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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 2014

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 2014 (“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 2014

	<i>Notes</i>	2014 HK\$’000	2013 <i>HK\$’000</i>
REVENUE	2	828	888
Other income	2	3	47
Other losses	2	(84)	(209)
Administrative expenses		(22,573)	(15,936)
LOSS BEFORE TAX	4	(21,826)	(15,210)
Income tax expense	5	–	–
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(21,826)</u>	<u>(15,210)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	6	<u>(0.91 HK cent)</u>	<u>(0.63 HK cent)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(21,826)</u>	<u>(15,210)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(33)</u>	<u>343</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(21,859)</u>	<u>(14,867)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	55	150
Deposits		<u>322</u>	<u>–</u>
Total non-current assets		<u>377</u>	<u>150</u>
CURRENT ASSETS			
Prepayments, deposits and other receivables		1,399	1,657
Equity investments at fair value through profit or loss	9	1,862	1,946
Cash and cash equivalents	10	<u>75,278</u>	<u>92,858</u>
Total current assets		<u>78,539</u>	<u>96,461</u>
CURRENT LIABILITIES			
Accruals		<u>5,909</u>	<u>1,895</u>
NET CURRENT ASSETS		<u>72,630</u>	<u>94,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,007</u>	<u>94,716</u>
NON-CURRENT LIABILITY			
Accrual		<u>150</u>	<u>–</u>
Net assets		<u>72,857</u>	<u>94,716</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	240,000	240,000
Reserves		<u>(167,143)</u>	<u>(145,284)</u>
Total equity		<u>72,857</u>	<u>94,716</u>

NOTES

31 March 2014

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES 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.

Changes in accounting policies and disclosures

The Group has adopted the following new and 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 – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
HK(IFRIC)-Int 20 <i>Annual Improvements 2009 – 2011 Cycle</i>	<i>Stripping Costs in the Production Phase of a Surface Mine</i> Amendments to a number of HKFRSs issued in June 2012

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Changes in accounting policies and disclosures (continued)

Other than as further explained below regarding the impact of HKFRS 10 and HKFRS 13, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

- (a) HKFRS 10 replaces the portion of HKAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 Consolidation – Special Purpose Entities. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2013.

- (b) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

NOTES (continued)

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES 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 9	<i>Financial Instruments</i> ⁴
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39 ⁴
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ¹
HKFRS 11 Amendments	Amendments to HKFRS 11 <i>Joint Arrangements</i> – <i>Accounting for Acquisitions of Interests in</i> <i>Joint Operations</i> ³
HKFRS 14	<i>Regulatory Deferral Accounts</i> ³
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 <i>Property, Plant and Equipment</i> and HKAS 38 <i>Intangible Assets – Clarification of</i> <i>Acceptable Methods of Depreciation and Amortisation</i> ³
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits-Defined</i> <i>Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments:</i> <i>Presentation Offsetting Financial Assets and</i> <i>Financial Liabilities</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments:</i> <i>Recognition and Measurement – Novation of</i> <i>Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21	<i>Levies</i> ¹
<i>Annual Improvements</i> <i>2010 – 2012 Cycle</i>	Amendments to a number of HKFRSs issued in December 2013 ²
<i>Annual Improvements</i> <i>2011 – 2013 Cycle</i>	Amendments to a number of HKFRSs issued in December 2013 ²

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 Effective for annual periods beginning on or after 1 January 2016

⁴ No mandatory effective date yet determined but is available for adoption

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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Revenue		
Bank interest income	<u>828</u>	<u>888</u>
Other income		
Others	<u>3</u>	<u>47</u>
Other losses		
Fair value losses on equity investments at fair value through profit or loss	<u>(84)</u>	<u>(209)</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	
	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Revenue – bank interest income	828	888	–	–	828	888
Other losses	(84)	(209)	–	–	(84)	(209)
Total	<u>744</u>	<u>679</u>	<u>–</u>	<u>–</u>	<u>744</u>	<u>679</u>
Segment results	<u>(95)</u>	<u>(219)</u>	<u>(889)</u>	<u>(1,852)</u>	<u>(984)</u>	<u>(2,071)</u>
<i>Reconciliation:</i>						
Corporate and other unallocated expenses					(20,845)	(13,186)
Unallocated other income					3	47
Loss before tax					<u>(21,826)</u>	<u>(15,210)</u>
Segment assets	48,630	64,802	26,560	27,603	75,190	92,405
<i>Reconciliation:</i>						
Corporate and other unallocated assets					3,726	4,206
Total assets					<u>78,916</u>	<u>96,611</u>
Segment liabilities	–	–	45	170	45	170
<i>Reconciliation:</i>						
Corporate and other unallocated liabilities					6,014	1,725
Total liabilities					<u>6,059</u>	<u>1,895</u>
Other segment information:						
Depreciation						
– amounts allocated to segments	–	–	10	33	10	33
– unallocated amounts					85	185
					<u>95</u>	<u>218</u>
Capital expenditure*						
– amounts allocated to segments	–	–	–	20	–	20
– unallocated amounts					–	15
					<u>–</u>	<u>35</u>

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

NOTES (continued)

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue – bank interest income

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong	8	19
Taiwan	–	17
Mainland China	820	852
	<hr/> 828 <hr/>	<hr/> 888 <hr/>

The revenue information above is based on the locations of the bank accounts.

