Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

ARTEL SOLUTIONS GROUP HOLDINGS LIMITED
宏通集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the "Board") of directors (the "Directors") of Artel Solutions Group Holdings Limited (the "Company") announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013, together with the comparative figures for the previous year prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

* *for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Rental income	*3*	**840**	766
Dividend income from held for trading investments	*3*	**8,330**	1,998
Gain on disposal on held for trading investments	*3*	**15,661**	19,100
		24,831	21,864
Other operating income	*4*	**4,115**	736
Valuation gains on investment properties		**–**	3,900
Administrative expenses		**(6,076)**	(5,216)
Finance cost	*5*	**(396)**	–
Profit before taxation	*6*	**22,474**	21,284
Taxation	*7*	**(1,874)**	(1,213)
Profit and other comprehensive income for the year attributable to equity shareholders of the Company		**20,600**	20,071
Earnings per share (HK cents)	*9*		
– Basic		**0.24**	0.26
– Diluted		**0.18**	0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Non-current assets		
Investment properties	**84,878**	84,800
Plant and equipment	**480**	702
Deferred tax asset	**21**	11
	85,379	85,513
Current assets		
Prepayments and deposits	**986**	894
Bank balances and cash	**170,186**	167,177
	171,172	168,071
Current liabilities		
Accrued charges and other payables	**461**	448
Income tax payable	**991**	1,345
	1,452	1,793
Net current assets	**169,720**	166,278
Total assets less current liabilities	**255,099**	251,791
Non-current liability		
Deferred tax liability	**144**	64
Net assets	**254,955**	251,727
Capital and reserves		
Share capital	**86,863**	86,863
Reserves	**168,092**	164,864
Shareholders' funds	**254,955**	251,727

Notes:

1. BASIS OF PREPARATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the principal activities of the Group are properties investments and trading of securities.

The consolidated financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis as modified by the revaluation of investment properties.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards. The adoption of the new Hong Kong Financial Reporting Standards had no material effect on the results and financial position of the Group for the current or prior accounting years.

The following Hong Kong Financial Reporting Standards in issue at 31 December 2013 have not been applied in the preparation of the Group's financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2013:–

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferred Accounts[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC)-Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
[4] Effective for annual periods beginning on or after 1 January 2016

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

3. TURNOVER AND SEGMENTS AND EQUITY-WIDE INFORMATION

Turnover represents the aggregate of the rental income from letting of investment properties, dividend income from held for trading investments and net realised gains or losses from trading of securities and, is analysed as follows:–

	2013	2012
	HK$'000	*HK$'000*
Rental income	**840**	766
Dividend income from held for trading investments	**8,330**	1,998
Gain on disposal on held for trading investments	**15,661**	19,100
	24,831	21,864

Reportable segments

For management purposes, the Group is organised into two operating divisions (2012: two). These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:–

- Properties investment
- Trading of securities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:–

(1) Segment assets consist primarily of investment properties, and certain plant and equipment and mainly exclude item of deferred tax assets. Segment liabilities comprise operating liabilities and mainly exclude items such as income tax payable and deferred tax liabilities.

(2) Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

(3) Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

(4) Unallocated items comprises financial and corporate assets and corporate and financial expenses.

The measure used for reporting segment result is "adjusted EBIT" i.e. adjusted earnings before interest and taxes. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as other head office or corporate administration costs.

Segment information about the aforementioned businesses is set out as follows:–

	Properties investment		**Trading of securities**		**Consolidated**	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER						
External	**840**	766	**23,991**	21,098	**24,831**	21,864
RESULT						
Segment result	**85**	4,046	**26,312**	20,309	**26,397**	24,355
Other operating income					**227**	676
Unallocated corporate expenses					**(4,150)**	(3,747)
Profit before taxation					**22,474**	21,284
Taxation					**(1,874)**	(1,213)
Profit for the year					**20,600**	20,071
Assets						
Segment assets	**85,391**	85,435	**–**	–	**85,391**	85,435
Unallocated corporate assets					**171,160**	168,149
Consolidated total assets					**256,551**	253,584
Liabilities						
Segment liabilities	**140**	140	**–**	–	**140**	140
Unallocated corporate liabilities					**1,456**	1,717
Consolidated total liabilities					**1,596**	1,857
Other information						
Interest on secured bank loan	**–**	–	**396**	–	**396**	–
Allocated capital additions	**81**	2,422	**–**	–	**81**	2,422
Allocated deprecation	**124**	41	**–**	–	**124**	41
Unallocated depreciation					**101**	152

Entity-wide information

The Group's operations are substantially located in Hong Kong for both years. An analysis of the Group's geographical information is set out as follows:–

	2013	2012
	HK$'000	*HK$'000*
Revenue by geographical location of its lessees:–		
Hong Kong	**840**	766

	2013	2012
	HK$'000	*HK$'000*
Carrying amount of non-current assets analysed by geographical area in which the assets are located:–		
Hong Kong	**85,358**	85,502

During the year, the Group has one lessee (2012: two).

