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PYXIS GROUP LIMITED

瀚智集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 516)

**(1) VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE PROPOSED ACQUISITIONS OF
CHINATRUST REAL ESTATE CO., LTD.**

(中信房屋仲介股份有限公司) AND

CHUNG-CHIE PROPERTY MANAGEMENT CO., LTD.

(中捷公寓大廈管理維護股份有限公司);

**CONSTITUTING A NEW
LISTING APPLICATION;**

**(2) CONNECTED TRANSACTION IN RELATION
TO THE PROPOSED ACQUISITION OF
CHINATRUST REAL ESTATE CO., LTD.**

(中信房屋仲介股份有限公司)

**Sponsor to the new listing
application of the Company**



**Independent financial adviser to
the Independent Board Member**

CROSBY

Crosby Securities Limited

References are made to the announcements of the Company dated 30 September 2013, 15 October 2013, 1 November 2013, 12 November 2013 and 13 November 2013, and those other announcements regarding the listing status of the Company.

Since the suspension of the trading in the shares of the Company with effect from 9:30 a.m. on 5 July 2010, the Company had been actively seeking suitable investment opportunities in order to formulate a viable resumption proposal that could demonstrate sufficiency of operations or assets and resolve the cash company issue under Rules 13.24 and 14.82 of the Listing Rules.

THE PROPOSED ACQUISITIONS

The Board is pleased to announce that on 14 January 2014, the Taiwan Subsidiary, an indirect wholly-owned subsidiary of the Company, as purchaser entered into (i) the CRE SPA with the CRE Vendors as vendors pursuant to which the CRE Vendors had conditionally agreed to sell and the Taiwan Subsidiary had conditionally agreed to purchase all the CRE Target Shares, representing 100% issued shares of CRE; and (ii) the Chung-Chie SPA with Solar Stone as vendor pursuant to which Solar Stone had conditionally agreed to sell and the Taiwan Subsidiary had conditionally agreed to purchase the Chung-Chie Target Shares, representing 97.99% of the issued shares of Chung-Chie. The aggregate consideration for the Proposed CRE Acquisition is NT\$405,000,000 (equivalent to approximately HK\$106.6 million) and the aggregate consideration for the Proposed Chung-Chie Acquisition is NT\$63,693,500 (equivalent to approximately HK\$16.7 million). Accordingly, the aggregate consideration for the Proposed Acquisitions is NT\$468,693,500 (equivalent to approximately HK\$123.3 million).

IMPLICATION UNDER THE LISTING RULES

Since the completion of the Proposed CRE Acquisition and that of the Proposed Chung-Chie Acquisition are inter-conditional upon each other, the Proposed Acquisitions are considered on an aggregate basis for the purpose of classification of the transactions under Rule 14.06 the Listing Rules. As certain applicable percentage ratios as defined under the Listing Rules in respect of the Proposed Acquisitions are more than 100%, the Proposed Acquisitions constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the shareholders' approval at the SGM.

The Proposed CRE Acquisition from Mr. Koo, Mr. Chen Show-Shih and Mr. Chen Hsin-Yang constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the relevant percentage ratio(s) of the Proposed Acquisitions under the Listing Rules exceeds 5% and the total consideration is not less than HK\$10 million, the Proposed Acquisitions are therefore subject to the approval of Independent Shareholders at the SGM under Chapter 14A of the Listing Rules.

The SGM will be convened to consider and, if thought fit, approve the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements.

The Independent Board Member, namely Mr. Lin Chin Yao, will advise the Independent Shareholders in relation to the Proposed Acquisitions and the Acquisition Agreements. The Company has, with the approval of the Independent Board Member, appointed Crosby Securities Limited as the Independent Financial Adviser in accordance with the requirements under the Listing Rules to advise the Independent Board Member and the Independent Shareholders on such matters.

As the Company is regarded as a cash company under Rule 14.82 of the Listing Rules and as a result trading in the Shares has been suspended, pursuant to Rule 14.84 of the Listing Rules, its application for lifting the suspension of trading in the Shares following the completion of the Proposed Acquisitions is required to be treated as a new listing application under Rule 14.84 of the Listing Rules. The Proposed Acquisitions are therefore also subject to the approval of the Listing Committee as a new listing application made by the Company. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. Kim Eng Securities (Hong Kong) Limited has been appointed as the sole sponsor in respect of the new listing application of the Company. The Company filed the new listing application with the Stock Exchange on 15 January 2014.

The Company will despatch a circular in accordance with requirements under the Listing Rules, which will contain, among other things, (i) further details of the Proposed Acquisitions; (ii) the recommendation of the Independent Board Member in relation to the Proposed Acquisitions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Member and the Independent Shareholders in relation to the Proposed Acquisitions; (iv) financial information of the Target Groups and the Enlarged Group; and (v) the notice of the SGM.

As the circular is subject to review and comments by the Stock Exchange, it will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. In view of the process required in connection with the new listing application by the Company, the Company expects that the circular will be despatched more than 15 business days after the date of this announcement. It is expected that the circular will be despatched by 30 June 2014 subject to the Company's obtaining the approval in principle from the Listing Committee with respect to the new listing application. The Company will make a further announcement for the expected date of despatch of the circular.

GENERAL

It is one of the conditions precedent to the completion of the Proposed Acquisitions that the approval of the new listing application by the Listing Committee has been obtained. In the event that the approval for the new listing application is not granted by the Listing Committee, the Acquisition Agreements will not become unconditional and the Proposed Acquisitions and other transactions contemplated under the Acquisition Agreements will not proceed.

The issuance of this announcement does not mean that the new listing application of the Company will be approved by the Stock Exchange and trading in the Shares will be resumed.

Trading in the shares of the Company has been suspended since 9:30 a.m. on 5 July 2010 and will remain suspended until further notice.

INTRODUCTION

References are made to the announcements of the Company dated 30 September 2013, 15 October 2013, 1 November 2013, 12 November 2013 and 13 November 2013, and those other announcements regarding the listing status of the Company.

Since the suspension of the trading in the shares of the Company with effect from 9:30 a.m. on 5 July 2010, the Company had been actively seeking suitable investment opportunities in order to formulate a viable resumption proposal that could demonstrate sufficiency of operations or assets and resolve the cash company issue under Rules 13.24 and 14.82 of the Listing Rules.

On 19 October 2010, the Stock Exchange placed the Company in the first delisting stage as it failed to have sufficient operations or assets and also failed to resolve the cash company concern. The Stock Exchange put the Company in the second and third delisting stages on 26 April and 11 November 2011 respectively.

