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JUNEFIELD DEPARTMENT STORE GROUP LIMITED
莊勝百貨集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 758)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

- Revenue amounted to approximately HK$354,757,000, representing an increase of 127%
- Net loss attributable to owners of the Company amounted to approximately HK$104,923,000, representing a significant decrease of 232%
- Basic loss per share was HK10.26 cents, representing a significant decrease of 232%
- No final dividend was proposed

The board of directors (the "Board") of Junefield Department Store Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 together with the comparative figures for the year 2013 as follows:

* *for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
Revenue	4	**354,757**	156,545
Cost of sales and services		**(289,982)**	(110,636)
Gross profit		**64,775**	45,909
Other income and gains	4	**5,160**	7,309
Selling and distribution expenses		**(1,321)**	(1,351)
Administrative expenses		**(64,952)**	(64,732)
Other operating expenses		**(12,931)**	(14,824)
Fair value (loss)/gain on convertible note – conversion option component		**(5,771)**	3,083
Fair value losses on reclassification of available-for-sale investments to an associate		**–**	(36,961)
Fair value gains on investment properties		**6,610**	17,246
Impairment loss on investment in an associate		**(11,151)**	(32,958)
Impairment loss on loan receivables		**–**	(3,784)
Loss on disposal of investment properties in Ecuador		**(62,822)**	–
Operating loss	6	**(82,403)**	(81,063)
Finance costs	7	**(3,250)**	(5,643)
Share of profit of a joint venture		**–**	189,358
Share of loss of an associate		**(6,513)**	(6,406)
(Loss)/profit before tax		**(92,166)**	96,246
Income tax expense	8	**(9,825)**	(5,318)
(Loss)/profit for the year		**(101,991)**	90,928
Attributable to:			
Owners of the Company		**(104,923)**	79,361
Non-controlling interests		**2,932**	11,567
		(101,991)	90,928
(Loss)/earnings per share attributable to owners of the Company	9		
Basic *(HK cents per share)*		**(10.26)**	7.80
Diluted *(HK cents per share)*		**(10.26)**	7.64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 *HK$'000*	2013 *HK$'000* (Restated)
(Loss)/profit for the year	**(101,991)**	90,928
Other comprehensive (expense)/income		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available-for-sale investments	**–**	290
Fair value losses on reclassification of available-for-sale investments to an associate	**–**	36,961
Exchange differences on translation of foreign operations	**(15,367)**	10,125
Share of other comprehensive income of an associate	**1,802**	2,374
Other comprehensive (expense)/income for the year, net of tax	**(13,565)**	49,750
Total comprehensive (expense)/income for the year	**(115,556)**	140,678
Attributable to:		
Owners of the Company	**(113,302)**	124,784
Non-controlling interests	**(2,254)**	15,894
	(115,556)	140,678

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
			(Restated)
Non-current assets			
Property, plant and equipment		**202,999**	221,755
Investment properties		**62,593**	187,321
Prepaid land lease payments		**23,432**	24,547
Other intangible assets		**138,997**	143,528
Investment in a joint venture		**–**	225,832
Investments in associates		**232,699**	22,619
Deferred tax assets		**5,035**	2,060
Convertible note – loan receivable component		**–**	14,900
Total non-current assets		**665,755**	842,562
Current assets			
Properties under development for sale		**26,305**	25,409
Inventories		**50,358**	40,874
Accounts receivable	*11*	**16,565**	17,877
Prepayments, deposits and other receivables		**69,689**	47,921
Amount due from a joint venture		**–**	162
Amounts due from related companies		**16,731**	12,504
Financial instruments at fair value through profit or loss		**7,705**	63,093
Convertible note – conversion option component		**4**	5,775
Convertible note – loan receivable component		**14,974**	–
Time deposits		**14,643**	8,178
Cash and bank balances		**40,078**	77,316
Total current assets		**257,052**	299,109
Current liabilities			
Accounts payable	*12*	**10,538**	5,399
Other payables and accruals		**124,982**	98,705
Interest-bearing bank and other borrowings		**6,234**	87,317
Amount due to the ultimate holding company		**54**	93
Amounts due to related companies		**5,004**	5,000
Amount due to a joint venturer		**88**	20
Amount due to an associate		**119**	–
Dividend payable to a non-controlling interest		**10,000**	–
Tax payable		**5,626**	1,928
Total current liabilities		**162,645**	198,462
Net current assets		**94,407**	100,647
Total assets less current liabilities		**760,162**	943,209

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Non-current liabilities		
Deferred tax liabilities	**72,610**	74,057
Total non-current liabilities	**72,610**	74,057
Net assets	**687,552**	869,152
Equity		
Equity attributable to owners of the Company		
Issued capital	**102,320**	101,962
Reserves	**490,669**	611,702
	592,989	713,664
Non-controlling interests	**94,563**	155,488
Total equity	**687,552**	869,152

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 of that Ordinance.

