Placing Shares, which was determined after arm's length negotiation, and the net placing price is HK\$0.197 per Placing Share.

Number of existing Shares to be placed:

The total number of Placing Shares to be placed by the Vendor is up to 1,200,000,000 Shares on a best efforts basis. Assuming all the Placing Shares are placed under the Placing Agreement, the Placing Shares represent 40% of the existing issued share capital of the Company and approximately 28.57% of the issued share capital of the Company as enlarged by the Subscription.

Placement to:

More than six professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement.

Pursuant to the Placing Agreement, the Placing Agent shall ensure that it receives a confirmation from each Placee that it is independent of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates, and that it is not acting in concert (as defined under the Hong Kong Code on Takeovers and Mergers) with the Vendor and its concert parties in relation to the control of the Company.

Placing Price:

HK\$0.20 per Placing Share, which is equivalent to the Subscription Price. Assuming all the Placing Shares are placed under the Placing Agreement, the aggregate value of the Placing is HK\$240,000,000. This Placing Price was agreed after arm's length negotiations and represents (i) a discount of approximately 8.26% to the closing price of HK\$0.218 per Share as quoted on the Stock Exchange on 23 March 2006, being the last trading day of the Shares immediately before and including the date of this announcement; and (ii) a premium of approximately 20.34% to the average closing price of approximately HK\$0.1662 per Share as quoted on the Stock Exchange for the last five trading days ended 23 March 2006.

Rights:

The Placing Shares were sold free from any liens, charges, encumbrances, claims, options or third-party rights and together with all rights attaching thereto at the date of the Placing Agreement.

Lock-up:

- (a) The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing Agreement) from the date of the Placing Agreement and on or prior to the date being six months after the date of the Placing Agreement it will not and will procure that none of its nominees and companies controlled by it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agent) (i) offer, issue, sell, contract to sell, sell any contract to purchase, purchase any option 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 (excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above 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 (i) or (ii) above.
- (b) The Company has undertaken to the Placing Agent that (except for (i) the Subscription Shares to be allotted and issued to the subscribers named in the Subscription Agreement; (ii) any Shares or other securities or rights issued or granted to Shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with its bye-laws or on the exercise of any rights existing at the date of the Placing Agreement; (iii) the Shares to be allotted and issued pursuant to the Share Purchase Agreement; and (iv) any Shares to be allotted and issued upon exercise of options granted by the Company under the share option scheme adopted by the Company on 22 November 2002) from the date of the Placing Agreement and on and prior to the date being six months after the date of the Placing Agreement it will not (without the prior written consent of the Placing Agent) (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 any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

Conditions of the Placing:

The obligation of the Placing Agent to proceed to Completion is conditional upon the following conditions:

- (a) the Subscription Agreement having been entered into by the parties to that agreement and not subsequently having been revoked, terminated or modified;
- (b) dealings in the Shares on the Stock Exchange resuming (following suspension on 23 March 2006) no later than 31 March 2006 and, subsequent thereto, listing of or dealings in any of the Shares on the Stock Exchange not having been suspended at any time prior to Completion (other than as a result of clearing this announcement);
- (c) there not having come to the attention of the Placing Agent at any time prior to Completion (i) any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties or undertakings given by the Company and the Vendor under the Placing Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company or the Vendor which are required to be performed at or before Completion;
- (d) there not having occurred and come to the attention of the Placing Agent at any time prior to Completion (i) any suspension or limitation of trading in securities generally on the Stock Exchange or the New York Stock Exchange or the establishment of minimum prices on the Stock Exchange or the New York Stock Exchange or (ii) the declaration of a banking moratorium in Hong Kong or by Federal or New York State authorities in the United States (iii) any change in local or international financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls including, without limitation, any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis or (iv) any adverse announcement, determination or ruling of any governmental or other regulatory body (including delay in approval of this announcement or any other relevant announcement by any relevant stock exchange), which (or the effect of which) would (in any case mentioned in (ii), (iii) or (iv) above), in the sole judgment of the Placing Agent, make it impracticable or inadvisable to proceed with the Placing; and
- (e) there not having occurred (i) any event, or series of events, beyond the reasonable control of the Placing Agent (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism and acts of God) or (ii) any material adverse change, or development (including, without limitation, the introduction of any new law or regulation or change in existing laws or regulations (or the judicial interpretation thereof) or any other similar event) (whether or not permanent) involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company or the Group as a whole, whether or not arising in the ordinary course of business, which, in the sole judgment of the Placing Agent, make it impracticable or inadvisable to proceed with the Placing.