The Company submitted its first draft resumption proposal on 22 May 2012 (which was revised on 14 September 2012) relating to a proposed acquisition of solar energy power generation projects (the “**Original Resumption Proposal**”). Subsequent to the submission of the Original Resumption Proposal, the Listing Division of the Stock Exchange (the “**Division**”) informed the Company on 5 November 2012 that the transactions contemplated under the Original Resumption Proposal would constitute a reverse takeover under Rule 14.06(6) of the Listing Rules, and the Division would therefore treat the Company as a new listing applicant if the Original Resumption Proposal would proceed (the “**Decision**”). The projects contemplated under the Original Resumption Proposal were then put on hold.

On 3 December 2012, the Company applied to have the Decision to be reviewed by the Listing Committee. On 22 January 2013, the Committee decided to uphold the Decision that the Original Resumption Proposal would constitute a reverse takeover under Rule 14.06(6) of the Listing Rules to require the Company to submit a new listing application according to Chapter 9 of the Listing Rules, but the Committee was of the view that, in the circumstances, it was reasonable to allow the Company more time to submit a new listing application (comprising either a reviewed proposal or otherwise) and agreed to extend the deadline for submitting new listing application for the purpose of resuming trading of the Shares to 1 November 2013.

Due to the potential seller’s commercial consideration on the uncertainty to complete the proposed acquisition of solar energy power generation projects as a result of the Decision, the proposed acquisitions contemplated under the Original Resumption Proposal were aborted. The Company has been actively seeking and exploring suitable alternative investment opportunities in order to formulate a viable resumption proposal that could demonstrate the sufficiency of operations or assets and resolve the cash company concern under Rules 13.24 and 14.82 of the Listing Rules. On 15 October 2013, the Company announced that it identified and was in negotiations with the relevant parties to acquire entities principally engaging in the operation of property

agency franchise business and property agency business, and provision of property management and related services in the Taiwan area. A consultation paper has been submitted to the Stock Exchange on 15 October 2013 to deal with the regulatory issues arising from the proposed acquisition of the said new projects by the Company. On 1 November 2013, the Company requested the Stock Exchange for a further extension of the deadline to submit a new listing application from 1 November 2013 to 15 January 2014. On 8 November 2013, the Stock Exchange approved the said request of the Company and the submission deadline for the new listing application has been extended to 15 January 2014 but indicated that the Listing Committee is not prepared to consider further request for extension of time.

The Board is pleased to announce that on 14 January 2014, the Taiwan Subsidiary as purchaser entered into (i) the CRE SPA with the CRE Vendors as vendors pursuant to which the CRE Vendors had conditionally agreed to sell and the Taiwan Subsidiary had conditionally agreed to purchase all the CRE Target Shares; and (ii) the Chung-Chie SPA with Solar Stone as vendor pursuant to which Solar Stone had conditionally agreed to sell and the Taiwan Subsidiary had conditionally agreed to purchase the Chung-Chie Target Shares, representing 97.99% of the issued share capital of Chung-Chie. Details of the CRE SPA and the Chung-Chie SPA are set out below.

THE ACQUISITION AGREEMENTS

CRE SPA

Date: 14 January 2014

Parties:

- (1) the Taiwan Subsidiary; and
- (2) the CRE Vendors.

Assets to be acquired:

The Taiwan Subsidiary has conditionally agreed to acquire from the CRE Vendors all the CRE Target Shares, i.e., an aggregate of 10,000,000 ordinary shares of CRE of NT\$10 each, representing 100% of the issued shares of CRE, namely, (i) 1,395 CRE Target Shares representing 0.01% of the issued shares of CRE from Jie-ho Construction; (ii) 3,729,603 CRE Target Shares representing 37.30% of the issued shares of CRE from Mr. Koo who is to succeed the same from the estate of late Dr. Koo and no acquisition cost has been paid or is to be payable by Mr. Koo in his acquiring the 3,729,603 CRE Target Shares which are to be sold to the Group pursuant to the CRE SPA; (iii) 5,684,324 CRE Target Shares representing 56.84% of the issued shares of CRE from Mr. Chen Show-Shih; and (iv) 584,678 CRE Target Shares representing 5.85% of the issued shares of CRE from Mr. Chen Hsin-Yang who succeeded the same from the estate of his mother who originally was interested in 5.85% of the issued shares of CRE before her passing away and accordingly no acquisition cost has been paid by Mr. Chen Hsin-Yang in acquiring the 584,678 CRE Target Shares which are to be sold to the Group pursuant to the CRE SPA.

Mr. Chen Show-Shih first became a shareholder of CRE by subscribing to 56.84% issued shares of CRE in 2005 at par value, i.e., NT\$10 per share of CRE and the total subscription price paid by Mr. Chen Show-Shih was approximately NT\$366.7 million (equivalent to approximately HK\$96.5 million). In 2007, CRE reduced its issued and paid-in share capital from NT\$645,090,000 to NT\$200,000,000 with no change in its shareholding structure and the reduced paid-in capital in the amount of NT\$445,090,000 was applied to offset accumulated loss of CRE and hence no cash was returned to the shareholders of CRE in such capital reduction. In November 2013, CRE further reduced its issued and paid-in share capital from NT\$200,000,000 to NT\$100,000,000 with no change in its shareholding structure. In such capital reduction, the reduced paid-in capital of NT\$100,000,000 was returned to the shareholders of CRE in proportion to their shareholding in CRE and hence an amount of approximately NT\$56.9 million (equivalent to approximately HK\$15.0 million) was returned to Mr. Chen Show-Shih. Therefore, the net total acquisition cost which had been paid by Mr. Chen Show-Shih in acquiring his interest in 56.84% issued shares of CRE which are to be sold to the Group pursuant to the CRE SPA is NT\$309.8 million (equivalent to approximately HK\$81.5 million).

Consideration:

The aggregate CRE Consideration for the acquisition of all the CRE Target Shares is NT\$405,000,000 (equivalent to approximately HK\$106.6 million) payable in cash by the Group by installments in the following manner:

- (a) the first instalment in the amount of NT\$52,500,000 (equivalent to approximately HK\$13.9 million) shall be paid by the Group on the CRE Completion;
- (b) the second instalment in the amount of NT\$117,500,000 (equivalent to approximately HK\$30.9 million) shall be paid by the Group on 30 June 2015;
- (c) the third instalment in the amount of NT\$117,500,000 (equivalent to approximately HK\$30.9 million) shall be paid by the Group on 30 June 2016; and
- (d) the fourth instalment in the amount of NT\$117,500,000 (equivalent to approximately HK\$30.9 million) shall be paid by the Group on 30 June 2017.

