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REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 555)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL RESULTS

The board of directors (the “Board”) of REXLot Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and jointly controlled entities (together the “Group”) for the year ended 31 December 2009 together with the comparative figures for the corresponding period in 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	<i>Notes</i>	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
Turnover	3	1,272,069	1,173,000
Cost of sales/services rendered		(635,508)	(606,641)
Other income	3	8,085	6,085
Other gains/(losses), net	3	19,496	(19,301)
Bad debts written off, net		(422)	(194)
Allowance for impairment of bad and doubtful debts, net		(62)	(44,995)
Selling and distribution expenses		(46,329)	(35,961)
Administrative expenses		(165,484)	(128,535)
Operating profit		451,845	343,458
Finance costs		(1,608)	(1,243)
Profit before taxation	5	450,237	342,215
Taxation	6	(34,082)	(51,414)
Profit for the year		416,155	290,801

		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Attributable to:			
Equity holders of the Company		424,581	267,641
Non-controlling interests		(8,426)	23,160
		<u>416,155</u>	<u>290,801</u>
Earnings per share for profit attributable			
to equity holders of the Company			
	<i>8</i>		
– Basic		<u>5.66 cents</u>	<u>3.68 cents</u>
– Diluted		<u>5.63 cents</u>	<u>3.66 cents</u>

Details of dividends paid and proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	416,155	290,801
Other comprehensive income		
Exchange difference arising from translation of financial statements of foreign operations	<u>6</u>	<u>25,664</u>
Total comprehensive income for the year	<u>416,161</u>	<u>316,465</u>
Attributable to:		
Equity holders of the Company	424,587	289,151
Non-controlling interests	<u>(8,426)</u>	<u>27,314</u>
	<u>416,161</u>	<u>316,465</u>

CONSOLIDATED BALANCE SHEET

At 31 December 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		156,428	136,968
Prepaid lease payments on land use rights		36,120	36,878
Investment property		962	962
Goodwill		1,694,266	1,479,022
Intangible assets		109,663	116,882
Deposits for acquisition of leasehold land use rights		3,129	3,129
Statutory deposits		632	632
Deferred tax assets		1,580	1,535
Investment deposits		–	126,000
Total non-current assets		<u>2,002,780</u>	<u>1,902,008</u>
Current assets			
Inventories		99,929	79,675
Trade receivables	9	679,029	708,905
Utility and other deposits		248,056	127,567
Prepayments and other receivables		385,459	273,989
Financial assets at fair value through profit or loss		23,064	9,311
Current tax refundable		–	2,705
Cash and bank balances		353,158	244,043
Total current assets		<u>1,788,695</u>	<u>1,446,195</u>
Total assets		<u>3,791,475</u>	<u>3,348,203</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		75,902	73,962
Reserves		3,261,548	2,904,321
Proposed final dividend		33,083	–
		<u>3,370,533</u>	<u>2,978,283</u>
Non-controlling interests		<u>76,138</u>	<u>82,272</u>
Total equity		<u>3,446,671</u>	<u>3,060,555</u>

		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		–	11,807
Deferred tax liabilities		<u>47,338</u>	<u>47,476</u>
Total non-current liabilities		<u>47,338</u>	<u>59,283</u>
Current liabilities			
Trade payables	<i>10</i>	111,133	153,880
Other payables and accruals		77,095	55,019
Borrowings		80,190	2,351
Current tax liabilities		<u>29,048</u>	<u>17,115</u>
Total current liabilities		<u>297,466</u>	<u>228,365</u>
Total liabilities		<u>344,804</u>	<u>287,648</u>
Total equity and liabilities		<u>3,791,475</u>	<u>3,348,203</u>
Net current assets		<u>1,491,229</u>	<u>1,217,830</u>
Total assets less current liabilities		<u>3,494,009</u>	<u>3,119,838</u>

NOTES:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

2. CHANGES IN ACCOUNTING POLICIES

Adoption of new or revised accounting standards

The HKICPA has issued certain new and revised HKFRS that are first effective for the current accounting period of the Group as follows:

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRSs (Amendment)	Improvements to HKFRSs (2008)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
Amendments to HKFRS 7, Financial Instruments	Disclosures – Improving Disclosures about Financial Statements
HKFRS 8	Operating Segments
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfer of Assets from Customers

The adoption of the above new or revised HKFRS has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented except that the following set out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements. Accordingly, no prior period adjustment has been made.

(a) *HKAS 1 (Revised 2007)*

As a result of the adoption of HKAS 1 (Revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expense in a revised consolidated statement of changes in equity. All other items of income and expense are presented either in a one-statement (i.e. a single “Statement of Comprehensive Income”) or a two-statement (i.e. an “Income Statement” together with a “Statement of Comprehensive Income”) approach. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

(b) *Amendments to HKFRS 7*

As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group’s financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

(c) *Improvements to HKFRSs (2008)*

The “improvements to HKFRSs (2008)” comprise a number of minor and non-urgent amendments to a range of HKFRS which the HKICPA has issued as an omnibus batch of amendments. However, these amendments have not resulted in any changes to the Group’s accounting policies.

