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 2013

HIGHLIGHTS

- Revenue amounted to approximately HK$156,545,000, representing a decrease of 25%
- Net profit attributable to owners of the Company amounted to approximately HK$40,298,000, representing a significant decrease of 76%
- Basic earnings per share was HK3.96 cents, representing a significant decrease of 76%
- Proposed final dividend of HK0.8 cent per share

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 2013 together with the comparative figures for the year 2012 as follows:

* *for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
Revenue	4	**156,545**	208,508
Cost of sales and services		**(110,636)**	(96,371)
Gross profit		**45,909**	112,137
Other income and gains	4	**10,392**	2,925
Selling and distribution expenses		**(1,351)**	(1,514)
Administrative expenses		**(64,732)**	(49,001)
Other operating expenses		**(14,824)**	(12,657)
Fair value losses on reclassification of available-for-sale investments to an associate		**(36,961)**	–
Fair value gains on investment properties		**17,246**	7,280
Impairment loss on investment in an associate		**(32,958)**	–
Impairment loss on loan receivable		**(3,784)**	–
Operating (loss)/profit	6	**(81,063)**	59,170
Finance costs	7	**(5,643)**	(1,297)
Share of profit of a joint venture		**145,954**	146,464
Share of loss of an associate		**(6,406)**	–
Profit before tax		**52,842**	204,337
Income tax expense	8	**(977)**	(19,472)
Profit for the year		**51,865**	184,865
Attributable to:			
Owners of the Company		**40,298**	165,324
Non-controlling interests		**11,567**	19,541
		51,865	184,865
Earnings per share attributable to owners of the Company	9		
Basic		**HK3.96 cents**	HK16.27 cents
Diluted		**HK3.88 cents**	HK15.94 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**51,865**	184,865
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available-for-sale investments	**290**	(37,251)
Fair value losses on reclassification of available-for-sale investments to an associate	**36,961**	–
Exchange differences on translation of foreign operations	**10,125**	5,191
Share of other comprehensive income of an associate	**2,374**	–
Other comprehensive income for the year, net of tax	**49,750**	(32,060)
Total comprehensive income for the year	**101,615**	152,805
Attributable to:		
Owners of the Company	**85,721**	132,022
Non-controlling interests	**15,894**	20,783
	101,615	152,805

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**221,755**	235,592
Investment properties		**187,321**	47,765
Prepaid land lease payments		**24,547**	24,450
Other intangible assets		**143,528**	152,048
Investment in a joint venture		**182,428**	187,957
Investment in an associate		**22,619**	–
Available-for-sale investments		**–**	48,448
Deferred tax assets		**2,060**	–
Convertible note – loan receivable component		**14,900**	–
Total non-current assets		**799,158**	696,260
Current assets			
Properties under development for sale		**25,409**	–
Inventories		**40,874**	3,353
Accounts receivable	*11*	**17,877**	11,920
Prepayments, deposits and other receivables		**47,921**	17,257
Amount due from a joint venture		**162**	45
Amounts due from related companies		**12,504**	11,720
Financial instruments at fair value through profit or loss		**63,093**	26,476
Convertible note – conversion option component		**5,775**	–
Time deposits		**8,178**	162,518
Cash and bank balances		**77,316**	120,424
Total current assets		**299,109**	353,713
Current liabilities			
Accounts payable	*12*	**5,399**	3,541
Other payables and accruals		**98,705**	52,256
Interest-bearing bank and other borrowings		**87,317**	161,046
Amount due to the ultimate holding company		**93**	29
Amounts due to related companies		**5,000**	6,089
Amount due to a joint venturer		**20**	19
Tax payable		**1,928**	4,936
Total current liabilities		**198,462**	227,916
Net current assets		**100,647**	125,797
Total assets less current liabilities		**899,805**	822,057

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**69,716**	68,958
Total non-current liabilities	**69,716**	68,958
Net assets	**830,089**	753,099
Equity		
Equity attributable to owners of the Company		
Issued capital	**101,962**	101,617
Reserves	**572,639**	511,888
	674,601	613,505
Non-controlling interests	**155,488**	139,594
Total equity	**830,089**	753,099

NOTES TO 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. They have been prepared under the historical cost convention, except for investment properties, certain financial instruments and equity instruments, 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 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, adjustments 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 the 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.

