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REXCAPITAL Financial Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

The Board is pleased to announce that on 19 March 2007, the Company entered into: (1) the EA Share Purchase Agreement with Excellot Assets and Mr. Guan under which the Company has agreed to acquire and Excellot Assets has agreed to sell the EA Sale Share and assign the EA Shareholder's Loan. Global Union indirectly holds approximately 9.62% of the registered capital of Sinodata; and (2) the SG Share Purchase Agreement with Sino Gateway and Mr. Fu under which the Company has agreed to acquire and Sino Gateway has agreed to sell the SG Sale Share and assign the SG Shareholder's Loan. Huge Rich indirectly holds approximately 9.32% of the registered capital of Sinodata.

Sinodata is a company 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 Company for the EA Acquisition is HK\$119,487,500 which is to be satisfied as to HK\$12,825,000 in cash and as to HK\$106,662,500 by the issue of the EA Consideration Shares to Excellot Assets (or its nominee) at a price of HK\$0.70 per Consideration Share. The consideration payable by the Company for the SG Acquisition is HK\$115,762,500 which is to be satisfied as to HK\$12,425,000 in cash and as to HK\$103,337,500 by the issue of the SG Consideration Shares to Sino Gateway (or its nominee) at a price of HK\$0.70 per Consideration Share.

Completion is conditional upon the fulfillment of certain conditions which include, among other things, the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the Consideration Shares, and the approval of the transactions contemplated in Share Purchase Agreements by the Shareholders at the Special General Meeting.

Since the applicable percentage ratios in respect of the Acquisitions and the 2006 Acquisition, if aggregated under Rule 14.22 of the Listing Rules, represents more than 100% for the Company, the proposed Acquisitions constitute very substantial acquisition for the Company pursuant to Chapter 14 of the Listing Rules and the Share Purchase Agreements are, thus, subject to the approval of the Shareholders. As none of the Shareholders has an interest in any of the Share Purchase Agreements, none of the Shareholders will abstain from voting for the resolutions approving the Share Purchase Agreements.

A circular containing further information on the Share Purchase Agreements and a notice convening the Special General Meeting to approve the Share Purchase Agreements and the issuance of the Consideration Shares as required under Chapter 14 of the Listing Rules will be despatched to the shareholders of the Company 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 19 March 2007 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 22 March 2007.

EA SHARE PURCHASE AGREEMENT

On 19 March 2007, the Company, entered into the EA Share Purchase Agreement with Excellot Assets under which the Company has agreed to acquire and Excellot Assets has agreed to sell the EA Sale Share and assign the EA Shareholder's Loan. Global Union indirectly holds approximately 9.62% of the registered capital of Sinodata. As at the date of the EA Share Purchase Agreement, the amount outstanding under the EA Shareholder's Loan was approximately HK\$5,600,000. Mr. Guan has agreed to guarantee the performance of the obligations of Excellot Assets under the EA Share Purchase Agreement.

Date

19 March 2007

Parties

The Purchaser: REXCAPITAL Financial Holdings Limited, as the purchaser and the issuer of the EA Consideration Shares

The Vendor: Excellot Assets Management Limited, the beneficial owner of the entire issued share capital of Global Union, as the vendor

The Guarantor: Mr. Guan Zhi, being the ultimate beneficial owner of Excellot Assets, as the guarantor to guarantee the performance of the obligations of Excellot Assets under the EA Share Purchase Agreement

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, each of Excellot Assets and Mr. Guan is an Independent Third Party and there is no relationship among the vendor to the 2006 Acquisition, Excellot Assets, Sino Gateway and their respective ultimate beneficial owner, including Mr. Guan and Mr. Fu, and their respective associates. Prior to the EA Completion, each of Excellot Assets, Mr. Guan and their respective associates does not have any interest in the share capital of the Company.