(d) HKAS 27 (Amendment)

The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will be not reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

(e) HKFRS 8

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented (note 4). Corresponding amounts have been provided on a basis consistent with the revised segment information.

Standards early adopted by the Group

The Group has early adopted the following revised standards for the year ended 31 December 2009:

HKFRS 3 (Revised)	Business combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements

The adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) has resulted in a change in the accounting policies. The changes in the accounting policy in respect of HKFRS 3 (Revised) and HKAS 27 (Revised) have been applied prospectively to transactions during the year ended 31 December 2009. The adoption of other amendments and interpretations does not have a significant effect on the results and financial position of the Group. The details of the changes are set out as below.

HKFRS 3 (Revised) and HKAS 27 (Revised)

HKFRS 3 (Revised) continued to apply the acquisition method to business combinations, with some significant changes. For example, all acquisition-related costs should be expensed. The cost of acquisition includes the fair value at the acquisition date of any contingent purchase consideration. In a business combination undertaken in phases/stages, the previously held equity interest in the acquiree is measured at fair value and the difference between its fair value and carrying amount is recognised in goodwill. There is a choice, on the basis of each acquisition, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The Group has chosen to recognise the non-controlling interest at the proportionate share of the acquiree's net assets.

As the Group has early adopted HKFRS 3 (Revised), it is required to early adopt HKAS 27 (Revised) at the same time. HKAS 27 (Revised) provides that the transactions undertaken with non-controlling interests that do not result in the loss of control are accounted for as equity transactions and these transactions will no longer result in goodwill or gains and losses. When control is lost, any remaining interest in the entity is measured to fair value and the difference between the fair value and the carrying amount is recognised in the income statement.

The effect of the above early application of these two revised standards on the Group's consolidated financial statements is set out below:

	2009
	<i>HK\$'000</i>
Consolidated balance sheet and equity at 31 December	
Decrease in goodwill	(84,111)
Decrease in special reserve	(84,855)
Decrease in retained profits	(744)
Consolidated income statement for the year ended 31 December	
Increase in administrative expenses	744

Except for the above effect on acquisitions of non-controlling interests, the early application of these two revised standards has had no other material impact on the consolidated financial statements.

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2009

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
HKFRS 1 (Revised), First-time adoption of Hong Kong Financial Reporting Standards	1 July 2009
Amendments to HKAS 39, Financial Instruments: Recognition and Measurement-Eligible Hedged Items	1 July 2009
HK(IFRIC) 17, Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to HKFRSs 2008	1 July 2009
Improvements to HKFRSs 2009	1 July 2009 or 1 January 2010
Amendments to HKFRS 2, Share-based Payment – Group Cash-settled Share-based Payment Transactions	1 January 2010
Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards – Additional exemptions for first-time adopters	1 January 2010
Amendment to HKAS 32, Financial instruments: Presentation – Classification of rights issues	1 February 2010
HK(IFRIC) 19, Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Amendment to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards – Limited exemption from comparative HKFRS 7 disclosures for first-time adopters	1 July 2010
HKAS 24 (Revised), Related Party Disclosures	1 January 2011
Amendments to HK(IFRIC) 14, HKAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement	1 January 2011
HKFRS 9, Financial Instruments	1 January 2013

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3. TURNOVER, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

Turnover represents commission income and handling fee income, interest income and income from provision of lottery machines and related services.

An analysis of the Group's turnover, other income and other gains/(losses), net is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover		
Commission income and handling fee income	4,765	5,515
Interest income from		
– banks	10	145
– margin clients	397	5,433
– loan receivables	6,825	11,393
Income from provision of lottery machines and related services	<u>1,260,072</u>	<u>1,150,514</u>
	<u>1,272,069</u>	<u>1,173,000</u>
Other income		
Interest income on bank deposits	698	1,727
Government subsidy	–	339
Sundry income	3,547	3,956
Dividend income from listed securities	38	–
Rental income from		
– investment property	140	63
– sub-letting of rented premises	<u>3,662</u>	<u>–</u>
	<u>8,085</u>	<u>6,085</u>
Other gains/(losses), net		
Net gains/(losses) on disposal of financial assets		
at fair value through profit or loss	3,487	(4,002)
Fair value gains/(losses) on financial assets at fair value		
through profit or loss	16,009	(14,973)
Exchange losses	<u>–</u>	<u>(326)</u>
	<u>19,496</u>	<u>(19,301)</u>
	<u>1,299,650</u>	<u>1,159,784</u>
Total interest income on financial assets not		
at fair value through profit or loss	<u>7,930</u>	<u>18,698</u>

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The chief operating decision makers of the Group are the Group's Executive Directors. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed.