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.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *– Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Items of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, HKAS 19 (2011), amendments to HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 1, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effect of adopting these new and revised HKFRSs are as follows:

(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 January 2013.

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

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures and HK(SIC)-Int 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(e) 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.

(f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

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

(g) HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. As the Group does not have any defined benefit plan or employee termination plan and the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period, the adoption of the revised standard has had no effect on the financial position or performance of the Group.

(h) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments*: *Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

Certain comparative amounts have been reclassified and restated to conform with current year's presentation as the Group changed the structure of its internal organization in a manner that causes the composition of its reportable segments to change by introducing an additional reportable operating segment regarding trading of mineral concentrates and removing the other segment during the year. Accordingly, segment information of trading of mineral concentrates segment for the year ended 31 December 2012 for comparative purposes has been restated to reflect the newly reportable segment and the segment information of others segment for the year ended 31 December 2012 for comparative purposes has not been presented.

3. 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	*Financial Instruments*[3]
HKFRS 14	*Regulatory Deferral Accounts*[6]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[5]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	*Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities*[1]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in December 2013[4]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in December 2013[2]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

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 July 2014, with limited exceptions.

5 No mandatory effective date yet determined but is available for adoption.

6 Effective for annual periods beginning on or after 1 January 2016.

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 these 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:

	2013	2012
	HK$'000	*HK$'000*
Revenue		
Sale of construction materials	**106,258**	176,042
Sale of mineral concentrates	**41,693**	–
Property management and agency fees	**18,475**	17,566
Gross rental income	**2,300**	1,748
Fair value (losses)/gains, net:		
Equity investments at fair value through profit or loss		
– held for trading	**(12,181)**	13,152
	156,545	208,508
Other income and gains		
Bank interest income	**1,102**	1,284
Interest income on other loans	**2,383**	453
Interest income on loan to an associate	**401**	–
Effective interest income on convertible note		
– loan receivable component	**574**	–
Fair value gain on convertible note		
– conversion option component	**3,083**	–
Reversal of impairment of accounts receivable	**133**	–
Others	**2,716**	1,188
	10,392	2,925

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 investments in listed and unlisted 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 before tax except that interest income, finance costs and dividend income as well as head office and corporate expenses are excluded from such measurement.

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

Segment assets exclude deferred tax assets, cash and cash equivalents, 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.

Segment results

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

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*
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						9,270
Corporate and other unallocated expenses						(45,621)
Unallocated finance costs						(5,643)
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						145,954
Share of loss of an associate						(6,406)
Profit before tax						52,842
Income tax expense						(977)
Profit for the year						51,865

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

5. SEGMENT INFORMATION *(Continued)*

Segment results *(Continued)*

Year ended 31 December 2012

	Property investment and development	Property management and agency services	Securities investments	Manufacture and sale of construction materials	Trading of mineral concentrates *(restated)*	Total *(restated)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:						
Sales to/revenue from external customers*	1,748	17,566	–	176,042	–	195,356
Investment income	–	–	13,152	–	–	13,152
	1,748	17,566	13,152	176,042	–	208,508
Segment results	7,219	1,299	13,093	59,987	–	81,598
Bank interest income and other unallocated income and gains						2,399
Corporate and other unallocated expenses						(24,827)
Unallocated finance costs						(1,297)
Share of profit of a joint venture						146,464
Profit before tax						204,337
Income tax expense						(19,472)
Profit for the year						184,865

* 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 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*
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						182,428
Investment in an associate						22,619
Total assets						1,098,267
Segment liabilities	41,855	18,014	20	55,344	28,235	143,468
Corporate and other unallocated liabilities						124,710
Total liabilities						268,178
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)
Fair value losses on reclassification of available-for-sale investments to an associate	–	–	–	–	–	36,961
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