Conditions

Completion of the EA Acquisition is conditional upon fulfillment or waiver (by the Company), as the case may be, of the following conditions:

- (i) the warranties remaining true and accurate and not misleading from the date of the EA Share Purchase Agreement to the EA Completion Date inclusive;
- (ii) Excellot Assets 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 EA Share Purchase Agreement on or prior to the EA Completion Date;

- (iii) all necessary consents required to be given by third parties to Excellot Assets for the transactions contemplated under the EA Share Purchase Agreement having been granted and being in full force and effect;
- (iv) the completion of the transfer of the legal ownership of the any issued share capital of Konrad Development held by Excellot Assets or Mr. Guan to Global Union;
- (v) the receipt by the Company of a legal opinion by a firm of qualified lawyers in the PRC in such form and substance satisfactory to the Company;
- (vi) the approval of the transactions contemplated in the EA Share Purchase Agreement, including but not limited to the EA Acquisition and the issuance of the EA Consideration Shares, by the Shareholders at the Special General Meeting; and
- (vii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the EA Consideration Shares.

The Company may in its absolute discretion at any time waive in writing any of the conditions set out in paragraphs (i), (ii), (iv) and (v) above (or any part thereof) and such waiver may be made subject to such terms and conditions as are determined by the Company. The Company shall not be entitled to exercise such right of waiver in respect of paragraphs (iii), (vi) and (vii) above.

If any of the above conditions has not been fully fulfilled or satisfied or complied with or waived by 31 July 2007 (or such later date as may be determined by the Company), the Company shall not be bound to proceed with the EA Acquisition and the EA Share Purchase Agreement shall cease to have any effect save in respect of claims arising out of any antecedent breach of the EA Share Purchase Agreement.

Consideration

The aggregate consideration for the EA Acquisition is HK\$119,487,500. The consideration is payable by the Company in the following manner at the EA Completion:

- (i) an aggregate amount equal to HK\$12,825,000 shall be paid by way of cash; and
- (ii) by way of the Company issuing and allotting to Excellot Assets (or its nominee as it may designate) 152,375,000 new Shares at a price of HK\$0.70 per Consideration Share.

The consideration as to HK\$12,825,000 shall be paid in cash and financed by the Company's internal resources.

Completion

Completion of the EA Acquisition 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.

SG SHARE PURCHASE AGREEMENT

On 19 March 2007, the Company, entered into the SG Share Purchase Agreement with Sino Gateway under which the Company has agreed to acquire and Sino Gateway has agreed to sell the SG Sale Share and assign the SG Shareholder's Loan. Huge Rich indirectly holds approximately 9.32% of Sinodata. As at the date of the EA Share Purchase Agreement, the amount outstanding under the SG Shareholder's Loan was approximately HK\$1,000,000. Mr. Fu has agreed to guarantee the performance of the obligations of Sino Gateway under the SG Share Purchase Agreement.

Date

19 March 2007

Parties

The Purchaser: REXCAPITAL Financial Holdings Limited, as the purchaser and the issuer of the SG Consideration Shares

The Vendor: Sino Gateway International Limited, the beneficial owner of the entire issued share capital of Huge Rich, as the vendor

The Guarantor: Mr. Fu Keqin, being the ultimate beneficial owner of Sino Gateway, as the guarantor to guarantee the performance of the obligations of Sino Gateway under the SG Share Purchase Agreement

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, each of Sino Gateway and Mr. Fu is an Independent Third Party and there is no relationship among the vendor to the 2006 Acquisition, Excellot Assets, Sino Gateway and their respective ultimate beneficial owner, including Mr. Guan and Mr. Fu, and their respective associates. Prior to the SG Completion, each of Sino Gateway, Mr. Fu and their respective associates does not have any interest in the share capital of the Company.

Conditions

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

- (i) the warranties remaining true and accurate and not misleading from the date of the SG Share Purchase Agreement to the SG Completion Date inclusive;
- (ii) Sino Gateway 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 SG Share Purchase Agreement on or prior to the SG Completion Date;
- (iii) all necessary consents required to be given by third parties to Sino Gateway for the transactions contemplated under the SG Share Purchase Agreement having been granted and being in full force and effect;
- (iv) the completion of the transfer of the legal ownership of the entire share capital of Capitol Technology from Sino Gateway or Mr. Fu to Huge Rich;
- (v) the receipt by the Company of a legal opinion by a firm of qualified lawyers in the PRC in such form and substance satisfactory to the Company;
- (vi) the approval of the transactions contemplated in the SG Share Purchase Agreement, including but not limited to the SG Acquisition and the issuance of the SG Consideration Shares, by the Shareholders at the Special General Meeting; and
- (vii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the SG Consideration Shares.