In prior years, the Group's primary reporting format under HKAS 14 was business segments, comprising lottery business, financial services and money lending. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The Group's reportable segments under HKFRS 8 are therefore as follows:

- Lottery business
- Financial services

Intersegment revenue is eliminated on consolidation. Intersegment sales and transactions are conducted in accordance with the terms mutually agreed between the parties. The amounts reported for the prior year have been restated in conformity with the current year's presentation.

The Board assesses the performance of the business segments based on profit before taxation without allocation of finance income/(costs), which is consistent with those in the financial statements.

Information regarding the Group's reportable segments as provided to the Board for the purpose of resources allocation and assessment of segment performance for the years ended 31 December 2009 and 2008 is set out below.

Business segments

- (a) The segment results for the year ended 31 December 2009 and segment assets and liabilities at 31 December 2009 are as follows:

	As at and for the year ended 31 December 2009		
	Lottery business HK\$'000	Financial services HK\$'000	Total HK\$'000
Turnover	<u>1,260,072</u>	<u>11,997</u>	<u>1,272,069</u>
Segment results	460,327	(774)	459,553
Net unallocated expenses			<u>(9,316)</u>
Profit before taxation			450,237
Taxation			<u>(34,082)</u>
Profit for the year			<u>416,155</u>
Assets			
Segment assets	3,445,365	71,388	3,516,753
Unallocated assets			<u>274,722</u>
Total assets			<u>3,791,475</u>
Liabilities			
Segment liabilities	264,716	34,893	299,609
Unallocated liabilities			<u>45,195</u>
Total liabilities			<u>344,804</u>

The segment results for the year ended 31 December 2008 and segment assets and liabilities at 31 December 2008 are as follows:

	As at and for the year ended 31 December 2008		
	Lottery business <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	<u>1,150,514</u>	<u>22,486</u>	<u>1,173,000</u>
Segment results	424,407	(73,726)	350,681
Net unallocated expenses			<u>(8,466)</u>
Profit before taxation			342,215
Taxation			<u>(51,414)</u>
Profit for the year			<u>290,801</u>
Assets			
Segment assets	2,815,434	251,391	3,066,825
Unallocated assets			<u>281,378</u>
Total assets			<u>3,348,203</u>
Liabilities			
Segment liabilities	251,158	24,355	275,513
Unallocated liabilities			<u>12,135</u>
Total liabilities			<u>287,648</u>

(b) *Other segment information*

	For the year ended 31 December 2009		
	Lottery	Financial	Total
	business	services	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other information			
Depreciation and amortisation	49,301	510	49,811
Allowance for impairment of bad and doubtful debts	68	–	68
Bad debts written off	252	170	422
Capital expenditure	67,160	–	67,160

	For the year ended 31 December 2008		
	Lottery	Financial	Total
	business	services	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other information			
Depreciation and amortisation	30,048	995	31,043
Allowance for impairment of bad and doubtful debts	–	44,995	44,995
Bad debts written off	–	194	194
Capital expenditure	71,163	530	71,693

Geographical segments

The Group's business segments operate in two main geographical areas.

As at and for the year ended 31 December 2009					
	Segment results and profit/(loss)		Total	Total	Capital
	before	Total	Total	Capital	
Turnover	taxation	assets	liabilities	expenditure	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	11,997	(10,090)	76,610	80,088	–
The PRC	1,260,072	460,327	3,714,865	264,716	67,160
	<u>1,272,069</u>	<u>450,237</u>	<u>3,791,475</u>	<u>344,804</u>	<u>67,160</u>

As at and for the year ended 31 December 2008					
	Segment results and profit/(loss)		Total	Total	Capital
	before	Total	Total	Capital	
Turnover	taxation	assets	liabilities	expenditure	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	22,486	(82,192)	533,712	36,500	530
The PRC	1,150,514	424,407	2,814,491	251,148	71,163
	<u>1,173,000</u>	<u>342,215</u>	<u>3,348,203</u>	<u>287,648</u>	<u>71,693</u>

5. PROFIT BEFORE TAXATION

The Group's profit before taxation is stated after charging the following:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Auditors' remuneration		
– Audit services	2,479	1,500
– Other services	385	350
Commission expense	8,177	2,078
Research and development costs	10,552	900
Loss on disposal of property, plant and equipment	8,853	3,160
Depreciation and amortisation on		
– Property, plant and equipment	41,775	28,855
– Prepaid lease payments on land use rights	758	758
– Intangible assets	7,278	1,430
Operating lease rentals in respect of office premises and warehouse	<u>22,942</u>	<u>11,174</u>

6. TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the Group has no estimated assessable profits for the year (2008: Nil).

One of the jointly controlled entities, Beijing Guard Libang Technology Co Ltd, and two of the subsidiaries, 濟南銀網聯合科技有限公司 and Shenzhen Sinodata Technology Co Ltd, of the Group's lottery business in the PRC are subject to a preferential tax rate of 15% as they are recognised as high technology enterprises for the year ended 31 December 2009.