An amount of NT\$255,000,000 (equivalent to approximately HK\$67.1 million) in the CRE Consideration will be funded by the Group by its internal resources taking into account the sufficiency of its working capital and the remaining amount of approximately NT\$150,000,000 (equivalent to approximately HK\$39.5 million) will be funded by the Group from bank loans.

Basis of consideration:

The aggregate CRE Consideration was determined after arm's length negotiation among the parties to the CRE SPA taking into account (i) the net asset value of CRE Group as per its management accounts as at 30 September 2013 after taking into account the subsequent capital reduction of CRE in November 2013, i.e., approximately NTD141.5 million (equivalent to approximately HK\$37.2 million); (ii) the net profit before taxation and extraordinary items of CRE Group as per its management amounts for the nine months ended 30 September 2013 of approximately NTD63.4 million (equivalent to approximately HK\$16.7 million) (iii) the profitability of the CRE Group; and (iv) the prospects of the CRE Group.

Conditions Precedent:

CRE Completion is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (1) the Company having obtained all approvals from its Independent Shareholders for the CRE SPA and the transactions contemplated hereunder;
- (2) the Company having obtained the approval in principle of the listing of the Enlarged Group from the Stock Exchange;
- (3) The Taiwan Subsidiary having obtained the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan and all the other competent government authorities in connection with its purchase of CRE Target Shares; and
- (4) The Taiwan Subsidiary is reasonably satisfied on the due diligence results on the CRE Group.

Pursuant to the CRE SPA, the CRE Completion is also conditional on the Chung-Chie Completion and shall take place simultaneously with the Chung-Chie Completion.

Completion:

The CRE Completion shall take place on such date when the first installment of the CRE Consideration is paid after the fulfillment or, if applicable, waiver of all of the above conditions precedent and shall be on the same date of and simultaneously with the Chung-Chie Completion.

CHUNG-CHIE SPA

Date: 14 January 2014

Parties:

- (1) The Taiwan Subsidiary; and
- (2) Solar Stone.

Assets to be acquired:

The Taiwan Subsidiary agreed to acquire from Solar Stone the Chung-Chie Target Shares, i.e., 2,939,700 ordinary shares of NT\$10 each, representing 97.99% of the issued and paid-in share capital of Chung-Chie.

Consideration:

The Chung-Chie Consideration is NT\$63,693,500 (equivalent to approximately HK\$16.7 million) which shall be payable in cash by the Group to Solar Stone on the Chung-Chie Completion Date.

The Chung-Chie Consideration will be funded by the Group's internal resources taking into account the sufficiency of its working capital.

Basis of consideration:

The Chung-Chie Consideration was determined after arm's length negotiation among the parties to the Chung-Chie SPA taking into account (i) the net asset value of the Chung-Chie Group as at 30 September 2013 (after taking into consideration the Chung-Chie Life Disposal); (ii) the fair value of the stable customers relationship of Ho-Hsin with its customers as an intangible asset of approximately NT\$12.7 million (equivalent to approximately HK\$3.3 million) as of 30 September 2013 as indicated in a preliminary valuation report of an independent business valuer; and (iii) the prospects of Chung-Chie Group. For details of the Chung-Chie Life Disposal, please refer to the paragraphs headed under "Information of the Target Groups" in this announcement.

Conditions Precedent:

The completion of the sale and purchase of Chung-Chie Shares contemplated under the Chung-Chie SPA are conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (1) the Company having obtained all approvals from its Independent Shareholders for the Chung-Chie SPA and the transactions contemplated hereunder;
- (2) the Company having obtained the approval in principle of the listing of the Enlarged Group from Stock Exchange;
- (3) The Taiwan Subsidiary having obtained the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan and all the other competent government authorities in connection with its purchase of Chung-Chie Target Shares; and
- (4) The Taiwan Subsidiary is reasonably satisfied with the due diligence results on Chung-Chie Group.

Pursuant to the Chung-Chie SPA, the Chung-Chie Completion is also conditional on the CRE Completion and shall take place simultaneously with the CRE Completion.

Completion:

The Chung-Chie Completion shall take place on such date when the Chung-Chie Consideration is paid after the fulfillment or waiver of all of the above conditions precedent and shall be on the same date of and simultaneously with the CRE Completion.

INFORMATION ON THE TARGET GROUPS

CRE is a company limited by shares and was incorporated in Taiwan on 30 October 1985, which is principally engaged in providing property agency franchise business and property agency business in Taiwan. As at the date of this announcement, the issued and paid-in capital of CRE is NT\$100,000,000 divided into 10,000,000 shares of NT\$10 each, constituting all the CRE Target Shares. CRE holds 100% interests in Shanghai Lianan, a company set up in the PRC, which is primarily engaged in property agency business in Shanghai, the PRC.

Chung-Chie is a company limited by shares and was incorporated in Taiwan on 6 December 1995, which is principally engaged in the provision of property management and related services in Taiwan. As at the date of this announcement, the issued and paid-in capital of Chung-Chie is NT\$30,000,000 divided into 3,000,000 shares of NT\$10 each. Chung-Chie provides management services including security, repair and maintenance, cleaning, administrative support and other service apartment services. It also employs technicians to provide basic electrical and mechanical maintenance services. Chung-Chie subcontracts part of its cleaning services and all its security services to third-party contractors. Given some properties require more expertised electrical and mechanical maintenance management services (such as large scale residential estates and commercial buildings), Chung-Chie established Ho-Hsin in 2002 to provide expertise electrical and mechanical maintenance management services. Chung-Chie holds 100% shareholding interests in Ho-Hsin. Ho-Hsin is a company limited by shares and was incorporated in Taiwan.