These financial statements have been prepared under the historical cost convention, except for investment properties, certain financial instruments and equity investments, 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to owners of the Company and to the non-controlling interests, even if these results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

1. BASIS OF PREPARATION *(Continued)*

Prior year adjustments

Wuhan Plaza Management Co., Ltd ("WPM"), a former joint venture of the Group was equity-accounted for up to 31 October 2013 in the consolidated financial statements of the Group for the year ended 31 December 2013, which were approved and authorised for issue by the Directors on 31 March 2014. In early 2015, the management financial statements of WPM for the year ended 31 December 2013 were made available to the management of the Group and, consequently, the Directors have restated the comparative information for the year ended 31 December 2013 in the current year's consolidated financial statements for the effect of equity-accounting for the results of WPM from 1 November 2013 to 31 December 2013. The restated carrying amount and restated share of profit of WPM are approximately HK$225,832,000 and HK$189,358,000, respectively. The Group has not presented the consolidated statements of financial position as at 1 January 2013 as a result of the above restatement as the Directors are of the opinion that the restatement has no effect on the earliest prior period presented. The quantitative impact on the financial statements is summarised below:

Impact on the consolidated statement of profit or loss:

	Year ended 31 December 2013 *HK$'000*
Increase in share of profit of a joint venture	43,404
Increase in profit before tax	43,404
Increase in income tax expenses	(4,341)
Increase in profit for the year	39,063
Increase in profit attributable to:	
Owners of the Company	39,063
Non-controlling interests	–
	39,063
Increase in earnings per share – Basic *(HK cents per share)*	3.84
Increase in earnings per share – Diluted *(HK cents per share)*	3.76

Impact on the consolidated statement of financial position:

	As at 31 December 2013 *HK$'000*
Increase in investment in a joint venture	43,404
Increase in non-current assets	43,404
Increase in deferred tax liabilities	4,341
Increase in non-current liabilities	4,341
Increase in net assets or equity	39,063

Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's presentation. In particular, fair value gain on convertible note – conversion option component of approximately HK$3,083,000 for the year ended 31 December 2013, which was previously included in "Other income and gains", has been reclassified and presented with an additional line item on the face of the consolidated statement of profit or loss.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

The nature and impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units of their recoverable amounts are based on fair value less costs of disposal. The amendments have had no impact on the financial position or performance of the Group.

(d) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

(e) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

3. NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

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	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2011-2013 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of HKFRSs*[2]

[1] *Effective for annual periods beginning on or after 1 July 2014*
[2] *Effective for annual periods beginning on or after 1 January 2016*
[3] *Effective for annual periods beginning on or after 1 January 2017*
[4] *Effective for annual periods beginning on or after 1 January 2018*
[5] *Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group*

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

3. NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED *(Continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The Group has not early applied the new standards, amendments and interpretations that have been issued by the HKICPA but are not yet effective. The Group has already commenced an assessment of the impact of other new standards, amendments and interpretations but is not yet in a position to determine whether these new standards, amendments and interpretations would have a material impact on its results of operations and financial position.

4. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue and other income and gains is as follows:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sale of mineral concentrates	**246,161**	41,693
Sale of construction materials	**86,452**	106,258
Property management and agency fees	**18,983**	18,475
Gross rental income	**2,738**	2,300
Fair value gains/(losses), net:		
Equity investments at fair value through profit or loss – held for trading	**423**	(12,181)
	354,757	156,545
Other income and gains		
Bank interest income	**691**	1,102
Interest income on other loans	**36**	2,383
Interest income on loan to an associate	**–**	401
Effective interest income on convertible note – loan receivable component	**3,444**	574
Reversal of impairments of accounts receivable and other receivables	**101**	133
Others	**888**	2,716
	5,160	7,309

5. SEGMENT INFORMATION

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

(a) the property investment and development segment engages in leasing and sale of properties;

(b) the property management and agency services segment provides property management and agency services;

(c) the manufacture and sale of construction materials segment engages in the manufacture and sale of slag powder;

(d) the securities investments segment engages in investing in listed securities; and

(e) the trading of mineral concentrates segment engages in the trading of mineral concentrates.

