



On behalf of the Board of Directors (the "Board") of Junefield Department Stores Group Limited (hereinafter referred to as the "Company"), I am pleased to announce the annual results of the Company together with its subsidiaries (hereinafter collective referred to as the "Group") for the year ended 31 December 2004.

RESULTS

For the year ended 31 December 2004, the Group suffered a loss of HK\$10,680,000. The Group's turnover increased to HK\$44,168,000, representing an increase of 45% over last year as a result of a higher contracting revenue from renovation projects in Beijing.

DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year.

BUSINESS REVIEW AND PROSPECTS

2004 remained challenging and difficult to the Group as the disputes with the joint venturers had been resolved at the end of the year. The directors of the Group would then have critically reviewed the Group's operations and business direction with a view to contain the Group's resources.

Looking ahead, the Group will seek to continuously focus on department store and related business, while evaluating its existing investment portfolio and consider whether any appropriate action will need to be taken. The Group will actively improve its working capital and will, at appropriate time, consider raising funds by suitable means for investment and trade opportunities.

Zhou Chu Jian He

Chairman

Hong Kong, 28 April 2005