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REXCAPITAL Financial Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

CLARIFICATION ANNOUNCEMENT

This announcement is made in response to a press article appearing on 6 February 2009 regarding the Company has entered into an agreement to dispose of its brokerage business. The Board would like to clarify that the Company has not reached any agreement to dispose of its brokerage business.

This clarification announcement is made by REXCAPITAL Financial Holdings Limited (the “**Company**”) in response to an article appearing in Quamnet on 6 February 2009 (the “**Article**”). It was stated in the Article, among other things, that the Company has entered into an agreement to dispose of its brokerage business at about HK\$200 million.

The board of directors of the Company (the “**Board**”) would like to clarify that the Company has not reached any agreement to dispose of its brokerage business at about HK\$200 million.

The Board would also like to state the followings:

1. The Company, its subsidiaries and jointly controlled entities (together the “**Group**”) is principally engaged in lottery system and games design business, distribution and marketing of lottery products and the provision of financial services, including securities broking and margin financing, money lending and investment trading and holding. As discussed in the Company’s 2007 Annual Report, the Group has committed resources to provide comprehensive and professional services to the market, with an aim to consolidate its established foothold in the lottery market in China.

2. As discussed in the Company's Interim Report for the six months ended 30 June 2008 (the "**Interim Period**"), it is widely expected that the global and local markets will continuously be affected by unstable economic environment in the second half of 2008 as a result of the uncertainties surrounding the global economy as well as the credit crunch and sub-prime problem in the United States. The recent crises faced by international financial institutions put further strains on the financial market. The management is cognizant of the impact of such adverse fluctuation. The Group will continue to take prudent and comprehensive measures to rationalize and maximize the use of resources with better cost controls in order to take on the challenges. Subsequent to the Interim Period, the Company has taken active measures to reduce its risk exposure to the financial market and scale down the operations of our financial services business, including securities broking and margin financing, money lending and investment trading and holding, in order to reduce our exposures to the weakening global financial environment and to further strengthen the Company's financial position. This would enable the Company to reduce its risk to the financial market and redirect the resources so released to the lottery business which is much less correlated to the current economic cycle and financial turmoil.

3. The Company will continue to monitor the global and local financial environment and take appropriate steps to respond to the ever-changing market positions. The Company will comply with the applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when appropriate.

By Order of the Board

Ng Yuen Yee

Company Secretary

Hong Kong, 9 February 2009

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. Chow Siu Ngor and Mr. Lee Ka Lun.