4. OTHER OPERATING INCOME

	2013	2012
	HK$'000	*HK$'000*
Interest income on bank deposits	**227**	676
Exchange gain, net	**3,888**	–
Sundry income	**–**	60
	4,115	736

5. FINANCE COST

	2013	2012
	HK$'000	*HK$'000*
Interest expense on bank loan	**396**	–

6. PROFIT BEFORE TAXATION

	2013	2012
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging/(crediting):–		
Auditor's remuneration	**330**	320
Depreciation of plant and equipment	**225**	193
Operating lease rentals in respect of rented premises	**979**	743
Rental income less outgoings	**(573)**	(518)
Staff costs:–		
Directors' remuneration		
– fees	**177**	170
– other emoluments	**–**	–
	177	170
Staff costs excluding directors' remuneration	**1,585**	1,506
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration	**37**	36
	1,622	1,542
Total staff costs	**1,799**	1,712

7. TAXATION

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:–

	2013	2012
	HK$'000	*HK$'000*
Current tax		
Provision for the year	**1,824**	1,357
Over provision in previous year	**(20)**	(9)
Deferred tax		
Charge/(credit) for the year	**70**	(135)
	1,874	1,213

The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the year.

No provision for taxation has been made in respect of the Company's subsidiaries operating in other jurisdictions as they did not have assessable profits for both years.

8. DIVIDEND

Dividend payable to equity shareholders attributable to the reporting year:–

	2013	2012
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK$Nil per share (2012: HK0.1 cents per share)	**–**	7,676
Final dividend proposed after the end of the reporting period of HK0.3 cents per share (2012: HK0.2 cents per share)	**26,059**	17,372
	26,059	25,048

The proposed final dividend for the year ended 31 December 2013 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The final dividend proposed after the end of both reporting periods had not been recognised as a liability at the end of both reporting periods.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share of the Company (the "Share") attributable to equity shareholders of the Company for the year is based on the profit for the year of approximately HK$20,600,000 (2012: HK$20,071,000) and the weighted average number of 8,686,267,821 (2012: 7,688,646,145) Shares in issue.

The calculation of the diluted earnings per Share attributable to equity shareholders of the Company for the year is based on the profit for the year of approximately HK$20,600,000 (2012: HK$20,071,000) and the weighted average number of 8,686,267,821 (2012: 7,688,646,145) Shares in issue adjusted for potential diluted effect of 2,590,673,575 (2012: 2,590,673,575) Shares to be allotted and issued upon the exercise in full of the conversion rights attaching to the outstanding convertible notes (see note 10).

	2013	2012
	Number of shares	Number of shares
Weighted average number of Shares		
Weighted average number of Shares (basic)	**8,686,267,821**	7,688,646,145
Effect of the exercise in full of the conversion rights attaching to the convertible notes	**2,590,673,575**	2,590,673,575
Weighted average number of Shares (diluted)	**11,276,941,396**	10,279,319,720

10. CONVERTIBLE NOTES

On 15 January 2008, the Company and Mr. Kan Che Kin, Billy Albert ("Mr. Kan"), an executive Director and the substantial shareholder of the Company, entered into a subscription agreement (the "Subscription Agreement") pursuant to which the Company had conditionally agreed to issue and Mr. Kan had conditionally agreed to subscribe for the zero-coupon and non-redeemable convertible notes (the "Convertible Notes") of the Company in an aggregate principal amount of HK$358 million. The conversion price is HK$0.0386 per Share. Assuming that the conversion rights attached to the Convertible Notes are exercised in full at the conversion price of HK$0.0386 per Share, an aggregate of 9,274,611,398 Shares will be issued.