The Company may in its absolute discretion at any time waive in writing any of the conditions set out in paragraphs (i), (ii), (iv) and (v) above (or any part thereof) and such waiver may be made subject to such terms and conditions as are determined by the Company. The Company shall not be entitled to exercise such right of waiver in respect of paragraphs (iii), (vi) and (vii) above.

If any of the above conditions has not been fully fulfilled or satisfied or complied with or waived by 31 July 2007 (or such later date as may be determined by the Company), the Company shall not be bound to proceed with the SG Acquisition and the SG Share Purchase Agreement shall cease to have any effect save in respect of claims arising out of any antecedent breach of the SG Share Purchase Agreement.

Consideration

The aggregate consideration for the SG Acquisition is HK\$115,762,500. The consideration is payable by the Company in the following manner at the SG Completion:

- (i) an aggregate amount equal to HK\$12,425,000 shall be paid by way of cash; and
- (ii) by way of the Company issuing and allotting to Sino Gateway (or its nominee as it may designate) 147,625,000 new Shares at a price of HK\$0.70 per Consideration Share.

The consideration as to HK\$12,425,000 shall be paid in cash and financed by the Company's internal resources.

Completion

Completion of the SG Acquisition 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.

Each of the Share Purchase Agreements is not inter-conditional with and is independent from one and other.

The consideration for the Acquisitions has been agreed by the parties after arm's length negotiation. In arriving at the consideration, the Directors have (a) considered factors including, the prospects of Sinodata Group taking into account, among other information, the position of Sinodata being one of the largest providers 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 such as Sinodata's intention to further expand its geographic coverage and increase its penetration in existing provinces in China for determining the consideration for the EA Sale Share and the SG Sale Share; and (b) used the principal amount of the EA Shareholders' Loan and the SG Shareholders' Loan in determining their respective consideration.

CONSIDERATION SHARES

The Consideration Shares represent approximately 5.06% of the existing issued share capital of the Company and will represent about 4.82% of the enlarged issued share capital of the Company upon the issue and allotment of the Consideration Shares pursuant to the completion of the Share Purchase Agreements. The issue price of HK\$0.70 per Consideration Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 16 March 2007, being the last trading day of the Shares on the Stock Exchange before the publication of this announcement;

- (ii) a discount of approximately 4.37% to the average closing price of HK\$0.732 per Share for the last five consecutive trading days up to and including 16 March 2007; and
- (iii) a premium of approximately 1.89% to the average closing price of HK\$0.687 per Share for the last ten consecutive trading days up to and including 16 March 2007.

Each of Mr. Guan, Excellot Assets, Mr. Fu and Sino Gateway has undertaken to the Company that during the period commencing from the EA Completion Date or the SG Completion Date, as the case may be, and ending on the date which is nine months after the EA Completion Date or the SG Completion Date, as the case may be, it/he 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, Excellot Assets and Sino Gateway by referring to the discounted 5 days' average closing price of the Shares up to and including 16 March 2007. The Board considers that the terms of the Share Purchase Agreements, 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.

INFORMATION ON THE SINODATA GROUP

Global Union

Global Union 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 Konrad Development (the legal ownership of the entire issued share capital of Konrad Development is currently held on trust by Mr. Guan for and on behalf of Global Union), which in turn is interested in the entire registered capital of Gang Le. Gang Le is directly interested in the entire registered capital of Shenzhen Peng Le which in turn is directly interested in approximately 9.62% of the registered capital of Sinodata. In that regard, Global Union is indirectly interested in approximately 9.62% of the registered capital of Sinodata. Each of Konrad Development, Gang Le and Shenzhen Peng Le has no business activities save for holding an investment interest in Sinodata.