* 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 2012

	Property investment and development	Property management and agency services	Securities investments	Manufacture and sale of construction materials	Trading of mineral concentrates *(restated)*	Total *(restated)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets and liabilities:						
Segment assets	52,834	12,759	78,384	429,343	–	573,320
Corporate and other unallocated assets						288,696
Investment in a joint venture						187,957
Total assets						1,049,973
Segment liabilities	24,510	18,585	25	64,588	–	107,708
Corporate and other unallocated liabilities						189,166
Total liabilities						296,874
Other segment information:						
Depreciation and amortisation	413	321	–	33,387	–	34,121
Corporate and other unallocated amounts						3,143
						37,264
Finance costs	–	–	–	713	–	713
Corporate and other unallocated amounts						584
						1,297
Fair value gains on investment properties	(7,280)	–	–	–	–	(7,280)
Impairment losses recognised in the statement of profit or loss	–	19	–	–	–	19
Additions to non-current assets*	2	28	–	179	–	209
Corporate and other unallocated amounts						4,358
						4,567

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

5. SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2013	2012
	HK$'000	*HK$'000*
The People's Republic of China (the "PRC")	**168,726**	195,356
Canada	**(12,010)**	13,684
Hong Kong	**(171)**	(532)
	156,545	208,508

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

(b) Non-current assets

	2013	2012
	HK$'000	*HK$'000*
PRC	**565,744**	586,443
Ecuador	**131,724**	–
Peru	**60,193**	57,442
Australia	**37,519**	48,448
Hong Kong	**3,766**	3,927
Columbia	**212**	–
	799,158	696,260

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

Information about major customers

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

	2013	2012
	HK$'000	*HK$'000*
Customer A△	**41,693**	N/A*
Customer B#	**N/A***	29,810
	41,693	29,810

* The corresponding revenue did not contribute over 10% of total revenue of the Group for the year.

△ Revenue attributable to trading of mineral concentrates segment.

\# Revenue attributable to manufacture and sale of construction materials segment.

6. OPERATING (LOSS)/PROFIT

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

	2013	2012
	HK$'000	*HK$'000*
Employee benefits expense		
(excluding directors' remuneration)		
Salaries, wages and other benefits*	**28,276**	27,081
Pension scheme contributions	**4,039**	2,820
	32,315	29,901
Cost of inventories sold	**104,927**	91,141
Amortisation of other intangible assets	**12,950**	12,638
Amortisation of prepaid land lease payments	**563**	549
Depreciation of property, plant and equipment#	**23,824**	24,077
Auditors' remuneration	**750**	630
Foreign exchange differences, net	**5,271**	(1,322)
Minimum lease payments under operating leases in respect of land and buildings	**857**	800
Loss on disposal of items of property, plant and equipment	**12**	–

* Salaries, wages and other benefits of approximately HK$6,485,000 (2012: HK$6,540,000), HK$20,900,000 (2012: HK$19,476,000) and HK$891,000 (2012: HK$1,065,000) were charged to cost of production, administrative expenses and selling and distribution expenses respectively.

\# Depreciation of approximately HK$19,995,000 (2012: HK$19,568,000) and HK$3,829,000 (2012: HK$4,509,000) were charged to cost of production and administrative expenses respectively.

7. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on bank loan and other loans wholly repayable within five years	**5,643**	584
Other finance costs		
Financial guarantee expenses	**–**	713
	5,643	1,297

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 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.

	2013	2012
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**799**	–
Over-provision in prior year	**–**	(16)
Current – elsewhere		
Charge for the year	**809**	19,407
Over-provision in prior year	**(5,853)**	(2,716)
Deferred tax (credit)/charge	**(2,427)**	1,867
Withholding tax charge on dividends distributed by entities in the PRC	**7,574**	930
Withholding tax charge on interest income from an associate in Australia	**75**	–
Total tax charge for the year	**977**	19,472

During the year ended 31 December 2013, Hunan Taiji Construction Material Company Limited ("Hunan Taiji"), 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. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 1,016,822,762 (2012: 1,016,167,967) in issue during the year.