According to the provisions stipulated in the tax circular, Caishui [2000] No. 25, one of the subsidiaries of the Group's lottery business in the PRC, 濟南數碼彩通科技有限公司, is exempted from income tax for two years commencing from the first year of profitable operations, followed by a 50% reduction for the following three years. The first profit-making year of this subsidiary was 2007 and thus it enjoyed 50% reduction for the year ended 31 December 2009. The applicable income tax rate for current year was 12.5%.

Two of the subsidiaries of the Group's lottery business in the PRC, Shenzhen Kingsail Software Tech Co Ltd and 深圳市思樂數據設備服務有限公司 were established and operate at the Shenzhen Special Economic Zone of the PRC for which the applicable preferential tax rate was 18% and 20% for 2008 and 2009 respectively and is increased to 22%, 24% and 25% for the years ending 31 December 2010, 2011 and 2012 onwards, respectively.

According to the provisions stipulated in the tax circular, Jingdishuiqi [2009] No. 50, one of the subsidiaries of the Group's lottery business in the PRC, 彩通天成(北京)科技有限公司, is exempted from income tax for two years commencing from 2009, followed by a 50% reduction for the following three years to 2013.

The applicable income tax rate for the remaining subsidiaries of the Group's lottery business in the current year is 25% (2008: 15% to 25%) as their tax holiday and concession periods, if any, have expired.

The amount of taxation charged to the consolidated income statement represents:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
– Hong Kong profits tax	–	–
– PRC income tax	33,623	22,299
– Under/(over)provision in respect of previous year	3,301	(425)
	36,924	21,874
Deferred tax:		
Deferred taxation relating to the origination and reversal of temporary differences	(2,190)	29,448
Attributable to change in tax rates	(652)	92
Taxation charge	34,082	51,414

7. DIVIDENDS

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared and paid of 0.18 HK cent (2008: Nil) per ordinary share	13,633	–
Proposed final dividend of 0.43 HK cent (2008: Nil) per ordinary share	33,083	–
	46,716	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to the equity holders of the Company by the weighted average number of shares in issue during the year.

	2009	2008
Profit attributable to equity holders of the Company <i>(in thousand HK\$)</i>	<u>424,581</u>	<u>267,641</u>
Weighted average number of ordinary shares in issue <i>(in thousand)</i>	<u>7,495,753</u>	<u>7,282,833</u>
Basic earnings per share	<u><u>5.66 cents</u></u>	<u><u>3.68 cents</u></u>

(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit for the year and on the weighted average number of ordinary shares, being the weighted average number of ordinary shares in issue during the year as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all share options outstanding during the year.

	2009	2008
Profit for the year, used in the basic and diluted earnings per share calculation <i>(in thousand HK\$)</i>	<u><u>424,581</u></u>	<u><u>267,641</u></u>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation <i>(in thousand)</i>	<u>7,495,753</u>	<u>7,282,833</u>
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all share options outstanding during the year <i>(in thousand)</i>	<u>44,483</u>	<u>39,022</u>
	<u><u>7,540,236</u></u>	<u><u>7,321,855</u></u>
Diluted earnings per share	<u><u>5.63 cents</u></u>	<u><u>3.66 cents</u></u>

9. TRADE RECEIVABLES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Margin client receivables, net	2,507	3,091
Other client receivables, net	841	675
Broker receivables	6,316	945
Amounts due from clearing houses	–	2,152
Loan receivables, net	1,478	196,370
Loan interest receivables, net	391	8,008
Trade receivables – Lottery business	<u>667,496</u>	<u>497,664</u>
	<u>679,029</u>	<u>708,905</u>

Margin client receivables are repayable on demand, bear interest at prevailing market rates and are secured by clients' securities listed on the Stock Exchange with market value of approximately HK\$18,720,000 as at 31 December 2009 (2008: HK\$12,895,000). No ageing analysis is disclosed for margin client receivables as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing and broking.

The settlement terms of other client receivables, broker receivables and amounts due from clearing houses are one to two days after the trade date or are repayable on demand. The age of these balances is within 30 days.

The Directors consider that the carrying amounts of trade receivables approximate to their fair values. The Group generally grants credit periods of 90 to 120 days to its trade receivables.

The ageing analysis of loan receivables, loan interest receivables, net and trade receivables – Lottery business is as follows:

As at 31 December 2009			
	Loan receivables and loan interest receivables, net <i>HK\$'000</i>	Trade receivables – Lottery business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Three months or less	–	482,202	482,202
One year or less but over three months	–	180,271	180,271
Over one year	<u>1,869</u>	<u>5,023</u>	<u>6,892</u>
	<u>1,869</u>	<u>667,496</u>	<u>669,365</u>

As at 31 December 2008			
	Loan receivables and loan interest receivables, net <i>HK\$'000</i>	Trade receivables – Lottery business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Three months or less	99,454	470,865	570,319
One year or less but over three months	101,221	18,556	119,777
Over one year	<u>3,703</u>	<u>8,243</u>	<u>11,946</u>
	<u>204,378</u>	<u>497,664</u>	<u>702,042</u>

10. TRADE PAYABLES

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Margin client payables	4,863	5,341
Other client payables	28,515	15,174
Amounts due to clearing houses	71	–
Trade payables – Lottery business	60,809	133,365
Bills payables – Lottery business	16,875	–
	<u>111,133</u>	<u>153,880</u>

Margin client payables and other client payables are repayable on demand and bear interest at prevailing market rates.