Huge Rich

Huge Rich 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 Capitol Technology (the legal ownership of the entire issued share capital of Capitol Technology is currently held on trust by Mr. Fu for and on behalf of Huge Rich), which in turn is interested in the entire registered capital of Shenzhen Qi Hung De. Shenzhen Qi Hung De is directly interested in the entire registered capital of Shenzhen Pei Li Ge which in turn is directly interested in approximately 9.32% of the registered capital of Sinodata. In that regard, Huge Rich is indirectly interested in approximately 9.32% of the registered capital of Sinodata. Each of Capitol Technology, Shenzhen Qi Hung De and Shenzhen Pei Li Ge has no business activities save for holding an investment interest in Sinodata.

Sinodata

Sinodata is a limited liability company established in the PRC in March 1998 with a registered capital of RMB35,560,000. The principal business of Sinodata is in the development and production of proprietary lottery machines, related operation software system and networks (including the provision of incidental consultancy services relating to the provision of software) for the welfare lottery industry in China. Sinodata has obtained the business license in relation to the operation of its business. Apart from such license, the provision of such lottery machines, related operation software system and networks by Sinodata does not require the obtaining of any license or authorization from the relevant authority in the PRC.

Sinodata has its headquarters 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 approximately 90% of China’s welfare lottery revenue in 2006.

Sinodata has been in operation for over 8 years with established track records. The consolidated net profit after taxation of Sinodata Group has grown from RMB11.3 million to RMB19.7 million between 2003 and 2005, representing approximately 74% growth during such period. Sinodata also has extensive geographical coverage in China. Currently, it has deployed over 40,000 lottery machines in China and its operations are spread over 14 provinces in China. Sinodata is the single largest CTG system provider for welfare lottery in China in terms of geographical coverage, number of machines deployed and welfare lottery revenue generated from the provinces covered.

Sinodata is operating on a revenue model based on the selling of proprietary lottery machines, including sharing certain percentage of lottery sales from its customers, related operation software system and networks, maintenance fees derived from providing maintenance services to its customers and the consultancy fees derived from provision of incidental consultancy services. In 2005, the audited total revenue of RMB71.4 million (equivalent to approximately HK\$72.1 million) was represented by sales of lottery machines, sharing of lottery sales, maintenance service, sales of other software and equipment and other revenue including consultation service fee which amounted to RMB33.2 million (equivalent to approximately HK\$33.5 million), RMB16.6 million (equivalent to approximately HK\$16.8 million), RMB16.9 million (equivalent to approximately HK\$17.1 million), RMB4.4 million (equivalent to approximately HK\$4.4 million) and RMB0.3 million (equivalent to approximately HK\$0.3 million) respectively. 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.

Welfare lottery commenced operation in 1987 which accounted for about 60% market share in the Chinese lottery market in 2006. It provides an alternative revenue source for the welfare activities in China.