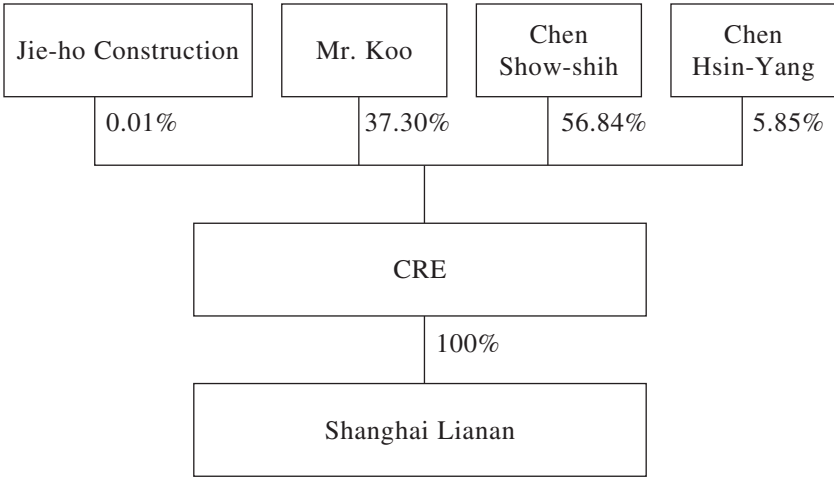
Chung-Chie had also been the registered shareholder of 100% issued shares in Chung-Chie Life until 30 December 2013 when Chung-Chie disposed of the 100% equity interest in Chung-Chie Life. Chung-Chie Life was primarily engaged in operation of budget hotel and service apartments. Given hospitality was a different business stream from property agency franchise business, property agency business and the property management related business which the Group did not intend to acquire, on 30 December 2013, Chung-Chie transferred the 100% shareholding interests in Chung-Chie Life to an investment entity of Madam Yen's family members at a consideration of approximately NTD23.92 million (equivalent to approximately HK\$6.3 million).

Upon completion of the Proposed Acquisitions, CRE will become an indirect wholly-owned subsidiary of the Company and Chung-Chie, which will be indirectly owned as to 97.99% equity interest by the Company, will become an indirect non wholly-owned subsidiary of the Company and the financial results of CRE and Chung-Chie will be consolidated into the consolidated financial statements of the Company.

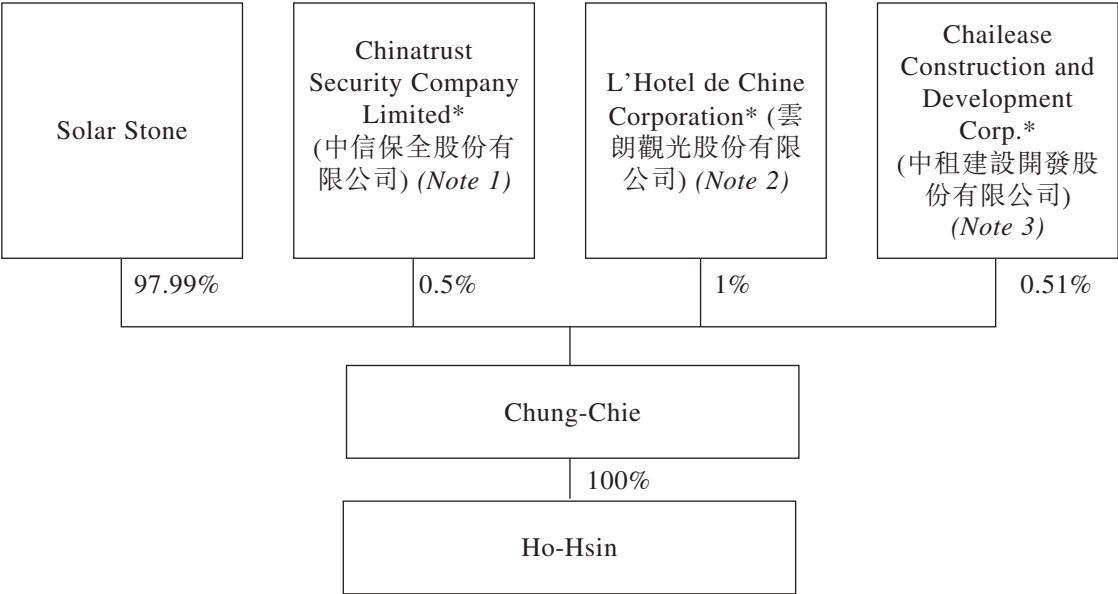
Set out below is the shareholding structure of the Target Groups as at the date of this announcement:

As at the date of this announcement:

Shareholding structure of CRE Group



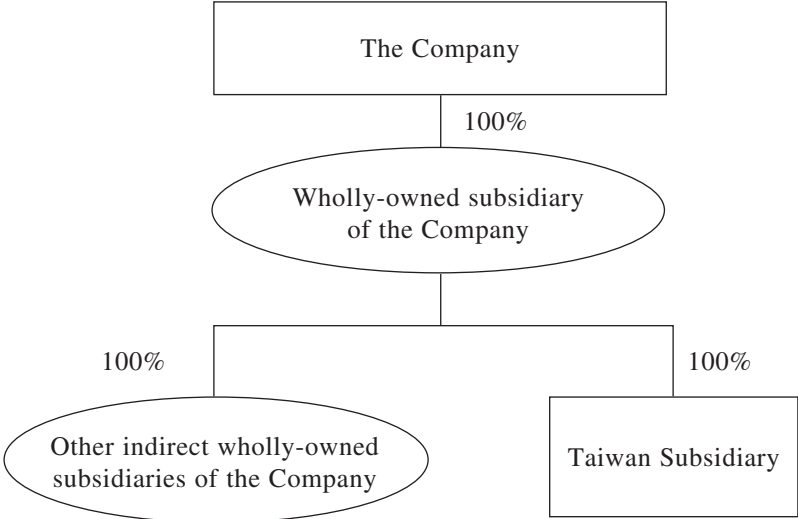
Shareholding structure of Chung-Chie Group