The calculation of diluted earnings per share amount is based on the 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 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. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(Continued)*

The calculations of basic and diluted earnings per share are based on:

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**40,298**	165,324

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share	**1,016,822,762**	1,016,167,967
Effect of dilution – weighted average number of ordinary shares:		
Share options	**21,579,513**	21,198,260
	1,038,402,275	1,037,366,227

10. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Interim dividend paid – HK1 cent (2012: HK1 cent) per share	**10,167**	10,162
Final dividend proposed – HK0.8 cent (2012: HK1.5 cents) per share	**8,186**	15,243
	18,353	25,405

The directors recommend the payment of a final dividend in respect of the year ended 31 December 2013 of HK0.8 cent per share, totaling approximately HK$8,186,000. The proposed final dividend for the year is subject to the approval at the forthcoming annual general meeting of the Company.

During the year, the final dividend in respect of the financial year ended 31 December 2012 of HK1.5 cents per share totaling approximately HK$15,243,000 and the interim dividend for the six months ended 30 June 2013 of HK1 cent per share, totaling approximately HK$10,167,000 were paid to shareholders.

11. ACCOUNTS RECEIVABLE

	2013	2012
	HK$'000	*HK$'000*
Accounts receivable	**18,018**	12,189
Impairment	**(141)**	(269)
	17,877	11,920

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 minimize 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.

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

	2013	2012
	HK$'000	*HK$'000*
Within 1 month	**6,162**	2,030
1 to 3 months	**8,782**	6,331
Over 3 months	**3,074**	3,828
	18,018	12,189
Impairment	**(141)**	(269)
	17,877	11,920

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:

	2013	2012
	HK$'000	*HK$'000*
Within 1 month	**3,290**	70
1 to 3 months	**2,109**	3,106
Over 3 months	**–**	365
	5,399	3,541

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 a joint venture, Wuhan Plaza Management Co., Ltd. ("WPM") with a carrying amount of approximately HK$182,428,000 as at 31 December 2013. The Group is in dispute with the joint venturer about the term of the joint arrangement and financial information of WPM was made available to the Group only up to 31 October 2013. Accordingly, management financial statements of WPM as at and for the ten months ended 31 October 2013 have been used as the practicably most recent available financial information in applying the equity method of accounting, and the results of WPM from 1 November 2013 to 31 December 2013 have not been equity accounted for in the consolidated financial statements of the Group. In addition, the directors of the Company are unable to determine whether any impairment loss on the investment in joint venture was required. We were unable to obtain sufficient appropriate audit evidence about the financial information of WPM 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 carrying amount of the Group's investment in WPM; and (ii) the Group's share of the results and other comprehensive income or expense of WPM, as included in the Group's consolidated financial statements as at and for the year ended 31 December 2013 were fairly stated. 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. 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 would have a consequential effect on the Group's net assets as at 31 December 2013, and the Group's profit for the year then ended and related disclosures in these consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, 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 2013, and of the Group's profit 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

The consolidated revenue and consolidated profit attributable to owners of the Company for the year ended 31 December 2013 amounted to approximately HK$156,545,000 and HK$40,298,000, representing corresponding a significant decrease of 25% and 76% over HK$208,508,000 and HK$165,324,000 respectively compared to the last year under review. The significant decrease in the profit attributable to owners of the Company was mainly resulted from (a) the unrealized valuation losses of approximately HK$12,181,000 recognised in respect of the Group's trading securities and HK$36,961,000 upon the reclassification of the Group's available-for-sale investments to investment in an associate as a result of the volatile market conditions; (b) an impairment loss of approximately HK$32,958,000 on investment in an associate; and (c) the Group equity accounted for the interests in its 49%-owned joint venture for the ten months ended 31 October 2013 as the latest available financial information.