No ageing analysis is disclosed for margin client payables, other client payables and amounts due to clearing houses as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing and broking.

Trade payables are expected to be settled within one year or are repayable on demand.

The Directors consider that the carrying amount of trade payables approximate to their fair values.

The ageing analysis of the Group's trade payables – Lottery business is as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Three months or less	52,023	130,690
One year or less but over three months	8,786	2,675
	<u>60,809</u>	<u>133,365</u>

11. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (Revised 2007), "Presentation of financial statements", certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.

As a result of the application of HKFRS 8, the Group has redesignated the business segments to reflect the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. In current year, the money lending segment has merged with the financial services segment. As a result of change in the business segments, certain comparative figures have been reclassified to conform to the current year's presentation. The changes of the business segments have no effect on the Group's results and financial position for current and prior years.

In addition, the Group has reclassified "prepayments, deposits and other receivables" shown in prior year's consolidated balance sheet into "utility and other deposits" and "prepayments and other receivables". In the opinion of the Directors, it is just for better understanding of financial position of the Group. Certain comparative figures have been reclassified to conform to the current year's presentation. The reclassification has no effect on the Group's results and financial position for the current and prior years.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

During the year under review, the Group was principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

The China Lottery Market comprises two lotteries, namely, the China Welfare Lottery and the China Sports Lottery. The Group provides services to both lotteries.

Lottery Business

The Group's lottery business can be broadly divided into System and Games Development Business ("SGDB") and Distribution and Marketing Business ("DMB").

Turnover of the lottery business for the year increased by 9.52% to HK\$1,260,072,000 (2008: HK\$1,150,514,000), accounting for 99% of the total turnover. Profit before taxation arising from this segment increased by 8.46% to HK\$460,327,000 (2008: HK\$424,407,000).

During the year under review, although we see a decline in Sports Computer Ticket Game ("CTG") business due to the completion of machine replacement cycle in prior year, the Group's SGDB Division continued to deliver solid performance.

The Group's DMB Division, which commenced operation in late 2008, has demonstrated its strong growth potential in China with the increased diversification of lottery games and distribution channels. We believe that there are a lot of opportunities for the Group to leverage off this distribution platform, especially after the launch of Single Match Games ("SMG") and our expansion into the Electronic Lottery Distribution Platform ("ELP") of lottery tickets.

China Lottery Market

In 2009, China's Lottery Market has continued to record a strong growth with sales of approximately RMB132.5 billion (2008: RMB106 billion), up 25% year-on-year. Welfare Lottery accounted for about 57% (RMB75.6 billion) of total lottery sales while Sports Lottery accounted for about 43% (RMB56.9 billion). This underscores the resilient nature of the lottery industry in China notwithstanding the financial tsunami which struck the world in the latter half of 2008.

In respect of Welfare Lottery, Welfare CTG accounted for about 86% of total welfare lottery sales; Welfare Scratch Cards was about 12% and Video Lottery Terminals ("VLT")/Keno took about 2%.

Welfare CTG sales in 2009 was RMB64.7 billion, up 28% year-on-year. The changes in rules of game for Powerball made in January 2009, coupled with the launch of new games, had proven to be instrumental in increasing Welfare CTG sales.

Welfare Scratch Cards sales in 2009 registered a healthy growth of 21% year-on-year to RMB9.3 billion. The increase was primarily due to the increasing popularities on the higher face value tickets and the introduction of theme based programs like Shanghai EXPO in late August 2009.

VLT/Keno sales reached RMB1.6 billion. After obtaining regulatory approval of launching new games in the country, VLT/Keno sales in the second half of 2009 regained the momentum of growth when compared to the same period in 2008.

During the year, Sports CTG accounted for about 73% of total Sports Lottery sales and Sports Scratch Cards took about 27%.

Sports CTG sales, including SMG, in 2009 increased by 18% year-on-year to approximately RMB41.7 billion. This growth was partially attributed to the commencement of the pilot testing of SMG in selected provinces in May 2009.

Sports Scratch Cards sales in 2009 was RMB15.2 billion, up 48% when compared to 2008.

Core Business Continues to Deliver Solid Earnings and Growth System and Games Development Business

The Group's SGDB Division is an active participant in the provision of systems and equipments for both CTG and Scratch Cards products in China.