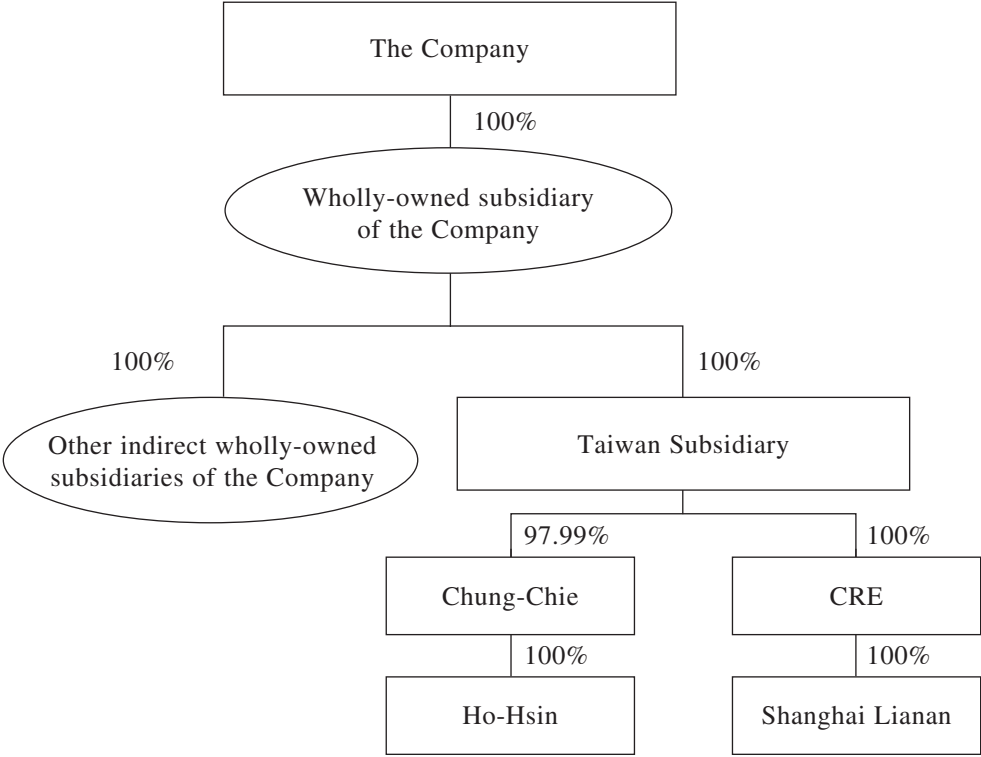
Notes:

1. Chinatrust Security Company Limited* (中信保全股份有限公司) (“**Chinatrust Security**”) was a company incorporated in Taiwan. Chinatrust Security currently holds 15,000 issued shares of Chung-Chie, representing 0.5% of the issued shares of Chung-Chie.
2. L’Hotel de Chine Corporation* (雲朗觀光股份有限公司) (“**L’ Hotel**”) was a company incorporated in Taiwan. L’ Hotel currently holds 30,000 issued shares of Chung-Chie, representing 1% of the issued shares of Chung-Chie.
3. Chailease Construction and Development Corp.* (中租建設開發股份有限公司) (“**Chailease**”) was a company incorporated in Taiwan. Chailease currently holds 15,300 issued shares of Chung-Chie, representing 0.51% of the issued shares of Chung-Chie.

The following chart sets out the corporate structure of the Group as at the date of this announcement:



The following chart sets out the shareholding structure and the corporate structure of the Enlarged Group immediately after Closing:



FINANCIAL INFORMATION OF THE TARGET GROUPS

The total asset value and total net asset value of the Target Groups as per the management accounts of the Target Groups as at 30 September, 2013 (excluding Chung-Chie Life taking into account the Chung-Chie Life Disposal) were set out as follows:

	CRE Group		Chung-Chie Group		Aggregate Total	
	(NTD'000)	(HKD'000)	(NTD'000)	(HKD'000)	(NTD'000)	(HKD'000)
Total asset value	623,069 ¹	163,966 ¹	116,597 ^{2,3}	30,683 ^{2,3}	739,666	194,649
Total net asset value	241,470 ¹	63,545 ¹	43,778 ^{2,3}	11,523 ^{2,3}	285,248	75,068

Note:

1. The issued and paid-in capital of CRE was reduced from NT\$200,000,000 to NT\$100,000,000 on 21 November 2013. The total assets value and total net asset value of CRE Group set out above had not taken into account of such capital reduction.
2. An amount of approximately NTD23.92 million (equivalent to approximately HK\$6.3 million) has been received by Chung-Chie before the end of December 2013 being the consideration of the Chung-Chie Life Disposal.
3. The issued and paid-in capital of Chung-Chie was reduced from NT\$50,000,000 to NT\$30,000,000 on 16 December 2013. The total asset value and total net asset value of Chung-Chie Group set out above had not taken into account of such capital reduction.

The net profits (both before and after taxation) attributable to the Target Groups, for the two financial years ended 31 December 2012 and the nine months ended 30 September 2013 as per the management accounts of the Target Groups (excluding Chung-Chie Life taking into account the Chung-Chie Life Disposal) were set out as follows:

	For the year ended 31 December						For the nine months ended		
	2011			2012			30 September 2013		
	CRE Group	Chung-Chie Group	Aggregate total	CRE Group	Chung-Chie Group	Aggregate total	CRE Group	Chung-Chie Group	Aggregate total
	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)	(NTD'000)
Net Profit/(Loss)									
before taxation and extraordinary items	73,992	26,834	100,826	59,394	5,427	64,821	63,379	4,042	67,421
Net Profit/(Loss)									
after taxation and extraordinary items	(217,089) ¹	22,273	(194,816)	44,060 ²	3,901	47,961	51,640	2,298	53,938

	For the year ended 31 December						For the nine months ended		
	2011			2012			30 September 2013		
	CRE Group (HKD'000)	Chung-Chie Group (HKD'000)	Aggregate total (HKD'000)	CRE Group (HKD'000)	Chung-Chie Group (HKD'000)	Aggregate total (HKD'000)	CRE Group (HKD'000)	Chung-Chie Group (HKD'000)	Aggregate total (HKD'000)
Net Profit/(Loss) before taxation and extraordinary items	19,472	7,062	26,534	15,630	1,428	17,058	16,679	1,064	17,743
Net Profit/(Loss) after taxation and extraordinary items	(57,129) ¹	5,861	(51,268)	11,595 ²	1,027	12,622	13,589	604	14,193

Notes:

1. Extraordinary items included (i) an impairment of land of approximately NTD302.1 million (equivalent to approximately HK\$80.0 million) ; and (ii) a write back of provision of other receivables of approximately NTD22.0 million (equivalent to approximately HK\$5.8 million).
2. Extraordinary item included an impairment of available for sale investment of approximately NTD3.1 million (equivalent to approximately HK\$0.8 million).
3. There is no effect to the income statement arising from the capital reduction of CRE Group and Chung-Chie Group as mentioned above.

Audited figures of the Target Groups will be set out in the circular to be despatched to the Shareholders.

INFORMATION OF THE PARTIES

Information of the Company and the Taiwan Subsidiary

The Company was incorporated in Bermuda with limited liability and its principal business activity is investment holding. Trading in the Shares was suspended since 5 July 2010 pending its actions to address the concerns of insufficient operations or assets, as required by Rule 13.24 of the Listing Rules, and whether the Company had become a cash company under Rule 14.82 of the Listing Rules. The Group provided marketing services through printing and distributing free standing insert advertisement and coupon booklet before suspension of trading of the Shares.