Management monitors the results of the Group's operating segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, fair value gain/(loss) on convertible note – conversion option component, impairment loss on investment in an associate, share of loss of an associate and share of profit of a joint venture as well as other unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and cash equivalents, time deposits, amounts due from related companies and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, amount due to the ultimate holding company, amounts due to related companies and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

5. **SEGMENT INFORMATION** *(Continued)*

Segments results

An analysis of the Group's segment results by reportable segment is as follows:

Year ended 31 December 2014

	Property investment and development *HK$'000*	Property management and agency services *HK$'000*	Securities investments *HK$'000*	Manufacture and sale of construction materials *HK$'000*	Trading of mineral concentrates *HK$'000*	Total *HK$'000*
Segment revenue:						
Sales to/revenue from external customers*	2,738	18,983	–	86,452	246,161	354,334
Investment income	–	–	423	–	–	423
	2,738	18,983	423	86,452	246,161	354,757
Segment results	(62,576)	2,128	(1,032)	5,752	16,897	(38,831)
Bank interest income and other unallocated income and gains						4,220
Corporate and other unallocated expenses						(30,870)
Unallocated finance costs						(3,250)
Fair value loss on convertible note – conversion option component						(5,771)
Impairment loss on investment in an associate						(11,151)
Share of loss of an associate						(6,513)
Loss before tax						(92,166)
Income tax expense						(9,825)
Loss for the year						(101,991)

* Since the amount of intersegment sales is insignificant, no reconciliation has been made.

5. SEGMENT INFORMATION *(Continued)*

Segments results *(Continued)*

Year ended 31 December 2013

	Property investment and development *HK$'000*	Property management and agency services *HK$'000*	Securities investments *HK$'000*	Manufacture and sale of construction materials *HK$'000*	Trading of mineral concentrates *HK$'000*	Total *HK$'000* (Restated)
Segment revenue:						
Sales to/revenue from external customers*	2,300	18,475	–	106,258	41,693	168,726
Investment income	–	–	(12,181)	–	–	(12,181)
	2,300	18,475	(12,181)	106,258	41,693	156,545
Segment results	16,661	1,567	(12,191)	15,416	3,754	25,207
Bank interest income and other unallocated income and gains						6,187
Corporate and other unallocated expenses						(45,621)
Unallocated finance costs						(5,643)
Fair value gain on convertible note – conversion option component						3,083
Fair value losses on reclassification of available-for-sale investments to an associate						(36,961)
Impairment loss on investment in an associate						(32,958)
Share of profit of a joint venture						189,358
Share of loss of an associate						(6,406)
Profit before tax						96,246
Income tax expense						(5,318)
Profit for the year						90,928

* Since the amount of intersegment sales is insignificant, no reconciliation has been made.

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

An analysis of the Group's segment assets and liabilities by reportable segment is as follows:

Year ended 31 December 2014

	Property investment and development *HK$'000*	Property management and agency services *HK$'000*	Securities investments *HK$'000*	Manufacture and sale of construction materials *HK$'000*	Trading of mineral concentrates *HK$'000*	Total *HK$'000*
Assets and liabilities:						
Segment assets	94,557	2,844	23,568	299,647	98,698	519,314
Corporate and other unallocated assets						170,794
Investments in associates						232,699
Total assets						922,807
Segment liabilities	56,347	18,979	13,241	63,255	52,559	204,381
Corporate and other unallocated liabilities						30,874
Total liabilities						235,255
Other segment information:						
Depreciation and amortisation	2,069	242	–	33,860	67	36,238
Corporate and other unallocated amounts						1,145
						37,383
Loss on disposal of investment properties in Ecuador	62,822	–	–	–	–	62,822
Fair value gains on investment properties	(6,610)	–	–	–	–	(6,610)
Impairment losses reversed in the statement of profit or loss	–	(101)	–	–	–	(101)
Additions to non-current assets*	5	29	–	–	805	839
Corporate and other unallocated amounts						16,765
						17,604
Other unallocated capital expenditure	–	–	–	–	–	12,542

* Additions to non-current assets consist of additions to property, plant and equipment.

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

Year ended 31 December 2013

	Property investment and development *HK$'000*	Property management and agency services *HK$'000*	Securities investments *HK$'000*	Manufacture and sale of construction materials *HK$'000*	Trading of mineral concentrates *HK$'000*	Total *HK$'000* (Restated)
Assets and liabilities:						
Segment assets	216,647	3,377	14,295	340,954	65,869	641,142
Corporate and other unallocated assets						252,078
Investment in a joint venture						225,832
Investment in an associate						22,619
Total assets						1,141,671
Segment liabilities	41,855	18,014	20	55,344	28,235	143,468
Corporate and other unallocated liabilities						129,051
Total liabilities						272,519
Other segment information:						
Depreciation and amortisation	448	330	–	33,986	–	34,764
Corporate and other unallocated amounts						2,573
						37,337
Fair value gains on investment properties	(17,246)	–	–	–	–	(17,246)
Impairment losses reversed in the statement of profit or loss	–	(133)	–	–	–	(133)
Additions to non-current assets*	1,820	338	–	812	–	2,970
Corporate and other unallocated amounts						11,227
						14,197
Other unallocated capital expenditure	–	–	–	–	–	2,151

* Additions to non-current assets consist of additions to property, plant and equipment.