Welfare CTG Business

Our Group's Welfare CTG business is principally conducted through Shenzhen Sinodata Technology Co Ltd ("Sinodata"), a 84.75% owned subsidiary of our Group. Sinodata is the leading system and equipment supplier for the Welfare CTG market. It provides services to 16 lottery provinces in China. The Group had successfully maintained its leading market positioning in Welfare CTG segment with sustainable growth. The changes in rules of game for Powerball made in January 2009, coupled with the launch of new games, had proven to be instrumental in increasing Welfare CTG sales. In 2009, Welfare CTG registered a strong growth of approximately 28% year-on-year.

During the year under review, the Group has stayed focused on the development of new games and the improvement of existing games including high frequency games for the CTG and mobile platform.

Welfare Instant Lottery (Scratch Cards) Business

Our Group's Welfare Instant Lottery tickets validation business is conducted through our 50%-owned Beijing Guard Libang Technology Co Ltd ("Guard Libang"), which is the exclusive system and equipment supplier of Welfare Scratch Cards validation and system implementation in China. Guard Libang is a 50:50 joint venture with Scientific Games Corporation ("Scientific Games").

Our strategic partnership with Scientific Games, the world's leading instant lottery system and validation company, enables us to bring its expertise and technology know-how to the Scratch Cards market in China.

Welfare Scratch Cards sales in 2009 registered a healthy growth of 21% year-on-year. We expect the sales growth trends in China to continue with the increasing popularities on the higher face value tickets and the introduction of theme based programs like Shanghai EXPO.

Our Group has successfully entered into the Chinese Welfare Scratch Cards printing business in November 2008 through a cooperative venture with Shijiazhuang Offset Printing House. As one of three entities authorized to print for the Welfare Scratch Cards programs, the Group's printing facilities is located at Shijiazhuang, the Provincial Capital of Hebei Province.

Since our participation in the printing business, the Group was able to increase its printing capacity and efficiency. During the year under review, the existing plant printed around 1 billion tickets and gained respectable market share.

Sports CTG Business

Our Group's Sports CTG business involved the sales of CTG machines to the Provincial Sports Lottery Centres across China. However, as the peak of the replacement cycle for Sports CTG machines has passed, this business has seen signs of slowing during the year under review. As a step to diversify the Group's product range, the Group also devotes its resources to the development of new games especially high frequency games running on CTG based or electronic platforms and the deployment of system and equipment in support of the SMG roll out in China. We believe that these areas present solid business opportunities to the Group.

New Business Poised for Growth

Distribution and Marketing Business

The Group's DMB Division is a relatively new business unit of the Group and after a great start in late 2008 with the cooperation model of Point-of-Sales ("POS") distribution of lottery tickets in China. Our DMB Division has now extended its operation into the electronic distribution of lottery tickets through the mobile network in China. We believe that there are a lot of opportunities for the Group and especially our DMB Division to participate in and contribute to the development of the China Lottery Market in the longer term.

Cooperation Distribution Business

The Group has focused on the cooperative model for the distribution of lottery tickets as oppose to the direct sales model. Under the cooperative model, we focus on with our distribution channel partners, entities and organizations that already had a widely diversified and recognized retail network. Our partners include China Post, PetroChina, Sinopec, China Resources, other major supermarket and convenient store chains. Building on the successful establishment of our extensive distribution network spanning across China at prime locations with high traffic and minimum operating cost, the Group has fortified its leading position in the cooperative distribution channel in China.

During the year under review, the Group has continued its efforts in consolidating its leading position as a major distributor of lottery tickets in China. Looking ahead into 2010, we intend to continue our efforts in this area and to maintain our leading edge in the market.

With the advent of the 3G mobile phones in China and the growing importance of the distribution business for the Group, the management of the Group has started to consolidate the physical and paperless distribution of lottery tickets to form a comprehensive distribution platform for the lottery market in China.

Going forward, we see the different ways of lottery tickets distributions will complement each other and help further advance the distribution of lottery tickets for the good causes in China.

Single Match Games Business

In early May 2009, the China Sports Lottery Administration Centre (“CSLC”) launched SMG in selected provinces like Shandong and Liaoning. Subsequent to the initial pilot testing, CSLC plans to roll out SMG across the country.

In supporting the launch of SMG in China, the Group has played an active role in participating in the distribution of SMG tickets through an increasing number of dedicated franchised shops for SMG and supplying the equipment for the launch of SMG.

SMG is expected to develop into a major segment of lottery games in China and our Group will continue its efforts in developing and widening its network for the distribution of SMG in China. As at end of the financial year, our Group already has presence in 6 provinces which provinces accounted for almost 30% of Sports Lottery tickets sales in 2009.

Mobile Lottery Business and the Electronic Lottery Platform

Our Group recognizes the importance of new technologies in the shaping and development of the China Lottery Market. In this regard, our Group is a forerunner in the introduction of new technologies and systems for the smooth and reliable development of lottery equipments and risk management systems and distribution channels in China. During the financial year under review, and following closely the regulatory directions of the supervising authorities, our Group commenced cautiously the development of a comprehensive electronic distribution platform incorporating the use of new and leading technologies in formulating a paperless lottery platform utilizing modern distribution channels like cooperating distribution methods and mobile based channels (the “ELP”).