OPERATIONS REVIEW AND PROSPECTS

Construction material business

During the year under review, the Group's indirect 60%-owned subsidiary, Hunan Taiji Construction Material Co., Ltd. ("Hunan Taiji"), recorded a turnover and profit of approximately HK$106,258,000 (2012: HK$176,042,000) and HK$27,228,000 (2012: HK$47,523,000), representing a significant decrease of 40% and 43% respectively compared to last year under review mainly due to the reduction of granulated steel slag supply by its sole supplier.

Hunan Taiji's management carried out prolonged negotiations with the supplier as well as the minority shareholder of Hunan Taiji in order to urge the supplier to increase the granulated steel slag supply back to a normal level, however the supplier refused to do so. On 16 October 2013, the Group filed an application for arbitration proceedings at China International Economics and Trade Arbitration Commission ("the PRC Arbitration Commission") against the minority shareholder of Hunan Taiji for failing to procure the supply of the requested amount of granulated steel slag from the supplier to Hunan Taiji under the terms stipulated in the joint venture agreement. The Group also claims for the minority shareholder of Hunan Taiji to continue to honour its obligations by supplying granulated steel slag in accordance with the joint venture agreement until the end of its term and the potential damages arising from breach of the joint venture agreement.

The outcome of the arbitration is still pending as at the date of this announcement. Currently, Hunan Taiji continues to carry out stringent cost control to minimize the impact on its profit under the current unfavorable conditions.

Retail business in Wuhan

In February and March 2014, the Group repeatedly requested the management of the 49%-owned joint venture, WPM, to provide the financial statements and necessary assistance to the audit matters for the year ended 31 December 2013 but the management of WPM failed to do so. As a result, the Group equity accounted the results of WPM merely by using the financial statements for the ten months ended 31 October 2013 as the latest available financial information. Share of profit for the ten months ended 31 October 2013 was approximately HK$145,954,000 while the share of profit accounted for the full year of 2012 was HK$146,464,000. In this respect, the independent auditors of the Company issued a qualified opinion on the amount of the share of results and the Group's interest in WPM for the year ended 31 December 2013. The qualified opinion as extracted from the independent auditors' report which is set out under the section headed "EXTRACT OF INDEPENDENT AUDITORS' REPORT" above. Pursuant to the joint venture agreement entered into in 1993, WPM engaged in operation of department store business was formed by International Management Company Limited ("International Management", an indirectly wholly-owned subsidiary of the Company) and Wuhan Department Store Group Co., Ltd (the "PRC Partner") for a term of 20 years in Wuhan, the People's Republic of China (the "PRC"). In addition, the PRC Partner as lessor and WPM as lessee entered into the lease agreement in 1995 to operate the department store on the premises for a term of 20 years to achieve and implement the purposes and objectives of the joint venture agreement.

Given that International Management believes that the leasing of the premises from the PRC Partner to operate the department store business is one of the pre-conditions ensuring the subsistence of WPM, the PRC Partner should extend the operation of WPM in line with the expiry date of the lease. International Management has been carried out negotiations about the term extension of the joint venture agreement with the PRC Partner and served it a written request for extension of the term of the joint venture agreement until 28 September 2016 in early 2013. However, the PRC Partner failed to respond to such request. Consequently, the Group was reluctant to commence arbitrations against it to protect the best interests of the Group and its shareholders in November 2013.

As the rulings of the arbitration and the litigations are uncertain, the Group is of the view that the outcome of the rulings are uncertain and might have a consequential effect on the amount as recorded in the Group's consolidated financial statements.

