PYXIS GROUP LIMITED
瀚智集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 516)

ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

The Board of Directors ("Board") of Pyxis Group Limited ("Company") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 March 2012 ("Year"), which have been reviewed by the Company's audit committee, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000*
REVENUE	2	**840**	655
Other losses	2	**(580)**	(1,313)
Administrative expenses		**(18,519)**	(13,437)
LOSS BEFORE TAX	4	**(18,259)**	(14,095)
Income tax expense	5	**–**	–
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(18,259)**	(14,095)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	6	**(0.76 HK cent)**	(0.59 HK cent)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(18,259)**	(14,095)
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**890**	2,004
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(17,369)**	(12,091)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	**332**	561
Deposits		**207**	207
Total non-current assets		**539**	768
CURRENT ASSETS			
Prepayments, deposits and other receivables		**1,428**	809
Equity investments at fair value through profit or loss	9	**1,789**	2,735
Cash and cash equivalents	10	**108,514**	123,736
Total current assets		**111,731**	127,280
CURRENT LIABILITIES			
Accruals		**2,537**	946
NET CURRENT ASSETS		**109,194**	126,334
TOTAL ASSETS LESS CURRENT LIABILITIES		**109,733**	127,102
NON-CURRENT LIABILITY			
Accrual		**150**	150
Net assets		**109,583**	126,952
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	**240,000**	240,000
Reserves		**(130,417)**	(113,048)
Total equity		**109,583**	126,952

NOTES

31 March 2012

1. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The basis of preparation and accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 March 2011, except for the basis of consolidation explained below, and the following new and revised HKFRSs that the Group adopted for the first time for the current year's consolidated financial statements:

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate.

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Changes in accounting policy and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these consolidated financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group. Details of the related party transactions are included in note 13.

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Changes in accounting policy and disclosures (continued)

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* [4]
HKFRS 9	*Financial Instruments* [6]
HKFRS 10	*Consolidated Financial Statements* [4]
HKFRS 11	*Joint Arrangements* [4]
HKFRS 12	*Disclosure of Interests in Other Entities* [4]
HKFRS 13	*Fair Value Measurement* [4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* [3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [2]
HKAS 19 (2011)	*Employee Benefits* [4]
HKAS 27 (2011)	*Separate Financial Statements* [4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine* [4]
Annual Improvements Project	*Annual Improvements to HKFRSs 2009-2011 Cycle* [4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

NOTES (continued)

2. REVENUE AND OTHER LOSSES

Revenue, which is also the Group's turnover, represents bank interest income received and receivable, and a gain on disposal of equity investments. An analysis of revenue and other losses is as follows:

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Bank interest income	**840**	623
Gain on disposal of equity investments at fair value through profit or loss	**–**	32
	840	655
Other losses		
Fair value losses on equity investments at fair value through profit or loss	**(567)**	(1,313)
Loss on disposal of equity investments at fair value through profit or loss	**(13)**	–
	(580)	(1,313)

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the investment holding segment that engages in investments in equity investment; and

(b) the marketing service segment that engages in the provision of marketing services.

NOTES (continued)

3. OPERATING SEGMENT INFORMATION (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax.

	Investment holding		Marketing services		Total	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Revenue from external customers	**840**	655	**–**	–	**840**	655
Other losses	**(580)**	(1,313)	**–**	–	**(580)**	(1,313)
Total	**260**	(658)	**–**	–	**260**	(658)
Segment results	**(589)**	(1,322)	**(6,309)**	(6,357)	**(6,898)**	(7,679)
Reconciliation:						
Corporate and other unallocated expenses					**(11,361)**	(6,416)
Loss before tax					**(18,259)**	(14,095)
Segment assets	**79,032**	90,151	**29,043**	34,516	**108,075**	124,667
Reconciliation:						
Corporate and other unallocated assets					**4,195**	3,381
Total assets					**112,270**	128,048
Segment liabilities	**–**	–	**148**	202	**148**	202
Reconciliation:						
Corporate and other unallocated liabilities					**2,539**	894
Total liabilities					**2,687**	1,096
Other segment information:						
Depreciation						
– amounts allocated to segments	**–**	–	**53**	65	**53**	65
– unallocated amounts					**180**	101
					233	166
Capital expenditure*						
– amounts allocated to segments	**–**	–	**–**	29	**–**	29
– unallocated amounts					**1**	539
					1	568
Write-off of items of property, plant and equipment	**–**	–	**–**	149	**–**	149

* Capital expenditure consists of additions to property, plant and equipment.

NOTES (continued)

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2012 HK$'000	2011 HK$'000
Hong Kong	**6**	14
Taiwan	**48**	125
Mainland China	**786**	516
	840	655

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2012 HK$'000	2011 HK$'000
Hong Kong	**467**	646
Mainland China	**72**	122
	539	768

The non-current asset information above is based on the location of assets.

4. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2012 HK$'000	2011 HK$'000
Depreciation	**233**	166
Write-off of items of property, plant and equipment	**–**	149
Auditors' remuneration	**360**	359
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	**9,603**	8,586
Pension scheme contributions	**26**	31
	9,629	8,617
Minimum lease payments under operating leases:		
Land and buildings	**780**	755
Office equipment	**6**	3
	786	758
Foreign exchange differences, net	**32**	51

At 31 March 2012, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2011: Nil).

NOTES (continued)

5. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Year (2011: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The Group has tax losses arising in Hong Kong, Taiwan and Mainland China that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as the directors consider it is not probable that future taxable profits will be available against which these tax losses can be utilised.

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share amounts is based on the loss for the year attributable to owners of the Company of approximately HK$18,259,000 (2011: HK$14,095,000), and the weighted average number of 2,400,002,000 (2011: 2,400,002,000) ordinary shares in issue during the Year.

No adjustments have been made to the basic loss per share amounts for the current and prior years as there were no dilutive potential ordinary shares in existence during these years.

7. DIVIDEND

The Board does not propose any dividend in respect of the Year (2011: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group spent approximately HK$1,000 (2011: HK$568,000) on acquisition of furniture, fixtures and office equipment.

9. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012	2011
	HK$'000	*HK$'000*
Unlisted equity investments, at fair value	**1,789**	2,735

The above equity investments at 31 March 2012 and 2011 were classified as held for trading.

The fair values of unlisted equity investments at fair value through profit or loss have been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in the consolidated income statement, are reasonable, and that they are the most appropriate values at the end of the reporting period.

NOTES (continued)

10. CASH AND CASH EQUIVALENTS

	2012	2011
	HK$'000	*HK$'000*
Time deposits	**27,249**	32,302
Cash and bank balances	**81,265**	91,434
Cash and cash equivalents	**108,514**	123,736

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$26,117,000 (2011: HK$25,700,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for periods of six months to one year (2011: six months to one year) and earn interest at the respective short term fixed deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

11. SHARE CAPITAL

	2012	2011
	HK$'000	*HK$'000*
Authorised:		
5,000,000,000 ordinary shares of HK$0.1 each	**500,000**	500,000
Issued and fully paid:		
2,400,002,000 ordinary shares of HK$0.1 each	**240,000**	240,000

12. CONTINGENT LIABILITIES

As at 31 March 2012 and 2011, the Group had no significant contingent liabilities.

13. RELATED PARTY TRANSACTIONS

Related party transactions comprise compensation to key management personnel of the Group.

14. EVENTS AFTER THE REPORTING PERIOD

During the year, the directors have been in the process to identify investment opportunities in obtaining the right to build and operate renewable energy projects. Subsequent to the end of the reporting period, a resumption proposal in respect of the above-mentioned renewable energy projects was submitted on 10 May 2012 by the Company and is currently under the review of the The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

REVIEW OF OPERATIONS

Following the disposal of the Group's unprofitable businesses previously, the Group shifted its business focus to sectors such as marketing services, communications, real estate, renewable energy and financial services.

With this business focus, the Group has been actively exploring and seeking suitable investment opportunities (including the free standing insert coupon business mentioned previously, and also solar farm, micro financing, estate broker, advertising, e-coupon, employee benefits management, etc.). However, the economic and business environments have been tough and no investment deal has been concluded so far.

Because of the challenging environment the Group is facing, trading in the shares of the Company has been suspended since 5 July 2010. As stated in the announcements of the Company "Update on the Listing Status of the Company" and "Update on the Listing Status of the Company – Proceeding to the Second Stage of Delisting", dated 20 October 2010 and 27 April 2011, respectively, and the announcement by the Stock Exchange "Proceeding to third stage of delisting procedures", dated 23 November 2011, the Company is now in the third stage of delisting under Practice Note 17 to the Main Board Listing Rules, as from 23 November 2011.

Notwithstanding the current difficulties, the Board still believes that the Company should be making prudent management and investment decisions in order to protect shareholders' value. It is the intention of the Board to continue such cautious approach in applying the Group's managerial and financial resources in implementing any of the Group's proposed investment projects.

The Company has been working to have its share trading resumed. As stated in the announcements of the Company "Update on Current Status", dated 21 October 2011 and 11 May 2012, the Board has identified an investment opportunity in obtaining the rights to build and operate renewable energy projects in Mainland China. A resumption proposal with respect to these projects was submitted on 10 May 2012 and is currently under the review of the Stock Exchange.

Looking forward, the Board remains hopeful about the future of the Group's business. The Board is of the view that by focusing on the above-mentioned business sectors, the Group can best leverage its experience and network, and thus best realise its potential to improve the Group's results of operations and enhance long-term shareholders' value.