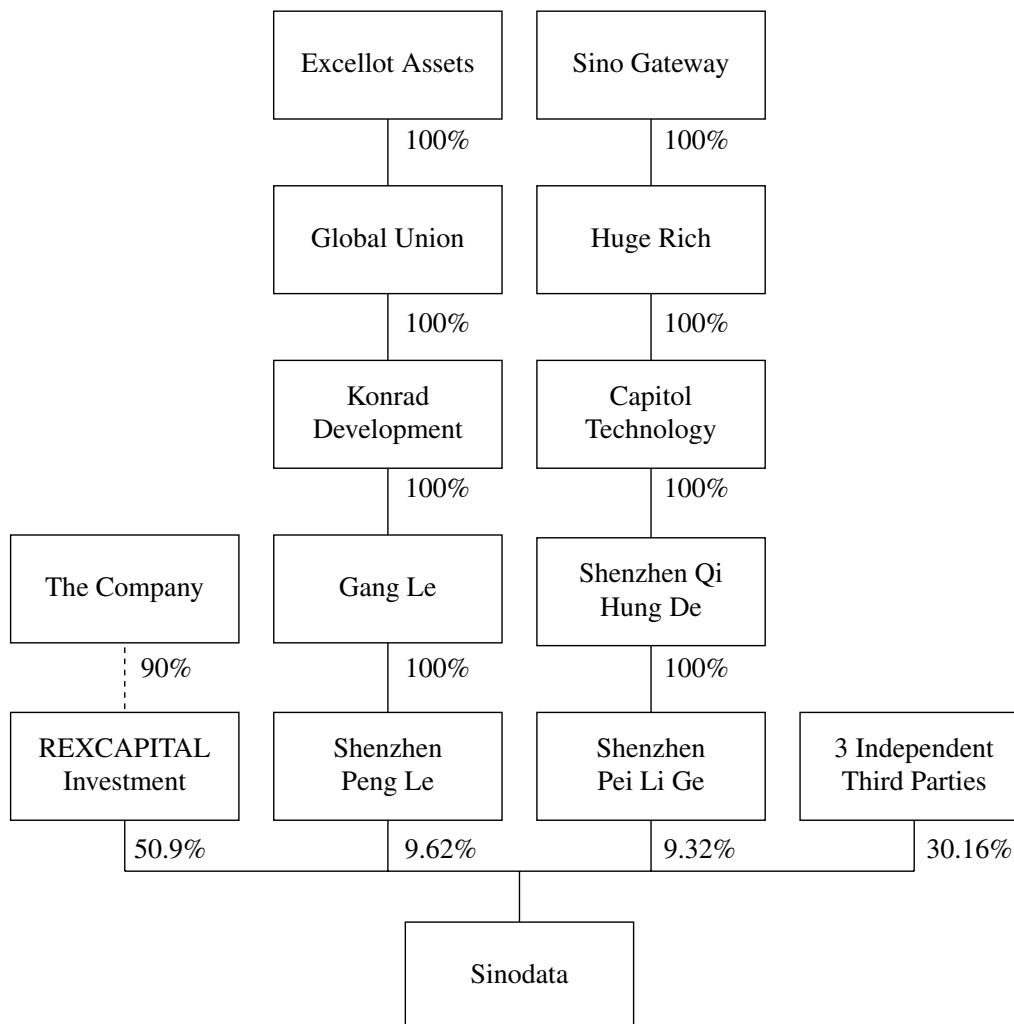
CTGs are the pre-dominant revenue contributor to welfare lottery revenue, accounted for approximately 90% of welfare lottery in China revenue in 2006. Video lottery terminals/Keno and scratch cards together accounted for approximately 10% of the welfare lottery revenue in 2006.