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$2,300,000 (2012: HK$1,748,000), representing an increase of 32% over last year under review. It also recorded fair value gains of approximately HK$8,221,000 (2012: HK$7,280,000) in respect of the revaluation of investment properties and resulted in a profit of approximately HK$4,820,000 (2012: HK$4,385,000), representing an increase of 10% over 2012. 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

The Group's wholly-owned subsidiary completed the acquisition of a parcel of land in Ecuador with approximately 20,200 square meters at a consideration of US$12,500,000 in March 2013 initially for property development purpose. In September 2013, an Ecuadorian government authority initiates an expropriation of the land for the reasons of public utility and national interest under the Ecuadorian laws. The government authority proposed to offer an initial compensation with reference to a municipal fair value. However, the Group rejected its initial offer because it was not marked to open market price. According to a recognised valuer in Hong Kong, the fair value as at 31 December 2013 was approximately HK$130,704,000 and therefore an unrealized fair value gain of approximately HK$9,025,000 was recognised in the results for the year ended 31 December 2013. According to the legal opinion sought in Ecuador, the government authority should offer fair compensation to the owner of the land for such expropriation under current laws and regulations in Ecuador. In late 2013, a submission for requesting for revaluation of the land was lodged by the Group to the court in Ecuador. As at the date of this announcement, the negotiation with the government authority is still in progress and the ruling from the court has yet to be given.

Property development in Peru

Lima Junefield Plaza S.A.C., an indirect wholly-owned subsidiary of the Company in Peru, commenced a residential project in Lima City of Peru. This project will provide 21 residential apartments with a gross saleable floor area of approximately 3,500 square meters. Construction of this residential project is currently in progress. The Group expects the whole project will be completed in 2014 and presale will be commenced by the mid-year of 2014.

Property management and agency services business

During the year under review, the Group's property management and agency services business recorded a turnover of approximately HK$18,475,000 (2012: HK$17,566,000), representing an increase of 5% over 2012. It achieved a net profit of approximately HK$1,378,000 (2012: HK$1,084,000), representing an increase of 27% over 2012.

Securities investments

The Group has invested in listed securities in Hong Kong and overseas for trading and long term purposes. The securities investments held for trading recorded unrealized loss on change in fair value amounted to approximately HK$12,181,000 (2012: gain of approximately HK$13,520,000) as a result of the volatile market conditions during the year under review.

During the year under review, the Group further acquired 9,045,060 fully paid ordinary shares of Latin Resources Limited ("Latin Resources", a listed company in Australia). The Group is to invest for a long term purpose. The Group currently holds 46,745,060 fully paid ordinary shares of Latin Resources, representing approximately 20.5% of its existing issued share capital as at 31 December 2013. The Group nominated its Chief Executive Officer Mr. Liu Zhongsheng, as non-executive director of Latin Resources in June 2013. The Group therefore reclassified the available-for-sale investments to investment in an associate. As a result, the Group recognised an unrealized loss of approximately HK$36,961,000 upon the reclassification and share of loss of approximately HK$6,406,000 in the statement of profit or loss since the date Latin Resources became its associate. Due to the volatile market conditions, the Group also made an impairment loss of approximately HK$32,958,000 on the investment in the associate.

In addition, the Group entered into the converting loan agreement with Latin Resources on 21 August 2013 pursuant to which the Group agreed to advance a loan of AU$2,500,000 (equivalent to approximately HK$17,750,000) to Latin Resources. Subsequently Latin Resources issued the convertible note to the Group in October 2013.

The Group expects that Latin Resources will make profit contribution to the Group when the exploration of the projects in Peru get started.

Trading of mineral concentrates business

During the year under review, the Group commenced trading of mineral concentrates by sourcing from suppliers in South America for customers in the PRC. It recorded a turnover of approximately HK$41,693,000 and a profit of approximately HK$3,135,000. The Group expects positive growth of revenue and profit from this business segment in 2014.

Prospects

Looking ahead, challenges and uncertainties will continue in the year 2014. The Group's result and cash flow will be inevitably affected by unsettled legal disputes, particularly the outcome of the arbitration on the operation term of WPM which engaged in the retail and department store business in the PRC. Regarding to the pending rulings of the arbitration and the litigations in respect of WPM, the Group realized that the prolonged unsettlement would affect the results of the Group for the year commencing from 1 January 2014. However it is difficult to make any prediction on the outcome of final rulings at this stage. In respect of the compensation for expropriation of the parcel of land in Ecuador, based on the opinions of legal advisor in Ecuador, the Group believes that the Ecuadorian government authority should make compensation for expropriation of assets with reference to the current open market price under the current applicable laws in Ecuador. In all respect, the Group will endeavor its best efforts to seek all practicable measures and actions to settle the current legal disputes with the assistance of its legal advisors so as to strive for its best interests of the Company and the shareholders.