5. **SEGMENT INFORMATION** *(Continued)*

Geographical information

(a) Revenue from external customers

	2014	2013
	HK$'000	*HK$'000*
The People's Republic of China (the "PRC")	**354,334**	168,726
Canada	**(1)**	(12,010)
Hong Kong	**424**	(171)
	354,757	156,545

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

(b) Non-current assets

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
PRC	**573,791**	609,148
Ecuador	**888**	131,724
Peru	**80,400**	60,193
Australia	**6,867**	37,519
Hong Kong	**3,697**	3,766
Columbia	**112**	212
	665,755	842,562

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

Information about major customers

Revenue from customer of corresponding periods contributing over 10% of total revenue of the Group is as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A (attributable to trading of mineral concentrates segment)	**244,927**	41,693

6. OPERATING LOSS

The Group's operating loss is arrived at after charging/(crediting):

	Note	**2014** **HK$'000**	2013 HK$'000
Employee benefits expense			
(excluding directors' remuneration)			
Salaries, wages and other benefits	*(i)*	**31,717**	28,276
Pension scheme contributions		**4,750**	4,039
		36,467	32,315
Cost of inventories sold		**285,151**	104,927
Amortisation of other intangible assets	*(ii)*	**12,931**	12,950
Amortisation of prepaid land lease payments		**561**	563
Depreciation of property, plant and equipment	*(iii)*	**23,891**	23,824
Auditors' remuneration		**790**	750
Foreign exchange differences, net		**2,445**	5,271
Minimum lease payments under operating leases in respect of land and buildings		**1,151**	857
Loss on disposal of items of property, plant and equipment		**–**	12
Gross rental income from investment properties		**(2,738)**	(2,300)
Less:			
Direct operating expenses incurred for investment properties that generated rental income during the year		**16**	5
Direct operating expenses incurred for investment properties that did not generate rental income during the year		**–**	–
		(2,722)	(2,295)

Notes:

(i) Salaries, wages and other benefits of approximately HK$6,391,000 (2013: HK$6,485,000), HK$24,447,000 (2013: HK$20,900,000) and HK$879,000 (2013: HK$891,000) were charged to cost of production, administrative expenses and selling and distribution expenses respectively.

(ii) Amortisation of other intangible assets for the years ended 31 December 2014 and 2013 are included in "Other operating expenses" in the consolidated statement of profit or loss.

(iii) Depreciation of approximately HK$19,898,000 (2013: HK$19,995,000) and HK$3,993,000 (2013: HK$3,829,000) were charged to cost of production and administrative expenses respectively.

7. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loan and other loans wholly repayable within five years	**3,250**	5,643

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Current – Hong Kong	**2,850**	799
Current – elsewhere		
Charge for the year	**3,458**	809
Over-provision in prior year	**–**	(5,853)
Deferred tax (credit)/charge	**(3,655)**	1,914
Withholding tax charge:		
– PRC	**3,824**	7,574
– Australia	**204**	75
– Ecuador	**3,144**	–
Total tax charge for the year	**9,825**	5,318

During the year ended 31 December 2013, Hunan Taiji Construction Material Company Limited, a subsidiary of the Group, is recognised as a new high-tech enterprise from year 2012 to 2014 which entitled a preferential rate of 15% pursuant to the relevant approval by the tax authority. The Company is entitled to the preferential tax rate of 15% for three years with effect from 1 January 2012.

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 1,022,721,430 (2013: 1,016,822,762) in issue during the year.

The calculation of diluted (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(Continued)*

The calculations of basic and diluted (loss)/earnings per share are based on:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
(Loss)/earnings		
(Loss)/profit attributable to owners of the Company, used in the basic and diluted (loss)/earnings per share calculation	**(104,923)**	79,361

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	**1,022,721,430**	1,016,822,762
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	21,579,513
	1,022,721,430	1,038,402,275

The computation of diluted loss per share for the year ended 31 December 2014 did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option scheme since their exercise would have an anti-dilutive effect.

10. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Interim dividend paid – Nil (2013: HK1 cent) per share	**–**	10,167
Final dividend proposed – Nil (2013: HK0.8 cent) per share	**–**	8,186
	–	18,353

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2014.

During the year, the final dividend in respect of the financial year ended 31 December 2013 of HK0.8 cent per share totalling approximately HK$8,186,000 was paid to shareholders of the Company.

11. ACCOUNTS RECEIVABLE

	2014 *HK$'000*	2013 *HK$'000*
Accounts receivable	**16,624**	18,018
Impairment	**(59)**	(141)
	16,565	17,877

Accounts receivable are usually due immediately from the date of billing. Payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables and overdue balances which are reviewed regularly by senior management to minimise credit risk. Accounts receivable are non-interest-bearing and mainly denominated in Renminbi ("RMB") and United States dollars ("USD").

The credit period is generally 1 month, extending up to 2 months for major customers from property management and agency services of the Group.