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

Shareholding Structure of Sinodata

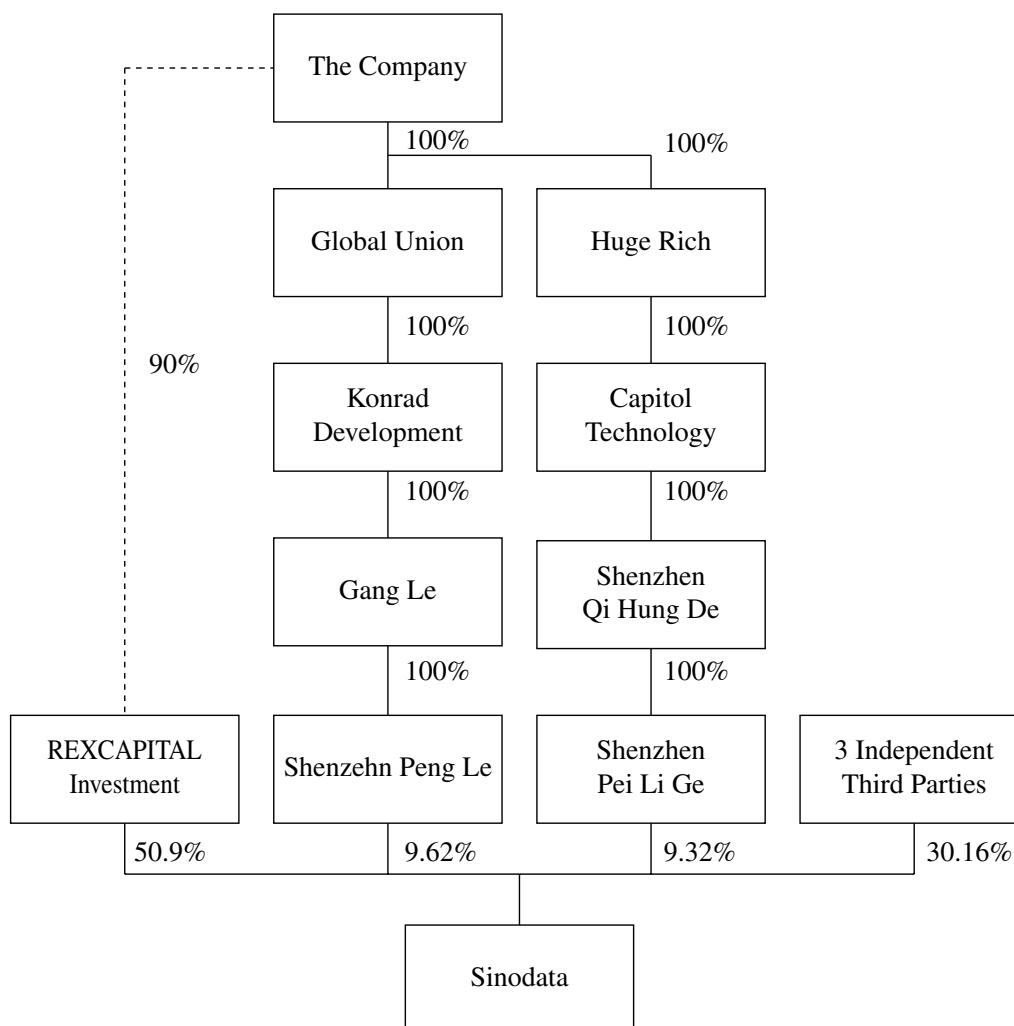
As at the date of this announcement, the Company, Global Union and Huge Rich are indirectly interested in approximately 50.9%, 9.62% and 9.32% respectively of the registered capital of Sinodata. The remaining 30.16% of the registered capital of Sinodata is held by 3 Independent Third Parties.

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



indirect ownership

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



indirect ownership

The remaining 10% equity interest in REXCAPITAL Investment is held by an Independent Third Party.

Upon completion of the Acquisitions, the Company will, legally and beneficially hold the entire issued share capital of Global Union and Huge Rich which in turn are indirectly holding approximately 18.94% interest in the registered capital of Sinodata. In aggregate, the Company will indirectly hold approximately 69.84% in the registered capital of Sinodata upon completion of the Acquisitions.

The total consolidated audited asset value of Sinodata Group as at 31 December 2005 and 31 December 2004 was approximately RMB138.8 million (equivalent to approximately HK\$140.2 million) and RMB136.2 million (equivalent to approximately HK\$137.6 million) respectively.

The total consolidated audited net asset value of Sinodata Group as at 31 December 2005 and 31 December 2004 was approximately RMB127.8 million (equivalent to approximately HK\$129.1 million) and RMB107.9 million (equivalent to approximately HK\$109 million) respectively.

The audited consolidated net profits of Sinodata Group before and after taxation for the year ended 31 December 2005 was approximately RMB20.4 million (equivalent to approximately HK\$20.6 million) and RMB19.7 million (equivalent to approximately HK\$19.9 million) respectively. The audited consolidated net profits of Sinodata Group before and after taxation for the year ended 31 December 2004 was approximately RMB16.1 million (equivalent to approximately HK\$16.3 million) and RMB15.8 million (equivalent to approximately HK\$16 million) respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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 Group has been proactively identifying suitable investment and business opportunities to enhance the Group's revenue base and profitability. Through the acquisitions of Sinodata which was announced in March 2006, the Company become indirectly interested in 50.9% of the registered capital of Sinodata. The revenue generated by welfare lottery in China has increased from RMB41 billion in 2005 to RMB49 billion in 2006 (an increase of approximately 20%). The Acquisitions will provide an exciting opportunity for the Group to further extend its participation in Sinodata, which is the single largest CTG system provider for welfare lottery in China.

