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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 2013

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 2013 (“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 2013

	<i>Notes</i>	2013 HK\$’000	2012 <i>HK\$’000</i>
REVENUE	2	888	840
Other income	2	47	–
Other losses	2	(209)	(580)
Administrative expenses		(15,936)	(18,519)
LOSS BEFORE TAX	4	(15,210)	(18,259)
Income tax expense	5	–	–
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(15,210)</u>	<u>(18,259)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	6	<u>(0.63 HK cent)</u>	<u>(0.76 HK cent)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2013

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(15,210)</u>	<u>(18,259)</u>
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	<u>343</u>	<u>890</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(14,867)</u>	<u>(17,369)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2013

	<i>Notes</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	8	150	332
Deposits		–	207
		<hr/>	<hr/>
Total non-current assets		150	539
		<hr/>	<hr/>
CURRENT ASSETS			
Prepayments, deposits and other receivables		1,657	1,428
Equity investments at fair value through profit or loss	9	1,946	1,789
Cash and cash equivalents	10	92,858	108,514
		<hr/>	<hr/>
Total current assets		96,461	111,731
		<hr/>	<hr/>
CURRENT LIABILITIES			
Accruals		1,895	2,537
		<hr/>	<hr/>
NET CURRENT ASSETS			
		94,566	109,194
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		94,716	109,733
		<hr/>	<hr/>
NON-CURRENT LIABILITY			
Accrual		–	150
		<hr/>	<hr/>
Net assets		94,716	109,583
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	240,000	240,000
Reserves		(145,284)	(130,417)
		<hr/>	<hr/>
Total equity		94,716	109,583
		<hr/> <hr/>	<hr/> <hr/>

NOTES

31 March 2013

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

These 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 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 financial statements are consistent with those used in the financial statements for the year ended 31 March 2012, except for the following revised HKFRSs that the Group adopted for the first time for the current year’s financial statements:

Changes in accounting policy and disclosures

The Group has adopted the following revised HKFRSs for the first time for the Year:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGES 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 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²
HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²
HKFRS 11	<i>Joint Arrangements</i> ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i> ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ²
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ²
HKAS 27 (2011)	<i>Separate Financial Statements</i> ²
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³
HK(IFRIC)–Int 20 <i>Annual Improvements 2009-2011 Cycle</i>	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ² Amendments to a number of HKFRSs issued in June 2012 ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ 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, OTHER INCOME AND OTHER LOSSES

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Revenue		
Bank interest income	<u>888</u>	<u>840</u>
Other income		
Others	<u>47</u>	<u>–</u>
Other losses		
Fair value losses on equity investments at fair value through profit or loss	(209)	(567)
Loss on disposal of equity investments at fair value through profit or loss	<u>–</u>	<u>(13)</u>
	<u>(209)</u>	<u>(580)</u>

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.

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.

NOTES (continued)**3. OPERATING SEGMENT INFORMATION (continued)**

	Investment holding		Marketing services		Total	
	2013	2012	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:						
Revenue from external customers	888	840	-	-	888	840
Other losses	(209)	(580)	-	-	(209)	(580)
Total	<u>679</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>679</u>	<u>260</u>
Segment results	<u>(219)</u>	<u>(589)</u>	<u>(1,852)</u>	<u>(6,309)</u>	<u>(2,071)</u>	<u>(6,898)</u>
<i>Reconciliation:</i>						
Corporate and other unallocated expenses					(13,186)	(11,361)
Unallocated other income					47	-
Loss before tax					<u>(15,210)</u>	<u>(18,259)</u>
Segment assets	64,802	79,032	27,603	29,043	92,405	108,075
<i>Reconciliation:</i>						
Corporate and other unallocated assets					4,206	4,195
Total assets					<u>96,611</u>	<u>112,270</u>
Segment liabilities	-	-	170	148	170	148
<i>Reconciliation:</i>						
Corporate and other unallocated liabilities					1,725	2,539
Total liabilities					<u>1,895</u>	<u>2,687</u>
Other segment information:						
Depreciation						
- amounts allocated to segments	-	-	33	53	33	53
- unallocated amounts					185	180
					<u>218</u>	<u>233</u>
Capital expenditure*						
- amounts allocated to segments	-	-	20	-	20	-
- unallocated amounts					15	1
					<u>35</u>	<u>1</u>

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

NOTES (continued)**3. OPERATING SEGMENT INFORMATION (continued)****Geographical information***(a) Revenue from external customers*

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Hong Kong	19	6
Taiwan	17	48
Mainland China	852	786
	<hr/>	<hr/>
	888	840
	<hr/> <hr/>	<hr/> <hr/>

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

(b) Non-current assets

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Hong Kong	90	467
Mainland China	60	72
	<hr/>	<hr/>
	150	539
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES (continued)

4. LOSS BEFORE TAX

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Depreciation	218	233
Auditors' remuneration	360	360
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	9,024	9,603
Pension scheme contributions	29	26
	9,053	9,629
Minimum lease payments under operating leases:		
Land and buildings	801	780
Office equipment	7	6
	808	786
Foreign exchange differences, net	58	32

At 31 March 2013, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2012: Nil).

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 (2012: 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.

NOTES (continued)

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 HK\$15,210,000 (2012: HK\$18,259,000), and the weighted average number of 2,400,002,000 (2012: 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 (2012: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group spent HK\$35,000 (2012: HK\$1,000) on acquisition of furniture, fixtures and office equipment.

9. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted equity investments, at fair value	1,946	1,789

The above equity investments at 31 March 2013 and 2012 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**

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Time deposits	26,348	27,249
Cash and bank balances	66,510	81,265
	<hr/>	<hr/>
Cash and cash equivalents	92,858	108,514
	<hr/> <hr/>	<hr/> <hr/>

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$25,255,000 (2012: HK\$26,117,000). 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 a period of one year (2012: 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

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.1 each	500,000	500,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:		
2,400,002,000 ordinary shares of HK\$0.1 each	240,000	240,000
	<hr/> <hr/>	<hr/> <hr/>

12. CONTINGENT LIABILITIES

As at 31 March 2013 and 2012, the Group had no significant contingent liabilities.

13. RELATED PARTY TRANSACTION

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

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, and also solar farm, micro financing, estate broker, advertising, e-coupon, employee benefits management, etc.) As the economic environment has been difficult, 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 of Hong Kong Limited ("Stock Exchange") "Proceeding to third stage of delisting procedures", dated 23 November 2011, the third stage of delisting of the Company's shares under Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Main Board Listing Rules") expired on 22 May 2012. Before the expiry date, the Company submitted a resumption proposal, as described below.

The Company has continued to work to have its share trading resumed. As stated in the announcements of the Company "Update on Current Status", dated 21 October 2011, 11 May 2012 and 26 September 2012, the Board had identified an investment opportunity in obtaining the rights to build and operate renewable energy projects. The Company submitted a resumption proposal on 10 May 2012, along with a revision on 14 September 2012.

Subsequent to the above-mentioned submission, the Stock Exchange informed the Company in a letter dated 5 November 2012 (the "Decision Letter") that it concluded the Company's proposed transactions as stated in the revised resumption proposal constituted a reverse takeover under Rule 14.06(6) of the Main Board Listing Rules and would therefore treat the Company's proposal as it were a new listing application. Under such conclusion, the Company was required to submit a new listing application according to Chapter 9 of the Main Board Listing Rules by 1 May 2013. The Company then applied to have the decisions under the Decision Letter reviewed by the Listing Committee.

As stated in the announcements of the Company "Update on Current Status" dated 11 June 2013 and 31 January 2013, the Review Hearing was held on 22 January 2013, and in a letter dated 30 January 2013, the Listing Committee informed the Company that they decided to uphold the decisions under the Decision Letter but agreed to vary the deadline for the submission of a new listing application to 1 November 2013.

REVIEW OF OPERATIONS (continued)

As a result of the decision by the Listing Committee, the Company, after consultations with professional advisors, has put the renewable energy projects on hold. The Company is making best efforts to find other projects which shall fulfill new listing requirements to acquire before the above deadline for submitting new listing application for resuming trading of its shares. Further announcement(s) will be made by the Company on the details of the project and material development(s) of the submission as and when appropriate.

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.

Looking forward, despite these difficulties, the Board believes 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 2013, the Group maintained a staff team of 4 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.

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 2013 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.

LIQUIDITY AND CAPITAL RESOURCES (continued)

As at 31 March 2013, shareholders' funds of the Group amounted to HK\$94.7 million. Current assets amounted to HK\$96.5 million, of which HK\$92.9 million were cash and bank deposits. The Group's current liabilities amounted to HK\$1.9 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 2013, 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 2013 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 Company and the Group with strong and consistent leadership in the development and execution of long-term strategies at enhanced level of operational efficiency.

CORPORATE GOVERNANCE PRACTICES (continued)

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, the Company's existing Independent Non-Executive Director ("INED") was not 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-laws, 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.6.7 stipulates that INEDs and other non-executive directors should attend general meetings of the Company. Due to other business commitments, the two INEDs of the Company, including Mr. Robert Joseph ZULKOSKI ("Mr. ZULKOSKI") who resigned effective 2 November 2012, were unable to attend the Annual General Meeting ("AGM") of the Company held on 28 September 2012.

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-laws 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.

CG Code Provision D.1.4 stipulates that the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments. The Company did not have formal letters of appointment for directors. However, the directors are subject to the retirement and re-election provisions under the Company's Bye-laws. Moreover, the directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry of the Hong Kong SAR, and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors. In addition, the directors are required to comply with the requirements under statute and common law, the Main Board Listing Rules, legal and other regulatory requirements.

CG Code Provision C.3.3(e)(i) stipulates that the Audit Committee should meet at least twice a year with the Company's external auditors regarding the review of the Group's financial information. The Audit Committee did not meet with the Company's external auditors during the Year under review because of the current scale of operations of the Group and the simplicity of the related financial report and accounts. On the other hand, the Company maintains close and frequent communications with the external auditors and the Board considers that sufficient measures have been taken to serve the purpose of this Code Provision.

CORPORATE GOVERNANCE PRACTICES (continued)

As 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 (including Mr. ZULKOSKI up to his resignation date effective 2 November 2012 as INED of the Company) 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 comprises of the INEDs (currently one) of the Company 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 currently comprises of the one INED of the Company.

Following the resignation of Mr. ZULKOSKI and Mr. Bernard King Bong LEUNG effective 2 November 2012 and 18 July 2011, respectively, 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 suitable candidates to fill the vacancy of an INEDs 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 AGM.

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, 25 June 2013

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. Chin Yao LIN as INED.