The Taiwan Subsidiary, a wholly-owned subsidiary of the Company, was incorporated in Taiwan with limited liability and its principal business activity is investment holding.

Information of Jie-ho Construction

Jie-ho Construction was a company limited by shares and was incorporated in Taiwan with limited liability. As at the date of this announcement, Jie-ho Construction is the registered holder of 1,395 CRE Target Shares, representing 0.01% of the issued shares of CRE. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jie-ho Construction is principally engaged in property development business. Mr. Chen Show-Shih, brother-in-law of late Dr. Koo, holds 2,400,000 issued shares representing approximately 2.21% of the all the issued shares of Jie-ho construction, and late Dr. Koo's estate is interested in 4 issued shares of Jie-ho Construction and save for the aforesaid, Jie-ho Construction and its other ultimate beneficial owners are independent third parties.

Information of Mr. Koo

Mr. Koo is a son of late Dr. Koo who is to succeed, among other things, (a) all the 1,795,000,000 Shares ultimately held by late Dr. Koo immediately before his passing away, and (b) all the Relevant Koo Shares.

Information of Mr. Chen Show-Shih and Mr. Chen Hsin-Yang

Mr. Chen Show-Shih is brother-in-law of late Dr. Koo, who held 11,368,647 ordinary shares of CRE, which were subsequently reduced to 5,684,324 CRE Target Shares after a capital reduction of CRE on 21 November 2013, representing 56.84% of all the issued shares of CRE.

Mr. Chen Hsin-Yang is son of Mr. Chen Show-Shih and cousin of Mr. Koo. Mr. Chen Hsin-Yang currently holds 584,678 CRE Target Shares, representing 5.85% of all the issued shares of CRE.

Information of Solar Stone

Solar Stone was incorporated in BVI with limited liability and its sole shareholder is Madam Yen. The principal activity of Solar Stone is investment holding. Madam Yen is cousin of late Dr. Koo. Solar Stone currently holds 2,939,700 ordinary shares of Chung-Chie, representing 97.99% of the issued and paid-in share capital of Chung-Chie.

REASONS FOR THE PROPOSED ACQUISITIONS

The principal business activity of the Company is investment holding. The Group does not have any substantial business operation since the winding down of its then principal business in 2007, and has been actively seeking and exploring suitable investment opportunities in order to formulate a viable resumption proposal that could demonstrate sufficiency of operations or assets and tackle the cash company concerns under Rules 13.24 and 14.82 of the Listing Rules. In order to revitalize its business operation, the Company has been trying very hard to identify various business opportunities and options which not only satisfy the new listing requirements under the Listing Rules but also are viable commercial transactions which are agreeable to the relevant parties (including the potential vendors and the Directors). Among various potential projects

that the Group had explored, the Group has identified the CRE Group which has been primarily engaged in property agency franchise business and property agency business and the Chung-Chie Group which has been primarily engaged in providing property management and related services, which the Directors consider to be the most appropriate project among the potential projects previously explored.

The Directors consider the property agency franchise business, property agency business, property management business and related business of the Target Groups a sustainable business, based on the following:

- (a) the property agency market in Taiwan has remained steady during the past few years, which has been supported by steady demand for real estate properties. For the years ended 31 December 2010, 2011 and 2012, the total number of transfers of property ownership registered with the Ministry of Interior of Taiwan amounted to approximately 530,000, 498,000 and 456,000, respectively. During the same periods, the total number of first registration of property ownership (representing the number of new property units acquired) amounted to approximately 91,000, 94,000 and 103,000, representing a CAGR of approximately 6.39%;
- (b) under the relevant Taiwan laws and regulations, property agents must be licensed by the Ministry of Interior of Taiwan. According to the statistics compiled by the Construction and Planning Agency of the Ministry of Interior of Taiwan, the number of licensed property agents in Taiwan has remained steady over the past few years, amounting to approximately 6,400, 6,600 and 6,900, respectively, as at 31 December 2010, 2011 and 2012;
- (c) the property management market in Taiwan has remained steady during the past few years, which has been supported by the existing residential and commercial properties as well as the increase in newly constructed real estate properties mentioned above. For the years ended 31 December 2010, 2011 and 2012, the newly built properties registered with the Construction and Planning Agency of the Ministry of Interior of Taiwan amounted to 29,515, 32,970 and 31,002, respectively;
- (d) According to the Condominium Administration Act (公寓大廈管理條例) in Taiwan, a property management entity shall be established by each condominium to be responsible for property management and maintenance. To the best information and knowledge of the Directors and the directors of Chung-Chie, there has been an increasing trend that property management entities outsource the property management to external and professional property management service providers; and

- (e) the Target Groups generated an aggregate net operating cashflow of approximately NTD101.6 million (equivalent to approximately HK\$26.7 million), NTD47.9 million (equivalent to approximately HK\$12.6 million) and NTD69.8 million (equivalent to approximately HK\$18.4 million) for each of the two years ended 31 December 2012 and the nine months ended 30 September 2013 respectively.

The Directors are of the view that the business models of the Target Groups are viable and will be able to generate stable revenue, cash and profit for the Group following the completion of the Proposed Acquisitions, which would be beneficial to the Shareholders as a whole. The Directors consider that through the Proposed Acquisitions, the Group can (i) maintain a sufficient level of operations for compliance of Rule 13.24 of the Listing Rules for a considerable period of time; and (ii) significantly reduce the proportion of cash held by the Group such that the Company will comply with Rule 14.82 of the Listing Rules. The Directors further consider that the terms of the Acquisition Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP AFTER RESUMPTION

Upon completion of the Proposed Acquisitions, the Enlarged Group will be engaged in property agency franchise business, property agency business and property management and related business.

IMPLICATION UNDER THE LISTING RULES

Since the completion of the Proposed CRE Acquisition and that of the Proposed Chung-Chie Acquisition are inter-conditional upon each other, the Proposed Acquisitions are considered on an aggregate basis for the purpose of classification of the transactions under Rule 14.06 the Listing Rules. As certain applicable percentage ratios as defined under the Listing Rules in respect of the Proposed Acquisitions are more than 100%, the Proposed Acquisitions is expected to constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the shareholders' approval at the SGM.