In late 2006, the Group acquired a 70% stake in Beijing Guard Libang Technology Co., Ltd. (北京戈德利邦科技有限公司), one of the approved service providers in the instant lottery industry in China. Through those acquisitions, the Group now participates in the provision of system and machineries to two out of the three categories of games, being CTGs and instant lottery games, currently available in the welfare lottery industry in China. The Directors believe that by utilizing the advantages that the Group has established in its technologies and market for CTGs, synergies can be created on technologies and markets on instant lottery games and CTGs, so as to strengthen the Group's position in the welfare lottery industry in China.

Having considering the basis of determining the consideration for the Acquisitions as mentioned above, the Directors believe that the terms of Share Purchase Agreements 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	
	No. of Shares	%	No. of Shares	%
Kingly Profits Corporation				
<i>(Note)</i>	1,098,805,635	18.53	1,098,805,635	17.64
Gandhara Master Fund Limited	616,075,000	10.39	616,075,000	9.89
Excellot Assets (or its nominee)	–	–	152,375,000	2.44
Sino Gateway (or its nominee)	–	–	147,625,000	2.37
Public	4,215,119,365	71.08	4,215,119,365	67.66
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>5,930,000,000</u>	<u>100.00</u>	<u>6,230,000,000</u>	<u>100.00</u>

Note:

Kingly Profits Corporation is indirectly wholly owned by Mr. Chan How Chung, Victor, an Executive Director.

INFORMATION ON THE VENDORS

Excellot Assets is a company incorporated in the British Virgin Islands and is an investment holding company held by Mr. Guan. Sino Gateway is a company incorporated in the British Virgin Islands and is an investment holding company held by Mr. Fu.

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

Since the applicable percentage ratios in respect of the Acquisitions and the 2006 Acquisition, if aggregated under Rule 14.22 of the Listing Rules, represents more than 100% for the Company, the Acquisitions contemplated under Share Purchase Agreements constitute very substantial acquisition for the Company pursuant to Chapter 14 of the Listing Rules and the Share Purchase Agreements are, thus, subject to the approval of the Shareholders. As none of the Shareholders has an interest in any of the Share Purchase Agreements, none of the Shareholders will abstain from voting for the resolutions approving the Share Purchase Agreements.

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 19 March 2007 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 22 March 2007.

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

“2006 Acquisition”	the acquisition of the entire issued share capital of Multi Glory Limited by the Company and the capital contribution by the Company into the capital of Sinodata, which after completion of such transactions, the Company was and is indirectly interested in approximately 50.9% in the registered capital of Sinodata. Details of such transactions are set out in the announcement of the Company dated 15 March 2006 and the circular of the Company dated 12 June 2006
“Acquisitions”	the EA Acquisition and the SG Acquisition
“Board”	the board of Directors
“Consideration Shares”	the EA Consideration Shares and the SG Consideration Shares
“Capitol Technology”	Capitol Technology Limited, a company incorporated in Hong Kong, the entire share capital of which is beneficially held by Huge Rich