Completion of the Subscription Agreement took place on 13 February 2008 and the Convertible Notes were issued by the Company to Mr. Kan pursuant to the Subscription Agreement on the same date. The subscription price of the Convertible Notes of HK$358 million was satisfied in part of approximately HK$318 million by setting off the full amount of (i) the bank overdraft and borrowings of approximately HK$256 million and the debt of approximately HK$59 million due to a supplier which had been assigned to Mr. Kan; and (ii) the loan of approximately HK$3 million advanced by Mr. Kan, against such amount of the subscription price of the Convertible Notes on a dollar for dollar basis. The remaining balance of the subscription price of approximately HK$40 million was settled in cash, which was used as general working capital of the Group. The maturity date of the conversion rights attached to the Conversion Notes was 13 February 2013, being the date falling on the fifth anniversary from the date of issue of the Convertible Notes. As the compulsory conversion of the outstanding principal amount of the Convertible Notes on the maturity date rendered the then issued Shares held in the public hands being less than the minimum public float as required under the Listing Rules, the maturity date of the conversion rights attached to the Convertible Notes was renewed automatically for successive term of one year to 13 February 2014.

The outstanding principal amount of the Convertible Notes as at 1 January 2012 was HK$163,000,000. On 26 January 2012 and 12 December 2012, Mr. Kan exercised the conversion rights attaching to the Convertible Notes in relation to the conversion of an aggregate principal amount of HK$63,000,000 of the Convertible Notes and an aggregate of 1,632,124,352 Shares were allotted and issued to Mr. Kan. The outstanding principal amount of the Convertible Notes as at 31 December 2012 and 31 December 2013 was HK$100,000,000.

Pursuant to a resolution of the board of the Company passed on 13 February 2014, Mr. Kan and the Company agreed that the exercise of the balance of conversion rights attaching to the Convertible Notes of HK$100,000,000 will be extended to 31 March 2014, and an aggregate of 2,590,673,575 Shares will be allotted and issued to Mr. Kan on 31 March 2014.

11. BANKING FACILITIES

As at 31 December 2013, the banking facility of a subsidiary of the Company was secured by pledging the Group's investment properties with an aggregate carrying value of approximately HK$84,878,000 and corporate guarantee provided by the Company. Such banking facility of HK$70,000,000 was not utilised as at 31 December 2013. As at 31 December 2012, no banking facility was granted to the Group.

12. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(1) On 20 January 2014, Key Fit Group Limited ("Key Fit"), the wholly owned subsidiary of the Company and Mr. Kan entered into a sale and purchase agreement pursuant to which Mr. Kan agreed to sell and Key Fit agreed to purchase 152,050,000 shares ("Warderly Shares") of Warderly International Holdings Limited ("Warderly") at a total consideration of HK$7,602,500 (or HK$0.05 per Warderly Share) and convertible bonds in the principal amount of HK$80,000,000 Warderly Shares at a total consideration of HK$80,000,000 (the "Acquisition").

The fair value of the acquired 152,050,000 Warderly Shares was approximately HK$60,060,000 at a market price of HK$0.395 per Warderly Share as at 20 January 2014. The fair value of the acquired convertible bonds of Warderly, which was valued by Roma Appraisals Limited, an independent professional valuer, was approximately HK$139,179,000 as at 31 December 2013.

Warderly is a listed company on the Main Board of the Stock Exchange. It has undergone significant restructuring in 2013. Through its acquisition of Nanjing Fullshare Asset Management Limited, it is principally engaged in property development in the People's Republic of China.

The Acquisition is subject to the approval of the Company's shareholders other than Mr. Kan and his associates at an extraordinary general meeting to be held by the Company.

(2) On 27 March 2014, the Company entered into a strategic cooperation agreement (the "Agreement") with Ping An Securities Limited in relation to provision of integrated financial services for developing the liquefied natural gas ("LNG") businesses in the People's Republic of China (the "PRC"). Details of the Agreement are set out in the announcement of the Company on 27 March 2014.

FINAL DIVIDEND

The Board have resolved to recommend a final dividend of HK0.3 cents per Share in cash distributed from the share premium account of the Company for the year ended 31 December 2013 to shareholders whose names appear on the register of members of the Company on 30 May 2014. As at 31 December 2013, the Company's share premium account was approximately HK$488,569,000. After the payment of the final dividend, assuming there are no other changes to the share premium account, the Company's share premium account is expected to be reduced to approximately HK$462,510,000. No interim dividend was declared and paid during the year. Final dividend of HK$17,372,000 in respect of the previous financial year was approved and paid during the year.

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on 21 May 2014. The final dividend will be paid on or about 17 June 2014.