For the security investments for trading and long term purposes, the Group is of the view that the value of quality stocks will be reflected in the long run and particularly the investments in its associated company, Latin Resources.

The Group expects both trading of mineral concentrates and the residential project in Peru would contribute profits to the Group in the coming year. In addition, the preliminary operation on part of the Group's concession mines in Peru is expected to be commenced in the second half of 2014.

Nevertheless, the Group will be cautious about looking for other investment opportunities. In addition, to further strengthen the financial position, the Group also will consider raising funds by suitable means when investment opportunities arise.

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

On 30 January 2013, Genuine Crystal Limited, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with an independent third party for the acquisition of the entire issued share capital of Mighty Comforts Limited at a total cash consideration of US$2,841,000 (equivalent to approximately HK$22,018,000). On the same day, a subsidiary of Mighty Comforts Limited purchased a parcel of land in Ecuador from another independent third party at a consideration of US$12,500,000 (equivalent to approximately HK$96,875,000). Mighty Comforts Limited indirectly owned 100% benefits and interests of a parcel of land in Ecuador. The acquisition constituted a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The acquisition was duly completed on 25 March 2013.

Save as disclosed above, 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 2013, the Group had net assets of approximately HK$830,089,000 (2012: HK$753,099,000) with total assets of approximately HK$1,098,267,000 (2012: HK$1,049,973,000) and total liabilities of approximately HK$268,178,000 (2012: HK$296,874,000). The Group's current ratio, which equals to current assets divided by current liabilities, was 1.51 (2012: 1.55).

As at 31 December 2013, the Group had an outstanding bank borrowing of HK$80,912,000 (2012: HK$154,822,000). The bank loan was unsecured, denominated in United States dollars ("USD"), interest-bearing at floating rate and repayable for a term of 3 years. An unsecured other loan of approximately HK$6,405,000 (2012: HK$6,224,000) 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 and RMB, amounted to approximately HK$85,494,000 as at 31 December 2013 (2012: HK$282,942,000). The Group's gearing ratio, as a ratio of total interest-bearing borrowing and bank borrowing to total assets as at 31 December 2013, was 0.08 (2012: 0.15).

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 2013, the Group had no capital commitments (2012: Nil).

CHARGE OF ASSETS

The Group did not have any pledge or charge on assets as at 31 December 2013.

OUTSTANDING LITIGATIONS

(1) In May 2011, International Management received the civil case judgment dated 5 May 2011 issued by the Intermediate People's Court of Wuhan City, Hubei Province, the PRC（中華人民共和國湖北省武漢市中級人民法院）(the "PRC Intermediate Court"), pursuant to which the PRC Intermediate Court 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（中華人民共和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) (the "Compensation") 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 16 October 2013, Junefield (Building Material) Limited (an indirectly wholly-owned subsidiary of the Company) filed an application for arbitration proceedings at the PRC Arbitration Commission against the minority shareholder of Hunan Taiji for, inter alia, failing to procure the supply of the requested amount of granulated steel slag under the joint venture agreement and claims for the minority shareholder of Hunan Taiji to continue to honour its obligations by supplying granulated steel slag until the end of its term and damages arising from breach of the joint venture agreement. On 24 October 2013, the PRC Arbitration Commission commenced processing of the application. Up to the date of this announcement, there is no further update.

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 and the claims for damages arising from breach of joint venture agreement were uncertain and therefore no provision or compensation for the damages claimed have been recognised in the financial statements.