“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 Acquisitions
“Director(s)”	director(s) including independent non-executive director(s) of the Company
“EA Acquisition”	the proposed acquisition of the entire issued share capital of Global Union by the Company from Excellot Assets pursuant to the EA Share Purchase Agreement
“EA Completion”	completion of the EA Acquisition
“EA Completion Date”	the third business day immediately following the day on which all of the conditions in the EA Share Purchase Agreement are satisfied or waived, or such later date as may be mutually agreed by the parties in writing
“EA Consideration Share(s)”	152,375,000 new Shares to be issued at a price of HK\$0.70 per Share for settlement of the consideration of HK\$106,662,500 payable by the Company to Excellot Assets (or its nominee) under the EA Share Purchase Agreement
“EA Sale Share”	1 share of US\$1.00 in the share capital of Global Union, representing the entire issued share capital of Global Union
“EA Share Purchase Agreement”	the conditional share sale and purchase agreement dated 19 March 2007 entered into between the Company and Excellot Assets in relation to the EA Acquisition
“EA Shareholder’s Loan”	all shareholder’s loan due by Global Union to Excellot Assets, which shall not be less than HK\$5,600,000
“Excellot Assets”	Excellot Assets Management Limited, a company incorporated in British Virgin Islands, the vendor of the entire share capital of Global Union
“Gang Le”	港樂貿易(深圳)有限公司 (Gang Le Trading (Shenzhen) Co., Ltd.), a wholly-owned foreign enterprises established in the PRC, its entire registered capital is held by Konrad Development
“Global Union”	Global Union Group Limited, a company incorporated in British Virgin Islands, the entire share capital of which is beneficially held by Excellot Assets
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huge Rich”	Huge Rich Enterprises Limited, a company incorporated in British Virgin Islands, the entire share capital of which is beneficially held by Sino Gateway

“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
“Konrad Development”	Konrad Development Limited, a company incorporated in Hong Kong, the entire share capital of which is beneficially held by Global Union
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fu”	Mr. Fu Keqin, a PRC citizen, the guarantor of SG Share Purchase Agreement
“Mr. Guan”	Mr. Guan Zhi, a PRC citizen, the guarantor of EA Share Purchase Agreement
“PRC”	People’s Republic of China
“REXCAPITAL Investment”	御泰投資管理(南通)有限公司 (REXCAPITAL Investment Management (Nantong) Limited), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“SG Acquisition”	the proposed acquisition of the entire issued share capital of Huge Rich by the Company from Sino Gateway pursuant to the SG Share Purchase Agreement
“SG Completion”	completion of the SG Acquisition
“SG Completion Date”	the third business day immediately following the day on which all of the conditions in the SG Share Purchase Agreement are satisfied or waived, or such later date as may be mutually agreed by the parties in writing
“SG Consideration Share(s)”	147,625,000 new Shares to be issued at a price of HK\$0.70 per Share for settlement of the consideration of HK\$103,337,500 payable by the Company to Sino Gateway (or its nominee) under the SG Share Purchase Agreement
“SG Sale Share”	1 share of US\$1.00 in the share capital of Huge Rich, representing the entire issued share capital of Huge Rich
“SG Share Purchase Agreement”	the conditional share sale and purchase agreement dated 19 March 2007 entered into between the Company and Sino Gateway in relation to the SG Acquisition
“SG Shareholder’s Loan”	all shareholder’s loan due by Huge Rich to Sino Gateway which shall not be less than HK\$1,000,000
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Share Purchase Agreements”	the EA Share Purchase Agreement and the SG Share Purchase Agreement
“Shareholders”	shareholders of the Company
“Shenzhen Pei Li Ge”	深圳市派立格電子技術有限公司 (Shenzhen Pei Li Ge Electronics Technology Co., Ltd.), a limited liability company established in the PRC, its entire registered capital is held by Shenzhen Qi Hung De
“Shenzhen Peng Le”	深圳市鵬樂實業發展有限公司 (Shenzhen Peng Le Industrial Development Co. Ltd.), a limited liability company established in the PRC, its entire registered capital is held by Gang Le
“Shenzhen Qi Hung De”	深圳啟鴻德貿易有限公司 (Shenzhen Qi Hung De Trading Co., Ltd.), a wholly-owned foreign enterprises established in the PRC, its entire registered capital is held by Capitol Technology
“Sino Gateway”	Sino Gateway International Limited, a company incorporated in British Virgin Islands, the vendor of the entire share capital of Huge Rich
“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
“Sinodata Group”	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 transactions contemplated in the Share Purchase Agreements, including but not limited to the issuance of Consideration Shares, and any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 two executive directors namely Mr. Chan How Chung, Victor 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.

In this announcement, except as otherwise indicate, RMB has been translated into HK\$ at the rate of RMB1.00 = HK\$1.01 for reference purpose only.

Hong Kong, 21 March 2007

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