Potentially, ELP can cover the mobile, telephone and web based lottery platforms. We are prepared to assist in such launch depending on the regulatory developments in this regard.

In strict adherence to the regulatory guidelines established by the supervising authorities, we have started our mobile based lottery distribution operation in 2009.

Currently, the Group has entered into 6 contracts with responsible provincial lottery centres for the launching of lottery distribution platforms in the respective provinces and we have already launched in 3 of them. We have accumulated a substantial customer base in the provinces that we operate and expect the number of users to increase over time upon our expansion into different provinces and deepening our penetration into existing provinces. China Mobile is our major roll out partner for the mobile lottery operation.

Financial Business

Turnover of the Group’s financial services decreased by 47% to HK\$11,997,000 (2008: HK\$22,486,000) and recorded segment loss of HK\$774,000 (2008: HK\$73,726,000). During the year under review, the Group has successfully reduced its exposure to its non-core financial business and we will continue to look for opportunities in releasing further resources from this business segment to the lottery business segment of the Group with a view to reduce our non-core business exposures and focus on our lottery business as such opportunities arises.

Outlook

The introduction of the first national regulation on lottery for China in 2009 aims to codify the existing regulating policies and practices. Against this backdrop, the China Lottery Market is expected to grow in a regulated and healthy environment.

2009 is a milestone year for the Group. We have laid a solid foundation for future developments, innovations and breakthroughs in the China lottery industry. We have continued to make encouraging progress and record healthy revenue growth.

We are, in particular, excited by our Group's positioning and potential in three new segments: a rapidly expanding lottery distribution platform spanning across China at prime locations; the launch of SMG; and the roll out of ELP in China. We believe these new businesses will bring a lot of synergies to our existing SGDB business.

Building on our core lottery business, new growth drivers are taking shape at the Group. These new businesses have huge growth potential and good returns to deliver in the longer term.

Well Positioned for Growth on Solid Fundamentals

As a major participant in China's lottery industry, we are confident and optimistic about the future prospects of our Group. We believe that the Welfare and Sports Lotteries in China will continue to make significant contributions for the good causes which benefit the general public in China. The Group will also continue its efforts in the furthering of such good causes in China through the careful and diligent execution of its planned strategies.

In addition to our SGDB business which provides stable recurrent income and solid growth fundamentals, the Group's new initiatives in different new business segments also present new opportunities for us to excel.

The forthcoming South Africa World Cup will be another catalyst for growth in SMG sales in the near term. According to market estimates, it's widely believed that the potential of SMG is enormous in China. When the market for SMG matures over the course of the next couple of years, SMG may, based on those estimations, become the single largest games category of all lottery products in China by lottery size and revenue generation. As a major participant in the SMG market both in terms of system and equipment provisioning and distribution of SMG tickets in China through both the physical stores and ELP, we are optimistic that SMG may become a major growth driver for the Group.

In tandem with the launch of SMG, high frequency games on CTG and electronic platforms for both the Welfare and Sports Lotteries have also been extensively launched in China. During the year under review, we have focused on capturing these invaluable opportunities through our strong research and development capabilities.

The popularity of SMG and high frequency games has revolutionized the distribution channels for lottery tickets. We believe that ELP will be instrumental in supporting the developments of these new games in the country.

Conceivably, we believe that ELP, which may include the mobile, telephone and web when regulation permits, will mark a new era for a convenient and cost-effective distribution channel of lottery tickets in China.

In the year ahead, we expect Welfare CTG sales to maintain a prudent growth while Welfare Scratch Cards sales to see a relatively stable growth, with increase in price points and launch of more theme based programs like the Shanghai EXPO. Furthermore, in respect of the Group's Welfare Scratch Cards printing business, we aim to increase the printing capacity of the plant by bringing in additional advanced printing press into China. The upgrade is expected to complete in 2010.

Looking ahead, the Group is steadfast in its strategy to invest in the future. While reinvesting in the business to pave our way for a sustainable growth, we also pursue new opportunities and possible expansion strategies through acquisitions. With strong operating free cashflow and a practically ungeared balance sheet, we believe that our developments in new business segments will be funded by our internal resources and we also have adequate working capital to achieve our business objectives, with no need to raise funds.

Keeping abreast of the favourable business environment and being market-oriented, we will timely adjust strategies to be conducive to its development and apply flexible and proactive marketing and investment strategies to maximize shareholder value.

As always, our goal is to strengthen our revenue base and profitability, which in turn, provides long term and stable returns to our loyal and supportive shareholders.

FINANCIAL REVIEW

Result

For the year ended 31 December 2009, the Group recorded a turnover of HK\$1,272,069,000 (2008: HK\$1,173,000,000), representing an increase of 8.45% over that of the last year. The increase was mainly attributable to the Group's lottery business in China which achieved a turnover of HK\$1,260,072,000 (2008: HK\$1,150,514,000).

