



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 2005.

■ RESULTS ■

For the year ended 31 December 2005, the Group reported a Profit of HK\$758,000 compared to a loss of HK\$4,605,000 (restated) in 2004. The Group's turnover decreased to HK\$36,205,000, representing a decrease of 18% over last year as a result of lower rental income and properties management and agency service fees.

■ DIVIDENDS ■

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

■ BUSINESS REVIEW AND PROSPECTS ■

2005 remained challenging and difficult to the Group as the effects of macro economics measures prolonged during the year. The directors of the Group 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 continue to identify other suitable investment target. The Group will actively improve its working capital at appropriate time, consider raising funds by suitable means for investment and trade opportunities.

Zhou Chu Jian He

Chairman

Hong Kong, 26 April 2006