The register of members of the Company will be closed from 28 May 2014 to 30 May 2014, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 27 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, there has been a slight increase in turnover to HK$24,831,000 (2012: HK$21,864,000) representing an increase of 13.57%. The increase mainly resulted from the improvement of performance of trading of securities. The income from trading of securities increase from HK$21,098,000 for the year ended 31 December 2012 to HK$23,991,000 for the year ended 31 December 2013.

For the segment of trading of securities, the Company's investment portfolio comprised exchange traded funds and stocks listed on the Stock Exchange of Hong Kong Limited in the energies and financial institutions sectors, during the year. The Company identified its investments based on the share price, the gain potential, the dividend yield and the future prospect of the investments. The gain on trading of equity securities listed in Hong Kong and dividend income from these equity securities were approximately HK$15,661,000 (2012: HK$19,100,000) and HK$8,330,000 (2012: HK$1,998,000) respectively. The Group has disposed all its securities held for investment purpose for the year ended 31 December 2013. The Group continues to seek attractive investment opportunities in the aim to derive dividend income and/or gain from trading of equity securities.

For the segment of properties investment, the Group holds three residential properties located in Kwu Tung, Central Mid-levels and Repulse Bay. During the year, only the residential property located in Central Mid-levels derived rental income while the other two residential properties located in Kwu Tung and Repulse Bay remained vacant. The Group continues to seek for tenants of the vacant properties for rental income purpose.

FINANCIAL REVIEW

During the year, turnover of the Group increased slightly by 13.57% from approximately HK$21,864,000 to approximately HK$24,831,000. The increase in turnover mainly resulted from the increase in dividend income received from held for trading investments from approximately HK$1,998,000 to approximately HK$8,330,000 during the year.

For the segment of trading of securities, the Group has disposed all its securities held for investment purpose during the year. The gain on disposal on held for trading investments slightly decreased by 18.01% from approximately HK$19,100,000 for the year ended 31 December 2012 to approximately HK$15,661,000 for the year ended 31 December 2013. Dividend income from held for trading investments increased significantly by 3 times from approximately HK$1,998,000 for the year 31 December 2012 to approximately HK$8,330,000 for the year ended 31 December 2013. The dividend income comprised a bonus share issue amounting to approximately HK$4,644,000 from investment in an energy related company together with cash dividend of approximately HK$3,686,000 received from investments in that same energy related company and an exchange traded funds.

For the segment of investment properties, the Group holds three residential properties located in Kwu Tung (the "Kwu Tung Property"), Central Mid-levels (the "Central Property") and Repulse Bay (the "Repulse Bay Property") (collectively, the "Properties") during the year. Based on the independent valuation of the Properties, the values of the Properties remained unchanged as at 31 December 2013 while a valuation gain on the Properties of HK$3,900,000 was recognised for the last year. The rental income increased slightly from HK$766,000, which was derived from the Kwu Tung Property and the Central Property for 7 months and 4 months respectively, to HK$840,000, which was solely derived from the Central Property for the whole year. The tenancy agreement of the Kwu Tung Property was expired on 7 August 2012 and the property remains vacant ever since. The Group continues to seek for tenants of the Kwu Tung Property and the Repulse Bay Property for rental income purpose.

In conclusion, the net result of the Group was similar to last year, which was approximately HK$20,600,000 for the year ended 31 December 2013 compared with approximately HK$20,071,000 for the year ended 31 December 2012.

PROSPECTS

Looking forward, besides the existing businesses, the Company is engaging great effort in negotiations with government departments in various provinces in the Mainland China in relation to development of the LNG businesses in the PRC. The Company plans to set up joint venture companies with independent third parties principally engaging in the LNG businesses in the PRC. The Company is continuing the negotiations with these parties but no final terms and conditions in relation thereto have been concluded up to now. Further announcement(s) will be made by the Company should there be any material progress in these negotiations.

On 27 March 2014, the Company entered into a strategic cooperation agreement (the "Agreement") with Ping An Securities Limited ("Ping An Securities") in relation to provision of integrated financial services for developing the LNG businesses in the PRC. The Agreement, subject to the premise of compliance with Chinese laws, regulations and policies, provides a framework by which Ping An Securities will work closely with the Company to provide an integrated financial services platform such as banking, insurance, financial leasing and other full range of integrated financial services to the Company for the development of the LNG businesses with a mega stated owned enterprise in the PRC.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group had total cash and bank balances of approximately HK$170 million as at 31 December 2013 (2012: approximately HK$167 million). There was no other short-term borrowing as at 31 December 2013 and 31 December 2012, no gearing ratio of the Group as at 31 December 2013 and 31 December 2012 was calculated. Net assets were approximately HK$255 million as at 31 December 2013 (2012: approximately HK$252 million).