An aged analysis of the Group's accounts receivable as at the end of the reporting period, based on invoice date, is as follows:

	2014 *HK$'000*	2013 *HK$'000*
Within 1 month	**5,959**	6,162
1 to 3 months	**6,333**	8,782
Over 3 months	**4,332**	3,074
	16,624	18,018
Impairment	**(59)**	(141)
	16,565	17,877

12. ACCOUNTS PAYABLE

An aged analysis of the Group's accounts payable as at the end of the reporting period, based on invoice date, is as follows:

	2014 *HK$'000*	2013 *HK$'000*
Within 1 month	**6,222**	3,290
1 to 3 months	**3,770**	2,109
Over 3 months	**546**	–
	10,538	5,399

Accounts payable are non-interest-bearing and are mainly denominated in RMB and USD.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditors of the Company:

Basis for qualified opinion

Included in the consolidated statement of financial position is an investment in an associate, Wuhan Plaza Management Co., Ltd. ("WPM"). WPM is an equity joint venture company established in the People's Republic of China and was formerly classified as a joint venture in the consolidated financial statements for the year ended 31 December 2013. The Group is in dispute with the joint venturer about the term of the joint arrangement.

WPM was equity-accounted for up to 31 October 2013 in the consolidated financial statements of the Group for the year ended 31 December 2013, which were approved and authorised for issue by the board of directors on 31 March 2014. In early 2015, the management financial statements of WPM for the year ended 31 December 2013 were made available to the management of the Group and, consequently, the directors of the Company have restated the comparative information for the year ended 31 December 2013 in the current year's consolidated financial statements for the effect of equity-accounting for the results of WPM from 1 November 2013 to 31 December 2013. The restated carrying amount and restated share of results of WPM are approximately HK$225,832,000 and HK$189,358,000, respectively.

WPM is carried at an amount of approximately HK$225,832,000 on the consolidated statement of financial position as at 31 December 2014, and the Group's share of WPM's net income of nil is included in the Group's consolidated statement of profit or loss for the year then ended.

We were unable to obtain sufficient appropriate audit evidence about the management financial statements and financial information of WPM for the years ended 31 December 2013 and 2014 because we did not have sufficient access to the financial information, books and records and the management of WPM. In view of the above and in the absence of any alternative procedures to be carried out in respect of the financial information of WPM, we were unable to satisfy ourselves as to whether (i) the restated carrying amount and carrying amount of the Group's investment in WPM in the consolidated statements of financial position as at 31 December 2013 and 2014, respectively; and (ii) the Group's restated share of the results and other comprehensive income or expense and share of the results and other comprehensive income or expense of WPM, as included in the Group's consolidated financial statements of profit or loss and consolidated statements of comprehensive income for the years ended 31 December 2013 and 2014, respectively, were fairly stated. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Any adjustments that might have been found to be necessary in respect of the abovementioned financial information could have a consequential effect on the Group's net assets as at 31 December 2013 and 2014, and the Group's results for the years then ended and related disclosures in these consolidated financial statements. In addition, the required summarised financial information of WPM is not disclosed in accordance with Hong Kong Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" issued by the Hong Kong Institute of Certified Public Accountants.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the year under review, the Group recorded a revenue of approximately HK$354,757,000 which surged significantly by 127% over HK$156,545,000 as compared to the last year under review. It was mainly contributed from the trading of mineral concentrates segment.

The consolidated loss attributable to owners of the Company was approximately HK$104,923,000 for the year under review as compared with the consolidated profit attributable to the owners of the Company (restated) of approximately HK$79,361,000 for the last year under review. Prior year adjustments have been made to reflect the understatement of the share of profit of the Group's 49%-owned former joint venture and its corresponding deferred tax charge for the period from 1 November 2013 to 31 December 2013 with an increase of profit for the year by HK$39,063,000 in the consolidated statement of profit or loss for the year ended 31 December 2013. The said consolidated loss for the year under review was mainly attributable to the absence of share of results recognised from the former joint venture since its term under the joint venture agreement expired by the year end of 2013 and a loss on disposal of the investment properties in Ecuador of approximately HK$62,822,000 with respect of the land expropriation.

OPERATIONS REVIEW AND PROSPECTS

Construction material business

The Group's indirect 60%-owned subsidiary engaged in manufacture and sale of slag powder business in the People's Republic of China (the "PRC"), Hunan Taiji Construction Material Co., Ltd. ("Hunan Taiji"), recorded a turnover and profit of approximately HK$86,452,000 (2013: HK$106,258,000) and HK$4,972,000 (2013: HK$27,229,000) during the year under review, representing significant decreases of 19% and 82% respectively compared to last year under review mainly due to the reduction in supply of the granulated steel slag for production ("Supply") by its sole supplier. This was caused by the minority shareholder of Hunan Taiji failed to procure the Supply in requested quantities from the supplier pursuant to the terms stipulated in the joint venture agreement. On 5 January 2015, the China International Economics and Trade Arbitration Commission ruled that the minority shareholder of Hunan Taiji shall continue to honour its obligations by procuring the stipulated quantity of Supply in accordance with the joint venture agreement until the end of its term and it is also liable to pay the Group a compensation of approximately RMB13,850,000 (equivalent to approximately HK$17,312,000) for the compensation arisen from the shortfall in Supply for the period from 1 January 2011 to 31 August 2013. The above compensation will be reflected in the Group's consolidated financial statements for the year ending 31 December 2015. Currently, the Group is arranging the collection of the above-mentioned compensation through its PRC legal advisors and considers to further claim compensation against the minority of the shareholder of Hunan Taiji for the period from September 2013 and onwards.