(b) Non-current assets

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong	328	90
Mainland China	49	60
	<hr/> 377 <hr/>	<hr/> 150 <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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Depreciation	95	218
Auditors' remuneration	383	360
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	3,542	9,024
Pension scheme contributions	30	29
	3,572	9,053
Minimum lease payments under operating leases:		
Land and buildings	1,081	801
Office equipment	7	7
	1,088	808
Foreign exchange differences, net	82	58

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 (2013: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share amounts is based on the loss for the year attributable to owners of the Company of HK\$21,826,000 (2013: HK\$15,210,000), and the weighted average number of 2,400,002,000 (2013: 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.

NOTES (continued)

7. DIVIDEND

The Board does not propose any dividend in respect of the Year (2013: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

No acquisition of items of property, plant and equipment was made during the Year (2013: HK\$35,000), and no items of property, plant and equipment were written off during the Year (2013: Nil).

9. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Unlisted equity investments, at fair value	<u>1,862</u>	<u>1,946</u>

The above equity investments at 31 March 2014 and 2013 were classified as held for trading.

10. CASH AND CASH EQUIVALENTS

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Time deposits	24,110	26,348
Cash and bank balances	<u>51,168</u>	<u>66,510</u>
Cash and cash equivalents	<u>75,278</u>	<u>92,858</u>

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$24,950,000 (2013: HK\$25,255,000). 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 (2013: 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.

NOTES (continued)

11. SHARE CAPITAL

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.1 each	500,000	500,000
Issued and fully paid:		
2,400,002,000 ordinary shares of HK\$0.1 each	240,000	240,000

12. CONTINGENT LIABILITIES

As at 31 March 2014 and 2013, the Group had no significant contingent liabilities.

13. RELATED PARTY TRANSACTION

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

14. EVENTS AFTER THE REPORTING PERIOD

The development of the listing status of the Company after the reporting period is explained in the section 'Review of Operations' below.

REVIEW OF OPERATIONS

Following the disposal of the Group's unprofitable businesses previously, 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. The Company has 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Main Board Listing Rules").

The Company has been working at its best efforts to have its shares trading resumed, but it is still facing great challenges. As mentioned in the Company's 2013 Interim Report dated 26 November 2013, and subsequent announcements of the Company dated 15 January 2014, 23 January 2014, 4 February 2014, 31 March 2014, 2 May 2014, 8 May 2014 and 12 May 2014, the Company submitted a new listing application to the Stock Exchange of Hong Kong Limited ("Stock Exchange") on 31 March 2014 for lifting the suspension of trading in its shares. However, by a letter dated 2 May 2014, the Listing Division of the Stock Exchange informed the Company of the Listing Committee's decision that after having considered the Company's resumption proposal in its new listing application, the Listing Committee considered that the Company was unable to meet the new listing requirements and the resumption proposal was therefore not viable and that the Listing Committee had decided to cancel the Company's listing under the Main Board Listing Rules ("Listing Committee Decision"). The Company then submitted a request on 8 May 2014 to the Listing (Review) Committee of the Stock Exchange for a review of the Listing Committee Decision. By a letter from the Listing (Review) Committee dated 12 May 2014, the Company was informed that, among other things, the review hearing regarding the Listing Committee Decision by the Listing (Review) Committee had been scheduled to be held on 15 July 2014.

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 future proposed investment projects.

STAFF REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 March 2014, the Group maintained a staff team of 2 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 2014 annual report (“Annual Report”), was adopted by the Company in previous financial year ended 31 March 2005. No new share option has been granted under the Scheme since the Scheme became effective.

LIQUIDITY AND CAPITAL RESOURCES

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

As at 31 March 2014, shareholders’ funds of the Group amounted to approximately HK\$72.9 million. Current assets amounted to approximately HK\$78.5 million, of which approximately HK\$75.3 million were cash and bank deposits. The Group’s current liabilities amounted to approximately HK\$5.9 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 2014, 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.

LIQUIDITY AND CAPITAL RESOURCES (continued)

As at 31 March 2014 and the date of the Annual Report and 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 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. Chen Henry Hung 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.

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.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 into consideration of the candidate’s integrity, qualification, capability, experience and potential contribution to the Company. Furthermore, during the Year, the Company has adopted a diversity of board member policy, the details of which will be stated in the Annual Report.

CORPORATE GOVERNANCE PRACTICES (continued)

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.

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 Miss Au Wing Yan up to her resignation date effective 28 March 2014 as Executive Director ("ED") of the Company) have complied with the required standards set out in the Model Code throughout the accounting period covered by the Annual Report and 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, and this does not comply 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 Annual General Meeting.

PUBLICATION OF FINANCIAL INFORMATION

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

On behalf of the Board
Mr. Chen Henry Hung
Chairman

Hong Kong, 26 June 2014

As at the date of this Announcement, the Board of the Company comprises Mr. Chen Henry Hung (Chairman) as ED and Mr. Lin Chin Yao as INED.