The Group recorded total current asset value of approximately HK$171 million as at 31 December 2013 (2012: approximately HK$168 million) and total current liability value of approximately HK$1.5 million as at 31 December 2013 (2012: approximately HK$1.8 million). The current ratio of the Group, calculated by dividing the total current asset value by the total current liability value, was approximately 117.89 as at 31 December 2013 (2012: approximately 93.74).

FOREIGN EXCHANGE EXPOSURE

Transactions of the Group were mainly denominated in Hong Kong dollars. Save for a short-term borrowing (the "Borrowing") of approximately HK$70 million which was denominated in Japanese dollar, most of the Group's monetary assets and liabilities were denominated in Hong Kong dollar. The Group had entered into several foreign exchange contracts with a bank to reduce the foreign currency risk arising from the Borrowing during the year. The Borrowing was settled during the year. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate. No exposure to foreign exchange risk was expected for the year.

TREASURY POLICIES

The Borrowing was in Japanese dollar at a fixed interest rate and was settled during the year. The Group had entered into several foreign exchange contracts with a bank to reduce the foreign currency risk arising from the Borrowing during the year. Bank balances and cash held by the Group were denominated in Hong Kong dollars. The Group currently does not have a interest rate hedging policy. However, the management of the Group monitored interest rate exposure from time to time and will consider hedging significant interest rate exposure should the need arise.

PLEDGE OF ASSETS

As at 31 December 2013, the Properties of the Group of approximately HK$84,878,000 were pledged to secure banking facilities granted to the Group.

SIGNIFICANT INVESTMENT

During the year, the Group acquired equity securities listed in Hong Kong of approximately HK$203 million and all equity securities had been disposed of as at 31 December 2013. Details of the performance of these listed securities are set out in Note 3 to this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2013.

SEGMENTAL INFORMATION

Details of segmental information for the year ended 31 December 2013 are set out in note 3 to this announcement.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2013.

STAFF AND REMUNERATION POLICIES

As at 31 December 2013, the Group had 5 employees (2012: 5 employees). The Group's total staff costs amounted to approximately HK$1,799,000 (2012: HK$1,712,000) for the year ended 31 December 2013.

The Group remunerated its employees mainly based on the industry practice, individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as individual's performance. Other benefits include medical and retirement schemes.

AUDIT COMMITTEE

The principal responsibilities of the audit committee of the Company (the "Audit Committee") include the review and supervision of the Group's financial reporting process and internal control. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013 and was of the opinion that the audited consolidated financial statements of the Group have been properly prepared in accordance with the statutory requirements and applicable accounting standards.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code during the year ended 31 December 2013 except for the following deviations:

1. Under the Code Provision A.2, the Company has not appointed any individual to take up the posts of the chief executive officer and chairman of the Company until the appointment of Mr. Kan, as chief executive officer and chairman of the Company on 7 May 2013 and the daily operation and management of the Group were monitored by the directors as well as the senior management of the Group. The balance of power and authority was ensured by the operation of the Board during that period.

2, Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate. The positions of chairman and chief executive officer of the Company have been held by Mr. Kan since 7 May 2013. The Board believes that holding of both positions of chairman and chief executive officer by the same person allows more effective planning and execution of business strategies. The Board has full confidence in Mr. Kan and believes that his dual roles will be beneficial to the Group.

3. Under the Code Provisions A.4.1 and A.4.2, non-executive Director should be appointed for a specific term and each Director should be subject to retirement by rotation at least once every three years. The existing independent non-executive Directors ("INEDs") are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association (the "Articles of Association") of the Company at least once every three years.

4. Under the Code Provision A.6.7, non-executive directors, including independent non-executive directors, should attend board, committee and general meetings. One of the INEDs, namely Mr. Lee Kong Leong was unable to attend the annual general meeting (the "AGM") of the Company held on 21 May 2013 as he had other business engagements. However, he subsequently requested the company secretary of the Company to report to him on the views of the Shareholders in the AGM. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the INEDs was ensured.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed that they complied with the required standards as set out in the Model Code during the year ended 31 December 2013.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 21 May 2014, details of which are set out in the notice of annual general meeting of the Company which will be published in due course.

By order of the Board
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 28 March 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kan Che Kin, Billy Albert, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert and three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.