The Group anticipates that the result performance of Hunan Taiji will be marked to the market demand provided that the Supply would be no intermittent in 2015.

Retail business in Wuhan

During the year under review, no share of result of the former joint venture was recognised (2013 (Restated): profit of approximately HK$189,358,000). In August 2014, the Group withdrew the arbitration for rulings against the joint venturer, Wuhan Department Store Group Co., Ltd (the "PRC Partner") to extend the term of the joint venture agreement of Wuhan Plaza Management Co., Ltd. ("WPM"). The Group considered that the joint controls of both parties stipulated under WPM's joint venture agreement has been no longer existed, the investment in WPM was previously classified as investment in joint venture in prior years and thereafter was reclassified as investment in associate in the consolidated financial statements for the year ended 31 December 2014 accordingly. In January 2015, a civil ruling was issued by the Intermediate People's Court of Wuhan City, the PRC（中國武漢市中級人民法院）(the "PRC Intermediate Court"), pursuant to which the court accepted the request from the PRC Partner and agreed to proceed with the mandatory dissolution of WPM.

In January 2015, the management financial statements of WPM was made available to the Group. Since the share of profit of WPM and its corresponding deferred tax charge for the period from 1 January 2013 to 31 October 2013 were recorded in its consolidated statement of profit or loss for the year ended 31 December 2013, prior year adjustments have been made to reflect the understatement of share of profit of the former joint venture and its corresponding deferred tax charge for the period with an increase of profit for the year by HK$39,063,000 for the year ended 31 December 2013 in the current year's consolidated financial statements accordingly. However, the independent auditors of the Company were unable to obtain sufficient appropriate audit evidence about the financial information of WPM and therefore issued a qualified opinion on the amount of the share of results for the years ended 31 December 2013 and 2014 and the carrying values of the Group's interest in WPM as at 31 December 2013 and 2014. The qualified opinion as extracted from the independent auditors' report which is set out under the section headed "EXTRACT OF INDEPENDENT AUDITORS' REPORT" above.

The Group is still in dispute to claim for damages against the PRC Partner on the legitimate interests of the Group and WPM being jeopardised since the PRC Partner (also as landlord) unilaterally terminated the 20-year lease agreement and arranged its related company to continue operation in the property since 1 January 2014. Currently, the Group is unable to estimate both the time required and possible outcome on the pending litigation.

Property investment and development

Investment properties in Beijing

During the year under review, the income from property leasing in Beijing, the PRC was approximately HK$2,738,000 (2013: HK$2,300,000), representing an increase of 19% over last year under review. It also recorded fair value gains of approximately HK$6,610,000 (2013: HK$8,221,000) in respect of the revaluation of investment properties and resulted in a profit of approximately HK$5,805,000 (2013: HK$4,820,000), representing an increase of 20% over 2013. The Group expects the investment properties in Beijing currently held on hand will keep generating a stable rental income stream and capture potential appreciation.

Investment properties in Ecuador

On 14 July 2014 (of Ecuador time), the court in Ecuador formally issued the ruling that it rebutted the request from Profit Land Property Development PROLANDPRO S.A. ("Profit Land"), an indirect wholly-owned subsidiary of the Company, for land revaluation and reaffirmed the initial compensation of approximately USD8,725,240 offered by the Ecuadorian government authority. Profit Land submitted a request for clarification on the ruling to the court in Ecuador but it was subsequently rejected on 29 July 2014 (of Ecuador time). Profit Land formally filed the appeal against the court ruling in Ecuador on 30 July 2014 (of Ecuador time) but withdrew on 6 August 2014 (of Ecuador time) on the basis of the legal opinions from solicitors in Ecuador that it was highly unlikely to succeed in the said appeal. Profit Land subsequently received the compensation in October 2014. In this regard, the Group recorded a loss on disposal of its investment properties in Ecuador of approximately HK$62,822,000 for the year ended 31 December 2014 with respect of the land expropriation.

Property development in Peru

During the year under review, Lima Junefield Plaza S.A.C., an indirect wholly-owned subsidiary of the Company in Peru, commenced presale of its residential property project in Lima City of Peru. This project provides 21 residential apartments with a gross saleable floor area of approximately 3,500 square meters. During the year under review, there were 14 units being sold for approximately HK$26,092,000 which will be recognised as revenue in 2015.