The above conditions may be waived by the Placing Agent.

Completion of the Placing:

Expected to be on 29 March 2006 or such other date as agreed by the Vendor and the Placing Agent.

SUBSCRIPTION AGREEMENT DATED AS OF 23 MARCH 2006

Subscriber:

The Vendor, holding 66.63% of the total issued capital of the Company, is a substantial shareholder of the Company as at the date of this announcement.

Number of Subscription Shares:

Equivalent to the number of Placing Shares comprising the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares. Assuming the Placing Shares exceeds 600,000,000 Shares, the 1st Tranche Subscription Shares represent 20% of the existing issued share capital of the Company and approximately 16.67% of the share capital as enlarged by the subscription of the 1st Tranche Subscription Shares. Further, assuming all the Placing Shares are placed under the Placing Agreement, the 2nd Tranche Subscription Shares represent 20% of the existing issued share capital of the Company and approximately 14.28% of the share capital as enlarged by the Subscription.

Subscription Price:

HK\$0.20 per Subscription Share, which is equivalent to the Placing Price.

Pursuant to the Subscription Agreement, the Vendor agrees to subscribe as principal, and the Company agrees to issue to the Subscriber or its nominee(s) the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares at the Subscription Price on the 1st Tranche Completion Date and the 2nd Tranche Completion Date respectively on the terms and subject to the conditions set out in the Subscription Agreement.

Upon completion of the issue and allotment of the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares (as the case may be), the Company shall reimburse the Subscriber the expenses properly incurred by it in connection with the Placing on a pro rata basis (including without limitation the fee payable to the Placing Agent, stamp duty, the SFC transaction levy, the Stock Exchange trading fee and special levy, printing and publishing costs and legal fees) after deducting, where applicable, interest accrued and received by the Subscriber (if any) on such part of the net proceeds of the Placing during the period between completion of the Placing and the 1st Tranche Completion Date or the 2nd Tranche Completion Date (as the case may be).

In the event that completion of the Placing Agreements does not occur in accordance with its terms, the Company shall reimburse the Subscriber any legal fees and out-of-pocket expenses which the Subscriber shall be obliged to pay in connection with the Placing.

Rights:

The Subscription Shares will be issued and allotted free from all liens, charges, security interests, encumbrances and adverse claims on the 1st Tranche Completion Date and the 2nd Tranche Completion Date.

General Mandate to issue the 1st Tranche Subscription Shares:

The 1st Tranche Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 14 June 2005.

Ranking of the Subscription Shares:

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue on the 1st Tranche Completion Date and the 2nd Tranche Completion Date (as the case may be) including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Conditions of the Subscription:

- (i) Completion of the issue and allotment of the 1st Tranche Subscription Shares is conditional upon:
 - (a) completion of the Placing having occurred pursuant to the terms of the Placing Agreement;
 - (b) the listing of and permission to deal in the 1st Tranche Subscription Shares being granted by the Listing Committee (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the 1st Tranche Subscription Shares);
 - (c) if required, the granting of a waiver to the Subscriber by the SFC from general offer obligations that might otherwise arise as a result of the Subscription; and
 - (d) if required, the Bermuda Monetary Authority granting permission to allot and issue the 1st Tranche Subscription Shares.

(The above conditions (a) to (d) are collectively referred as the “**Conditions**”)

If the Conditions are not fulfilled on or prior to 13 days from the date of the Placing Agreement or such later date as may be agreed between the Company and the Subscriber and approved by the Stock Exchange, neither of the parties shall be obligated to proceed to completion of the issue and allotment of the 1st Tranche Subscription Shares. Further, if the Conditions are not fulfilled on or prior to 14 days from the date of the Placing Agreement and the parties still decide to proceed to complete the subscription of the 1st Tranche Subscription Shares on a subsequent date, such subscription would be subject to approval by the independent Shareholders under the Listing Rules.

- (ii) Completion of the issue and allotment of the 2nd Tranche Subscription is conditional upon:
 - (a) the fulfillment of the Conditions;
 - (b) the Company obtaining independent shareholders’ approval in relation to the issue and allotment of the 2nd Tranche Subscription Shares in accordance with Listing Rules;
 - (c) the listing of and permission to deal in the 2nd Tranche Subscription Shares being granted by the Listing Committee (and such permission and listing not subsequently being revoked prior to delivery of definition share certificate(s) representing the 2nd Tranche Subscription Shares); and
 - (d) if required, the Bermuda Monetary Authority granting permission to allot and issue the 2nd Tranche Subscription Shares.