As at the date of this announcement, the estate of late Dr. Koo was a substantial shareholder of the Company ultimately holding 1,795,000,000 Shares through a number of intermediate holding companies, including Coralbells Investments Limited, a company incorporated in the BVI and is the registered holder of the 1,795,000,000 Shares currently ultimately owned by the estate of late Dr. Koo. Mr. Koo will succeed the shareholding interest in the intermediate holding companies which are currently ultimately held by the estate of late Dr. Koo, including 100% shareholding interest in Coralbells Investments Limited, and thereby will succeed all the interest in the 1,795,000,000 Shares previously ultimately owned by late Dr. Koo, representing 74.79% of the issued Shares based on the total number of issued Shares as at the date of this announcement, and would be become a substantial Shareholder. Mr. Chen Show-Shih and Mr. Chen Hsin-Yang are Mr. Koo's uncle and cousin respectively, each being an associate of Mr. Koo and hence are connected persons of the Company. Therefore, the

Proposed CRE Acquisition of the Relevant Koo Shares from Mr. Koo, 5,684,324 CRE Target Shares from Mr. Chen Show-Shih, and 584,678 CRE Target Shares from Mr. Chen Hsin-Yang, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the completion of the Proposed CRE Acquisition and that of the Proposed Chung-Chie Acquisition are inter-conditional upon each other and the relevant percentage ratio(s) of the Proposed Acquisitions under the Listing Rules exceeds 5% and the total consideration is not less than HK\$10 million, the Proposed Acquisitions are therefore subject to the approval of Independent Shareholders at the SGM under Chapter 14A of the Listing Rules.

The SGM will be convened to consider and, if thought fit, approve the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements. Since Mr. Koo is materially interested in the Proposed CRE Acquisition, he and his associates will be required to abstain from voting on the resolution(s) for approving the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements. To the best of the of the Directors' knowledge, information and belief having made all reasonable enquiry, there are no other Shareholders (other than Mr. Koo and his associates) who are materially interested in the Proposed Acquisitions and hence there are no other Shareholders who will be required to abstain from voting on the resolution(s) for approving the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements.

The Independent Board Member, namely Mr. Lin Chin Yao, will advise the Independent Shareholders in relation to the Proposed Acquisitions and the Acquisition Agreements. The Company has, with the approval of the Independent Board Member, appointed Crosby Securities Limited as the Independent Financial Adviser in accordance with the requirements under the Listing Rules to advise the Independent Board Member and the Independent Shareholders on such matters.

In addition, as the Company is regarded as a cash company under Rule 14.82 of the Listing Rules and as a result trading in the Shares has been suspended, pursuant to Rule 14.84 of the Listing Rules, its application for lifting the suspension of trading in the Shares following the completion of the Proposed Acquisitions is required to be treated as a new listing application under Rule 14.84 of the Listing Rules. Accordingly, under Rule 14.54 of the Listing Rules, the Company is treated as if it were a new listing applicant. The Proposed Acquisitions are therefore also subject to the approval of the Listing Committee of a new listing application made by the Company. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. Kim Eng Securities (Hong Kong) Limited has been appointed as the sole sponsor to the Company in respect of the new listing application of the Company. The Company filed the new listing application with the Stock Exchange on 15 January 2014.

The Company will despatch a circular in accordance with requirements under the Listing Rules, which will contain, among other things, (i) further details of the Proposed Acquisitions; (ii) the recommendation of the Independent Board Member in relation to the Proposed Acquisitions; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Member and the Independent Shareholders in relation to the Proposed Acquisitions; (iv) financial information of the Target Groups and the Enlarged Group; and (v) the notice of the SGM.

As the circular is subject to review and comments by the Stock Exchange, it will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. In view of the process required in connection with the new listing application by the Company, the Company expects that the circular will be despatched more than 15 business days after the date of this announcement. It is expected that the circular will be despatched by 30 June 2014 subject to the Company's obtaining the approval in principle from the Listing Committee with respect to the new listing application. The Company will make a further announcement for the expected date of despatch of the circular. The Shareholders and potential investors should refer to the circular for further details of the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements.

GENERAL

It is one of the conditions precedent to the completion of the Proposed Acquisitions that the approval of the new listing application by the Listing Committee has been obtained. In the event that the approval for the new listing application is not granted by the Listing Committee, the Acquisition Agreements will not become unconditional and the Proposed Acquisitions and other transactions contemplated under the Acquisition Agreements will not proceed.

The issuance of this announcement does not mean that the new listing application of the Company will be approved by the Stock Exchange and trading in the Shares will be resumed.

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition Agreements”	the CRE SPA and the Chung-Chie SPA
“acting in concert”	has the meaning given to it under the Takeovers Code
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors

“business day(s)”	a day (other than a Saturday, a Sunday or public holidays) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“CAGR”	Compound annual growth rate
“China” or “PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Chung-Chie”	Chung-Chie Property Management Co., Ltd. (中捷公寓大廈管理維護股份有限公司), a company incorporated in Taiwan with issued and paid-in capital of NT\$30,000,000 divided into 3,000,000 ordinary shares of NT\$10 each as at the date of this announcement
“Chung-Chie Completion”	completion of the Proposed Chung-Chie Acquisition pursuant to the terms of the Chung-Chie SPA
“Chung-Chie Completion Date”	the date on which the Chung-Chie Completion shall take place, being a date when the Chung-Chie Consideration is paid after all the conditions precedent under the Chung-Chie SPA having been satisfied or waived and shall be the same date as the CRE Completion Date
“Chung-Chie Consideration”	the consideration for the acquisition of the Chung-Chie Target Shares pursuant to the Chung-Chie SPA
“Chung-Chie Group”	Chung-Chie, together with its subsidiary(ies) (excluding Chung-Chie Life unless the context otherwise stated), which is principally engaged in provision of property management and related services
“Chung-Chie Life”	Chung-Chie Life Company Limited (中捷生活事業股份有限公司), a company incorporated in Taiwan with issued and paid-in capital of NTD20,800,000 divided into 2,080,000 shares at NTD10 per share, and originally a wholly-owned subsidiary of Chung-Chie before the Chung-Chie Life Disposal