(4) On 4 November 2013, International Management submitted an application for arbitration at the PRC Arbitration Commission, inter alia, requesting for rulings against the PRC Partner of its joint venture to extend the term of the joint venture to a date no earlier than 28 September 2016 and to procure and assist the joint venture in making any ancillary applications and obtaining such approvals. On 7 November 2013, the PRC Arbitration Commission accepted to proceed.

On 30 December 2013, International Management received a notice of dissolution from the PRC Partner requesting for discussion of the formation of a dissolution committee of the joint venture. International Management is of the view that the term of the joint venture should be determined after the rulings to be provided by the PRC Arbitration Committee and therefore, it is currently not appropriate to discuss the matter of dissolution.

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 jeopardized the legitimate interests of the joint venture and International Management before the PRC Arbitration Committee has a final ruling. 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 PRC Arbitration Committee and the Higher Court.

In view of the above and the situation of disputes, no financial information of WPM for the year ended 31 December 2013 has been made available to us. The Group repeatedly requested the management of the 49% owned joint venture to provide the financial statements and necessary assistance to the audit matters for the year ended 31 December 2013 but the management of the joint venture failed to do so. As a result, the Group equity accounted the results of WPM merely by using the financial statements for the ten months ended 31 October 2013 as the latest available financial information.

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 arbitration and litigations are uncertain and might have a consequential effect on the amount recorded in the Group's consolidated financial statements.

(5) Profit Land Property Development Prolandpro S.A., the Group's wholly-owned subsidiary completed the acquisition of a parcel of land in Ecuador with approximately 20,200 square meters at a consideration of US$12,500,000 in March 2013. In September 2013, an Ecuadorian government authority initiates an expropriation of the land for the reasons of public utility and national interest under the Ecuadorian laws and offered a compensation with reference to municipal fair value which was not marked to open market price. According to the legal opinion sought in Ecuador, the government authority should offer a fair compensation to the owner of the land for such expropriation at a market fair value. In late 2013, submissions for requesting for revaluation of the land were lodged by the Group to the court in Ecuador. Based on the legal opinion of the lawyer in Ecuador, the directors of the Company are of the opinion that the subsidiary of the company has the right to appeal against the compensation price and is also entitled to initiate legal actions for damages suffered from the effects of the expropriation against the government according to the applicable law and regulations in Ecuador. Therefore, no provision has been made in the financial statements. As at the date of this announcement, the negotiation with the government authority is still in progress and the ruling from the court has yet to be given.

EXCHANGE RATE EXPOSURE

During the year under review, the business activities of the Group were mainly denominated in Hong Kong dollars, RMB and USD. The Board does not consider that the Group is significantly exposed to any foreign currency exchange risk. For the year ended 31 December 2013, the Group did not commit to any financial instruments to hedge its potential exchange rate exposure.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2013, the Group had about 317 employees (2012: 278 employees) of whom 10 (2012: 11) are based in Hong Kong and 307 (2012: 267) based in the PRC and overseas. 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 the assessment of 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 2013.

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 Listing Rules during the period 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 29 May 2013 (the "AGM") due to other business engagement. The Deputy Chairman of the Board and the chairmen of the Audit and Remuneration Committee were present at the AGM to answer the shareholders' questions.

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 2013.

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

An interim dividend of HK1 cent per share, totally approximately HK$10,167,000, was paid on 30 September 2013 (2012: HK1 cent). The Board of Directors recommends the payment of a final dividend of HK0.8 cent per share for the year ended 31 December 2013 (2012: HK1.5 cents), totaling approximately HK$8,186,000 (2012: HK$15,243,000). Such proposal is subject to approval by shareholders of the Company at the forthcoming annual general meeting. Information regarding the date and venue of annual general meeting, the record date and book close date for the entitlement to the final dividend 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 2013 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 2014

As at the date of this announcement, the executive directors are Mr. Zhou Chu Jian He (Chairman), Mr. Ng Man Chung, Siman (Deputy Chairman), Mr. Liu Zhongsheng (Chief Executive Officer), 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.