(The above conditions (a) to (d) are collectively referred as the “**Additional Conditions**”)

If the above conditions are not fulfilled on or prior to 15 July 2006 or such date as agreed between the parties, the Subscription Agreement shall terminate and neither of the parties have any claim against each other save for antecedent breach of the Subscription Agreement.

None of the Conditions and Additional Conditions may be waived by either the Subscriber or the Company.

Application will be made to the Stock Exchange for the listing of and permission to deal in the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares.

Completion of the Subscription:

- (i) The 1st Tranche Completion Date is on the Business Day immediately after the date upon which the last of the Conditions shall have been satisfied provided that such date shall not be later than the date falling 13 days from the date of the Subscription Agreement or such later time and/or date as the Company and the Subscriber may agree in writing as permitted by the Stock Exchange.
- (ii) The 2nd Tranche Completion Date is on the second Business Days after all the Conditions and Additional Conditions shall have been satisfied (or such other date as the parties may agree in writing).

IMPLICATIONS UNDER THE LISTING RULES

As the subscription for the 2nd Tranche Subscription Shares constitutes a connected transaction of the Company under Rule 14A.10(13)(g) of the Listing Rules and as the exemptions provided under Chapter 14A of the Listing Rules do not apply to such subscription, it is therefore subject to the reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, Kingly Profits Corporation and its associates are required to abstain from voting in respect of the ordinary resolution to approve the Connected Transaction at the SGM because of its interest in the transaction. As the placees under the Placing Agreement do not have a material interest in the Connected Transaction, they do not have to abstain from voting in respect of the ordinary resolution to approve the Connected Transaction at the SGM.

EFFECTS ON SHAREHOLDING

Assuming all the Placing Shares are placed under the Placing Agreement, the Shareholding of the Vendor before and after the Placing, the Subscription and the Acquisition are and will be as follows respectively:

Shareholders	Shareholding in the Company before the Placing and the Subscription	Shareholding in the Company after the Placing but before the Subscription	Shareholding in the Company after the Placing and the subscription of the 1st Tranche Subscription Shares	Shareholding in the Company after the Placing and the Subscription	Shareholding in the Company after the Placing and the Subscription and the Acquisition
Kingly Profits Corporation (Note 1)	1,998,805,635 66.63%	798,805,635 26.63%	1,398,805,635 38.86%	1,998,805,635 47.59%	1,998,805,635 42.53%
Other public Shareholders	1,001,194,365 33.37%	1,001,194,365 33.37%	1,001,194,365 27.81%	1,001,194,365 23.84%	1,001,194,365 21.30%
The Placees (Note 2)	0 0%	1,200,000,000 40.00%	1,200,000,000 33.33%	1,200,000,000 28.57%	1,200,000,000 25.53%
Magic Dynasty Limited	0 0%	0 0%	0 0%	0 0%	500,000,000 10.64%
Total	3,000,000,000 100%	3,000,000,000 100%	3,600,000,000 100%	4,200,000,000 100%	4,700,000,000 100%

Note:

- (1) 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.
- (2) The Placees are part of the public Shareholders.

The Company confirms that after completion of the Placing and Subscription, there will not be any introduction of new substantial shareholder and connected person of the Company.

Kingly Profits Corporation currently holds approximately 66.63% of the entire issued share capital of the Company. Its shareholding in the Company immediately after the Placing but before the Subscription will be approximately 26.63%. Immediately after the Placing and the subscription of the 1st Tranche Subscription Shares, its shareholding in the Company will be approximately 38.86%. Immediately after the Placing and the Subscription, its shareholding in the Company will be approximately 47.59%. Therefore, a general offer obligations will be triggered on the part of Kingly Profits Corporation and its concert parties at both instances under Rule 26 of the Takeovers Code. However, as Kingly Profits Corporation has held more than 50% of the voting rights of the Company for at least 12 months

immediately preceding the Placing, pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, no application is required on the part of Kingly Profits Corporation and its concert parties to be made to the Executive for a waiver from the obligations to make a general offer as a result of the Subscription.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

Assuming all the Placing Shares are placed under the Placing Agreement, the net proceeds from the subscription of the 1st Tranche Subscription Shares and 2nd Tranche Subscription Shares are approximately HK\$117.5 million and HK\$117.5 million respectively. It is intended that approximately HK\$152.88 million of the proceeds will be used to pay the consideration for the Acquisition under the Share Purchase Agreement and the remaining balance will be used for general working capital of the Group, including financing future working capital requirement of Multi Glory Limited upon completion of the Acquisition .