“Chung-Chie Life Disposal”	the disposal by Chung-Chie of the 100% shareholding interests in Chung-Chie Life on 30 December 2013 to an investment entity of Madam Yen’s family members at a consideration of approximately NT\$23.92 million (equivalent to approximately HK\$6.3 million)
“Chung-Chie SPA”	a conditional sale and purchase agreement entered into between the Taiwan Subsidiary and Solar Stone on 14 January 2014 in relation to the sale and purchase of all the Chung-Chie Target Shares
“Chung-Chie Target Shares”	an aggregate of 2,939,700 ordinary shares of Chung-Chie of NT\$10 each, representing 97.99% of the issued shares of Chung-Chie
“Closing”	CRE Completion and Chung-Chie Completion, which shall take place on the same date and simultaneously pursuant to the terms of the CRE SPA and the Chung-Chie SPA
“Company”	Pyxis Group Limited, a company incorporated in Bermuda whose issued Shares are listed on the Stock Exchange
“connected person”	has the meaning given to it under the Listing Rules
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules and in the context of the Company, means Mr. Koo and parties acting in concert with him
“CRE”	Chinatrust Real Estate Co., Ltd. (中信房屋仲介股份有限公司), a company incorporated in Taiwan with issued and paid-in capital of NT\$100,000,000 divided into 10,000,000 ordinary shares of NT\$10 each as at the date of this announcement
“CRE Completion”	completion of the Proposed CRE Acquisition pursuant to the terms of the CRE SPA
“CRE Completion Date”	the date on which the CRE Completion shall take place, being a date when the first installment of the CRE Consideration is paid after all the conditions precedent of the CRE SPA having been satisfied or waived and shall be the same date as the Chung-Chie Completion Date

“CRE Consideration”	the consideration for the acquisition of the CRE Target Shares pursuant to the CRE SPA
“CRE Group”	CRE, together with its subsidiary(ies), which is principally engaged in providing property agency franchise business and property agency business in Taiwan
“CRE SPA”	a conditional sale and purchase agreement entered into between the Taiwan Subsidiary and the CRE Vendors on 14 January 2014 in relation to the sale and purchase of all the CRE Target Shares
“CRE Target Share(s)”	an aggregate of 10,000,000 ordinary shares of NT\$10 each, representing 100% of the issued shares in CRE
“CRE Vendors”	Jie-ho Construction, Mr. Koo, Mr. Chen Show-Shih and Mr. Chen Hsin-Yang, each being a vendor under the CRE SPA and had agreed conditionally to sell in aggregate all the CRE Target Shares to the Taiwan Subsidiary
“Directors”	directors of the Company
“Enlarged Group”	the Group and the Target Groups upon Closing
“franchisee(s)”	franchisee(s) of CRE who entered into franchise agreement with CRE
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Ho-Hsin”	Ho-Hsin Electrical and Mechanical Management Services Company Limited* (和新機電管理股份有限公司), a company incorporated in Taiwan, a wholly-owned subsidiary of Chung-Chie, principally engaged in providing electrical and mechanical management services
“Independent Board Member”	the sole independent non-executive Director of the Company, namely, Mr. Lin Chin Yao, to give recommendations to the Independent Shareholders regarding the terms of and the transactions under the Acquisition Agreements
“Independent Financial Adviser”	Crosby Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and being the Independent Financial Adviser appointed by the Company to advise the Independent Board Member and Independent Shareholders in relation to the terms of and the transactions under the Acquisition Agreements
“Independent Shareholder(s)”	Shareholders other than Mr. Koo and his associates and those who are interested in and involved in the Proposed Acquisitions
“independent third party”	a party that is not a connected person of the Company or of the Target Groups, as the case may be
“Jie-ho Construction”	Jie-ho Construction Company Limited* (捷和建設股份有限公司), a company incorporated in Taiwan, one of the CRE Vendors holding 1,395 CRE Target Shares, representing 0.01% of issued shares of CRE
“late Dr. Koo”	Late Dr. Koo Len-Song (辜濂松), who passed away on 5 December 2012, New York time, was the ultimate controlling shareholder of the Company as to 74.79% of the total issued Shares as at the date of his passing away
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Yen”	Madam Yen Mingming, Mr. Koo’s great uncle’s daughter, the sole shareholder of Solar Stone
“Mr. Koo”	Mr. Koo John-Leon, also known as Mr. Jeffrey Jr. J.L. Koo the eldest son of late Dr. Koo, who is to succeed (a) all the Relevant Koo Shares and (b) all the 1,795,000,000 Shares previously held by late Dr. Koo immediately before his passing away, also one of the CRE Vendors holding 37.30% issued shares of CRE
“NTD” or NT\$	New Taiwan dollars, the lawful currency of Taiwan
“Proposed Acquisitions”	the Proposed CRE Acquisition and the Proposed Chung-Chie Acquisition
“Proposed CRE Acquisition”	the acquisition of all the CRE Target Shares as contemplated under the CRE SPA
“Proposed Chung-Chie Acquisition”	the acquisition of all the Chung-Chie Target Shares as contemplated under the Chung-Chie SPA
“Relevant Koo Shares”	7,459,207 ordinary shares in CRE, representing 37.3% of the issued shares of CRE held by late Dr. Koo as at the date of his passing away, and subsequently reduced to 3,729,603 ordinary shares in CRE after a capital reduction of CRE on 21 November 2013, and is to be succeeded by Mr. Koo
“SGM”	the special general meeting of the Company to be convened to consider and approve, inter alia, the Proposed Acquisitions and the transactions contemplated under the Acquisition Agreements
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Lianan”	Shanghai Lianan Real Estate Agency Company Limited* (上海聯安房地產經紀有限公司), a company incorporated in Shanghai, the PRC, on 13 December 2000, which became a wholly-owned subsidiary of CRE when CRE acquired 100% of its equity interests in June 2012

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Solar Stone”	Solar Stone Investment Limited, a company incorporated in BVI, the controlling shareholder of Chung-Chie holding 97.99% of the issued shares of Chung Chie and the vendor under the Chung-Chie SPA
“Sponsor” or “Kim Eng”	Kim Eng Securities (Hong Kong) Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) regulated activity for the purpose of the SFO, being the sole sponsor to the Company in respect of the new listing application of the Company under Rule 14.84 of the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Taiwan” or “ROC”	Republic of China
“Taiwan Subsidiary”	CRM Marketing Services Inc., an indirect wholly-owned subsidiary of the Company incorporated in Taiwan
“Target Groups”	the CRE Group and the Chung-Chie Group (excluding Chung-Chie Life unless the context otherwise stated)
“%”	per cent.

For the purpose of this announcement, unless the context otherwise requires, conversion of NTD into Hong Kong dollars is based on the approximate exchange rate of NTD3.8 to HK\$1. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or NTD have been, could have been or may be converted at such or any other rate or at all.

Certain figures set out in this announcement have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

**The English names of the Taiwanese and Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this announcement for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

Trading in the shares of the Company has been suspended since 9:30 a.m. on 5 July 2010 and will remain suspended until further notice.

By order of the Board
Yu Keung WONG
Company Secretary

Hong Kong, 15 January 2014

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 Independent Non-Executive Director.