Profit attributable to equity holders for the year was HK\$424,581,000 (2008: HK\$267,641,000). The earnings per share was 5.66 cents (2008: 3.68 cents). Fully diluted earnings per share was 5.63 cents (2008: 3.66 cents).

The Board recommended a final dividend of 0.43 HK cent per share. Together with the maiden interim dividend of 0.18 HK cent per share, the Group's total dividend for the year ended 31 December 2009 amounts to 0.61 HK cent per share (2008: Nil).

Liquidity, Financial Resources and Funding

At 31 December 2009, the Group's total equity amounted to HK\$3,446,671,000 as compared to HK\$3,060,555,000 at the end of the previous year.

At 31 December 2009, the Group had cash reserves of approximately HK\$353,158,000 (2008: HK\$244,043,000), which included approximately HK\$27,029,000 (2008: HK\$18,419,000) of clients' funds that were kept in designated segregated bank accounts.

The gearing ratio as at 31 December 2009 was 2.33% (2008: 0.46%). The gearing ratio was derived by dividing the aggregate of bank and other borrowings by the amount of shareholders' equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 601% (2008: 633%).

The Group had outstanding bank and other borrowings as at 31 December 2009 of HK\$61,657,000 and HK\$18,533,000 respectively (2008: HK\$14,158,000 and Nil respectively). The borrowings were denominated in Renminbi and Hong Kong dollars and interest bearing at prevailing commercial lending rates. The Group's land and building were pledged to secure the bank borrowings. We expect that all these borrowings will be repaid by internal generated funds.

Taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

Pledge of Assets

At 31 December 2009, the Group's land and building with total market value of approximately HK\$48,864,000 (2008: HK\$47,727,000) and the Group's bank deposits of HK\$16,875,000 (2008: Nil) were pledged to banks to secure the bank borrowings granted to the Group. At 31 December 2008, the Group's listed investment belonging to clients with total market value of approximately HK\$2,857,000 (2009: Nil) were pledged to banks to secure the bank borrowings granted to the Group.

Share Capital

194,000,000 new shares of HK\$0.01 each were issued and allotted during the year upon exercise of share options granted by the Company.

Save as disclosed above, there was no change in the Company's capital structure during the year ended 31 December 2009.

Exposure to Fluctuation in Exchange Rate Risk and Interest Rate Risk

The Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollar or Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels.

Material Acquisitions and Disposals of Subsidiaries

The Group had no material acquisition and disposal of subsidiaries during the year ended 31 December 2009.

Human Resources

As at 31 December 2009, the Group had 1,490 employees.

The Group remunerated its employee mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as individual performance.

The Group will continue to emphasise on staff training and total quality management to better prepare its staff for the upcoming changes and challenges in the market and industry.

CHANGE OF COMPANY NAME

As announced by the Company on 22 December 2008, the Board proposed that the name of the Company be changed from "REXCAPITAL Financial Holdings Limited" to "REXLot Holdings Limited" and the adoption of the Chinese name "御泰中彩控股有限公司" as secondary name of the Company to replace the Chinese name "御泰金融控股有限公司" (which was adopted for identification purpose only) (the "Change of Company Name"). The special resolution relating to the Change of Company Name was duly passed by the shareholders of the Company at the special general meeting held on 30 January 2009. Upon the approval by the Registrar of Companies in Bermuda on the Change of Company Name having been obtained, the Change of Company Name has become effective on 30 January 2009. The stock short names for trading in the shares of the Company on the Stock Exchange have been changed from "REX FINANCIAL H" to "REXLOT HOLDINGS" in English and from "御泰金融" to "御泰中彩控股" in Chinese with effect from 9 March 2009.

FINAL DIVIDEND

The Board declared an interim dividend of 0.18 HK cent per share in respect of the year ended 31 December 2009 which was paid on 30 October 2009. The Directors recommended, subject to the approval of the shareholders at the forthcoming annual general meeting, the payment of a final dividend of 0.43 HK cent per share in respect of the year ended 31 December 2009 payable on Tuesday, 13 July 2010 to shareholders of the Company whose names appear on the Company's register of members at the close of business on Tuesday, 29 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 28 June 2010 to Tuesday, 29 June 2010, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 25 June 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the year, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except that Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. Currently the independent non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the bye-laws of the Company.

Further information is set out in the Corporate Governance Report contained in the 2009 annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2009, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiry, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year.

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the financial statements for the year ended 31 December 2009.

PUBLICATION OF THE ANNUAL RESULT ANNOUNCEMENT AND ANNUAL REPORT

The annual result announcement of the Group for the year ended 31 December 2009 is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://finance.thestandard.com.hk/en/0555rexlot>) respectively. The 2009 annual report and notice of the annual general meeting of the Company will be despatched to the shareholders and made available on the above websites on or before 30 April 2010.

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

Hong Kong, 28 April 2010

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.