



REXCAPITAL Financial Holdings Limited

(Incorporated in the Bermuda with limited liability)

(Stock Code: 555)

ANNOUNCEMENT

The Company has noted the increase in trading volume of its shares today. The Board was informed by Kingly that on 3 May 2006, Kingly sold 100,000,000 Shares, representing approximately 2.78% of the issued share capital of the Company, on the market at a price of HK\$0.40 per Share.

Upon completion of the Disposal, Kingly will remain as the single largest shareholder of the Company by being interested in approximately 36.08% of the issued share capital of the Company.

The board of directors (the “**Board**”) of REXCAPITAL Financial Holdings Limited (the “**Company**”) has noted the increase in trading volume of the Shares today and wishes to state that it is not aware of any reasons for such increase, save for the following.

DISPOSAL OF INTEREST IN THE COMPANY BY CONTROLLING SHAREHOLDER

The Board was informed by Kingly Profits Corporation (“**Kingly**”), who held approximately 38.86% of the entire issued share capital of the Company as at 2 May 2006, that it has sold 100,000,000 Shares on the market on 3 May 2006, which represented approximately 2.78% of the issued share capital of the Company, at a price of HK\$0.40 per Share (the “**Disposal**”).

Upon completion of the Disposal, Kingly will remain as the single largest shareholder of the Company by being interested in approximately 36.08% of the issued share capital of the Company.

UNDERTAKING GIVEN BY KINGLY IN THE PLACING AGREEMENT

The Board would also like to refer to the announcement of the Company dated 24 March 2006 (the “**Announcement**”) in relation to, *inter alia*, a connected transaction involving the placing of existing Shares and subscription for new Shares. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the Placing Agreement, Kingly, being the vendor, has undertaken to the Placing Agent, *inter alia*, 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 will (without the prior written consent of the Placing Agent) offer, issue, sell or otherwise transfer or dispose of any Shares (excluding the Placing Shares).

The Board was informed by Kingly that consent from the Placing Agent has been obtained with respect to the Disposal.

Save for the above, the Board 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.

This announcement is made by order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 3 May 2006

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.

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