Property management and agency services business

During the year under review, the Group's property management and agency services business recorded a turnover and net profit of approximately HK$18,983,000 (2013: HK$18,475,000) and HK$1,926,000 (2013: HK$1,378,000).

Securities investments

The securities investments held for trading recorded gains on change in fair value amounted to approximately HK$423,000 (2013: loss of approximately HK$12,181,000) as a result of the volatile market conditions during the year under review.

During the year under review, the Group further subscribed 394,737 fully paid ordinary shares of its associated company, Latin Resources Limited ("Latin Resources", a listed company in Australia), by placement. The Group currently holds 47,139,797 fully paid ordinary shares of Latin Resources, representing approximately 14.71% of its issued share capital as at 31 December 2014. In respect of the investment in associate, an impairment loss on investment of approximately HK$11,151,000 (2013: HK$32,958,000), share of loss of approximately HK$6,513,000 (2013: HK$6,406,000) and the fair value loss of approximately HK$5,771,000 (2013: gain of approximately HK$3,083,000) over the conversion option component of the convertible note issued by Latin Resources have been recognised in the consolidated statement of profit or loss for the year ended 31 December 2014.

Trading of mineral concentrates business

During the year under review, the trading of mineral concentrates segment recorded a turnover of approximately HK$246,161,000 (2013: HK$41,693,000) and a net profit of approximately HK$14,283,000 (2013: HK$3,135,000). In light of the growing demand for mineral concentrates from our existing PRC customers and having well-established relationships with suppliers in Ecuador through the sourcing agent to secure stable supplies, the Group expects a stable growth of revenue and profit from this sector in 2015.

Future outlook

In the past two years, the Group was involved in certain legal disputes with its business counterparties and made significant losses on investments in overseas. The Group's business performances were adversely affected. Following with some of disputes have been resolved recently, the Group will focus on strengthening its existing profitable businesses as well as alleviate the investments in new business to improve its financial position. In addition, the Group will follow up closely with the development of the pending litigations and continue to pursue further negotiations with the counterparties involved with a view to achieving a settlement that will be in the interest of the Group and its shareholders as a whole.

Nevertheless, the Group will be cautious about looking for other investment opportunities to enhance its growth in the long run. In addition, the Group will also consider raising funds by suitable means when investment opportunities arise.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURE

The Group had no material acquisition and disposal of subsidiaries, associated companies and joint venture during the year under review.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group had net assets of approximately HK$687,552,000 (2013 (Restated): HK$869,152,000) with total assets of approximately HK$922,807,000 (2013 (Restated): HK$1,141,671,000) and total liabilities of approximately HK$235,255,000 (2013 (Restated): HK$272,519,000). The Group's current ratio, which equals to current assets divided by current liabilities, was 1.49 (2013: 1.51).

In October 2014, the Group early repaid an interest-bearing bank borrowing of approximately HK$60,684,000. An unsecured other loan of approximately HK$6,234,000 (2013: HK$6,405,000) is denominated in Renminbi ("RMB") and interest-bearing at 9.5% per annum with no fixed term of repayment. The Group's bank balances and short term deposits which were mainly denominated in Hong Kong dollars, USD, RMB and Peruvian Soles, amounted to approximately HK$54,721,000 as at 31 December 2014 (2013: HK$85,494,000). The Group's gearing ratio, as a ratio of total interest-bearing borrowing and bank borrowing to total assets as at 31 December 2014, was 0.01 (2013: 0.08).

The directors believe that the Group currently has sufficient financial resources for its operations. However, the Group will remain cautious in its liquidity management.

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

CAPITAL COMMITMENTS

As at 31 December 2014 and 2013, the Group had no significant capital commitments.

CHARGE OF ASSETS

The Group did not have any pledge or charge on assets as at 31 December 2014.

OUTSTANDING LITIGATIONS

(1) In May 2011, International Management Company Limited ("International Management", an indirectly wholly-owned subsidiary of the Company) received the civil case judgment dated 5 May 2011 issued by the PRC Intermediate Court, pursuant to which it accepted the plaintiff's application to withdraw its claim against International Management and a former subsidiary of the Group for an outstanding investment fund of RMB20 million together with the interests of RMB21.63 million due to seeking for new evidence by the plaintiff. In September 2012, International Management further exchanged evidence in court. Up to the date of this announcement, there is no further update from the PRC Intermediate Court.

    Based on the legal opinion of the Group's PRC legal advisors, the directors of the Company are of the opinion that the action can be successfully defended and therefore no provision has been made in the financial statements.