The Directors believe that the terms of the Placing and the Subscription are fair and reasonable and in the interests of the Shareholders as a whole.

UNUSUAL MOVEMENTS IN THE PRICE AND TRADING VOLUME

The Directors has noted the recent increases in the price and trading volume of the Shares and wishes to state that the Directors are not aware of any reasons for such increases, save that for the Acquisition and the Placing and Subscription.

Save for the above, the Directors confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

SGM

The SGM will be convened to consider and, if deemed appropriate, approve, the Connected Transaction. A circular containing particulars of the Connected Transaction, a letter of recommendation from the independent board committee to the Shareholders, a letter of advice by an independent financial adviser to the independent board committee and the Shareholders and a notice of the SGM to approve the Connected Transaction will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

GENERAL INFORMATION

The Company is principally engaged in investment holding. The Group is principally engaged in the provision of financial services including broking, securities margin financing and asset management.

The Vendor is a holding company incorporated in the British Virgin Islands and its sole investment is the Shares held by it.

The Company did not have any fund raising exercise in the 12 months immediately preceding this announcement.

It is intended that the meeting of the board of Directors to approve the annual results of the Group will be held on 28 April 2006.

At the request of the Company, trading of the Shares on the Stock Exchange was suspended from 10:22 a.m. on Thursday, 23 March 2006 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares from 9:30 a.m. on Monday, 27 March 2006.

DEFINITIONS

“1st Tranche Subscription Shares”	the lesser of the Placing Shares and 600,000,000 Shares to be subscribed by the Subscriber on the 1st Tranche Completion Date
“1st Tranche Completion Date”	the Business Day immediately after the date upon which the last of the Conditions shall have been satisfied provided that such date shall not be later than the date falling 13 days from the date of the Placing Agreement or such later time and/or date as the Company and the Subscriber may agree in writing as permitted by the Stock Exchange
“2nd Tranche Subscription Shares”	the excess of the Placing Shares (if any) after deducting therefrom 1st Tranche Subscription Shares to be subscribed by the Subscriber on the 2nd Tranche Completion Date
“2nd Tranche Completion Date”	the second Business Day after all the Conditions and Additional Conditions shall have been satisfied (or such other date as the Parties may agree in writing)
“Acquisition”	the proposed acquisition of the entire issued share capital of Multi Glory Limited under the Share Purchase Agreement
“associate”	has the meaning as defined in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally open for business in Hong Kong
“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 Placing pursuant to the Placing Agreement
“connected persons”	has the meaning as defined in the Listing Rules
“Connected Transaction”	the subscription for the 2nd Tranche Subscription Shares
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	a placing of the Placing Shares by the Placing Agent on behalf of the Vendor
“Placees”	the professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement
“Placing Agent”	Bear Stearns Asia Limited
“Placing Agreement”	the placing agreement dated as of 23 March 2006 entered into among the Vendor, the Company and the Placing Agent in relation to the Placing
“Placing Shares”	up to 1,200,000,000 Shares to be placed by the Vendor
“SFC”	the Securities and Futures Commission
“SGM”	the special general meeting of the Shareholders to be convened by the Company to consider and approve the Connected Transaction
“Shareholders”	shareholders of the Company
“Share Purchase Agreement”	a conditional share sale and purchase agreement dated 15 March 2006, as amended by a supplemental agreement dated 20 March 2006, entered into by the Company with REXCAPITAL Financial Group Limited and Magic Dynasty Limited regarding the sale and purchase of 100% interest in Multi Glory Limited, details of which are set out in the announcement of the Company dated 22 March 2006
“Shares”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Kingly Profits Corporation, being the subscriber to the Subscription Agreement
“Subscription”	the subscription of the Subscription Shares at the Subscription Price
“Subscription Agreement”	the subscription agreement dated as of 23 March 2006 entered into between the Subscriber and the Company in relation to the Subscription

“Subscription Price”	HK\$0.20 per Subscription Share
“Subscription Shares”	the 1st Tranche Subscription Shares and the 2nd Tranche Subscription Shares
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“United States”	United States of America
“Vendor”	Kingly Profits Corporation, being the vendor to the Placing Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

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, 24 March 2006

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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