STAFF REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 March 2012, the Group maintained a staff team of 5 full-time employees. Employees are paid at salaries comparable to market rates, and free medical insurance coverage is provided for permanent staff. The Group continues to investigate the possibility of introducing other benefits that would help retain current experienced staff and attract new employees so that the Group can maintain a capable workforce to meet present and future requirements.

STAFF REMUNERATION POLICY AND SHARE OPTION SCHEME (continued)

The Company operates a share option scheme ("Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme, the details of which will be stated in the 2012 annual report ("Annual Report"), was adopted by the Company in previous financial year ended 31 March 2005. No new share option has been granted under the Scheme since the Scheme became effective.

LIQUIDITY AND CAPITAL RESOURCES

The Group principally finances its operations by funding provided by previous share capital subscription & placement, proceeds from previous disposals of businesses, and internally generated cashflows. There were no outstanding bank overdrafts or bank borrowings as at the end of the reporting period.

As at 31 March 2012, shareholders' funds of the Group amounted to approximately HK$109.6 million. Current assets amounted to approximately HK$111.7 million, of which approximately HK$108.5 million were cash and bank deposits. The Group's current liabilities amounted to approximately HK$2.5 million.

The Group expects to use the cash to make investments to acquire partially or in whole, in businesses that are in the targeted fields as mentioned above in the section "Review of Operations". The high cash and bank deposits balance is only temporary. But under the current tough economic and financial environment, the Group has to use its cash very cautiously.

As at 31 March 2012, in the opinion of the Board, the Group was not exposed to significant foreign currency risks because most of the monetary assets and liabilities of the Group's operating entities were denominated in their own functional currencies, which are mainly the United States dollars, the New Taiwan dollars and the RMB. The Group has no specific policy to deal with the foreign currency risk but will closely monitor the market and take appropriate measures when necessary.

As at 31 March 2012 and the date of this results announcement ("Announcement"), the Group did not have any outstanding commitment in any of the financial derivative instruments.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed, or sold any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company complied with the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 of the Main Board Listing Rules, throughout the accounting period covered by the Annual Report and up to this Announcement, except for the following deviations:

CG Code Provision A.2.1 stipulates that the roles of chairman of the Board ("Chairman") and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. The Company does not have a separate position of CEO and Mr. Henry Hung CHEN currently holds both the position of Chairman and Managing Director ("MD"). The Board believes that vesting the roles of Chairman and MD in the same person provides the Group with strong and consistent leadership in the development and execution of long-term strategies at enhanced level of operational efficiency.

CG Code Provisions A.4.1 and A.4.2 stipulate that Non-Executive Directors should be appointed for a specific term, subject to re-election, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Currently, none of the Company's existing Independent Non-executive Directors ("INED"s) is appointed for specific term. However, all the directors (save for the Chairman and the MD) are subject to the retirement provisions under the Company's bye-law, and the Board considers that the Chairman and the MD should not be subject to retirement to ensure the continuity of leadership and stability of growth.

CG Code Provision A.5.1 stipulates the establishment of a Nomination Committee by 1 April 2012. However, the Board considers that the setting up of such a Nomination Committee may not be necessary at the current scale of the Board and the Company. According to the bye-law of the Company, the Board has the power from time to time and at any time is fully responsible for selection and approval of candidate for appointment as a director either to fill a casual vacancy or as addition to the Board. In assessing a new director, the Board will take consideration of the candidate's integrity, qualification, capability, experience and potential contribution to the Company.

At such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than the CG Code.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Main Board Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the Annual Report and up to this Announcement.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established on 2 February 2012 and comprises of the two INEDs and the Chairman of the Board. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

INEDs AND AUDIT COMMITTEE

The Company has an audit committee which was established for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the INEDs of the Company.

Following the resignation of Mr. Bernard King Bong LEUNG effective 18 July 2011, the Company no longer complies with the requirements under Rules 3.10(1) and 3.21 of the Main Board Listing Rules, as the number of the INEDs and the Audit Committee members are now below the minimum requirement of three members. The Board shall use its best endeavours to look for a suitable candidate to fill the vacancy of an INED and the Audit Committee of the Company in compliance with the Main Board Listing Rules as soon as practicable.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

PUBLICATION OF FINANCIAL INFORMATION

This Announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.capitalfp.com.hk/eng/index.jsp?co=516). The Company's Annual Report will be dispatched to the shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Mr. Henry Hung CHEN
Chairman

Hong Kong, 28 June 2012

As at the date of this Announcement, the Board of the Company comprises Mr. Henry Hung CHEN (Chairman) and Miss Wing Yan AU as Executive Directors; and Mr. Robert Joseph ZULKOSKI and Mr. Chin Yao LIN as INEDs.