(2) In 2011, Wuhan Huaxin Management Ltd. ("WHM", an indirectly 51%-owned subsidiary of the Company) received a civil case judgment issued by the People's Court of Jianhan District, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市江漢區人民法院) (the "PRC Court"), pursuant to which the PRC Court mandatorily enforced WHM to repay certain claimants against Wuhan Huaxin Real Estate Co., Ltd. ("WHRED", the Group's available-for-sale investment) amounted to RMB11,660,173 (approximately HK$14,020,000) and executed to debit the sums directly from WHM's bank account. WHM has already filed a written objection with the PRC Court to challenge against both the judgment and the mandatory execution for the reason that WHM was not a directly related company to WHRED.

    Based on the legal opinion from the Group's PRC legal advisors, the directors of the Company are of the opinion that WHM should not be liable for any repayment liabilities incurred by WHRED since both WHM and WHRED are separate entities under the PRC law and should not have any joint and several liabilities. Therefore, WHM should have the right to claim against the PRC Court for refund of the full amount. Up to the date of this announcement, there is no further update from the PRC Court.

(3) On 31 December 2013, the PRC Partner unilaterally terminated the 20-year lease agreement which was signed in 1995 and would expire on 28 September 2016, and took possession of the property and arranged its related company to take over WPM's employees and consignment operators and continued operation in the property since 1 January 2014. International Management considered that the acts of the PRC Partner have jeopardised the legitimate interests of the joint venture and International Management. On 27 December 2013, International Management submitted an application for relief to the Higher People's Court of Hubei Province, the PRC (the "Higher Court") which has been accepted. Up to the date of this announcement, there is no further update from the Higher Court.

    Based on the legal opinion of the Group's PRC legal advisors, the directors of the Company are of the opinion that the outcomes of the rulings of the litigations are uncertain.

EXCHANGE RATE EXPOSURE

During the year under review, the business activities of the Group were mainly denominated in Hong Kong dollars, RMB, USD and Peruvian Soles. The Board does not consider that the Group is significantly exposed to any foreign currency exchange risk. For the year ended 31 December 2014, the Group did not commit to any financial instruments to hedge its potential exchange rate exposure.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2014, the Group had about 276 employees (2013: 317 employees) with the majority based in the PRC. The number of workers employed by the Group varies from time to time depending on the industry need and they are remunerated under the employment term which is based on industry practice. The remuneration policy and package of the Group's employees are periodically reviewed by the Company's Remuneration Committee and approved by the executive directors. Apart from the pension funds, discretionary bonuses and share options are awarded to certain employees according to individual performance.

AUDIT COMMITTEE

The Audit Committee, which comprises three independent non-executive directors of the Company, has discussed with the management of the Company on the accounting principles and practices adopted by the Group, internal controls (excluded WPM) and financial reporting matters. The Audit Committee has also reviewed and discussed with the management and auditors about the consolidated financial statements of the Group for the year ended 31 December 2014.

CORPORATE GOVERNANCE CODE

In the opinion of the directors, the Company had complied with the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing in the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year under review, save as:

– Under code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. The Chairman of the Board did not attend the annual general meeting held on 4 June 2014 (the "AGM") due to other business engagement. The then Chief Executive Officer and the Deputy Chairman of the Board, and the Chairman of the Audit Committee were present at the AGM to answer the shareholders' questions.

– Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. After the resignation of Mr. Liu Zhongsheng as Chief Executive Officer of the Company with effect from 15 March 2015, the roles of chairman and chief executive officer are therefore performed by Mr. Zhou Chu Jian He, the Chairman of the Board. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals who meet regularly to discuss operation issues of the Group.

– Under code provision D.1.4 of the CG Code, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. Following the expiry of the services contract of Mr. Liu Zhongsheng (a former executive director of the Company) on 10 March 2015, the Company did not have a new services contract for him due to the fact that he was considering his resignation as director effective on 15 March 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the"Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the directors' securities transactions. The Company has made specific enquiry of all directors whether they have complied with the Model Code and all directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2014.

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

During the year under review, the Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares.

FINAL DIVIDEND AND ANNUAL GENERAL MEETING

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: HK0.8 cent per share). Information regarding the date and venue of annual general meeting will be announced in due course.

DISCLOSURE OF INFORMATION ON WEBSITES

This announcement will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company (http://junefield.etnet.com.hk). The annual report for the year ended 31 December 2014 will be dispatched to shareholders of the Company and published on the same websites in due course.

By Order of the Board
Zhou Chu Jian He
Chairman

Hong Kong, 31 March 2015

As at the date of this announcement, the executive directors are Mr. Zhou Chu Jian He (Chairman), Mr. Zhou Jianren, Mr. Xiang Xianhong and Mr. Lei Shuguang; the non-executive director is Mr. Jorge Edgar Jose Muñiz Ziches; and the independent non-executive directors are Mr. Lam Man Sum, Albert, Mr. Cao Kuangyu and Mr. Cheung Ka Wai.

* *For identification purpose only*