



On behalf of the board of directors, I present the annual report of Winfoong International Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2002.

本人謹代表董事會同寅，向各股東提呈榮豐國際有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零二年十二月三十一日止年度之年報。

FINANCIAL RESULTS

For the year ended 31 December 2002, the Group recorded consolidated loss attributable to shareholders of approximately HK\$116 million.

DIVIDENDS

No interim dividend was paid for the year ended 31 December 2002 and the directors do not recommend the payment of a final dividend.

MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year, the Group continued to engage in property related businesses and provision of horticultural services. Due to the decrease in revenue from property development, the Group's turnover decreased by 19.6% despite the increase in rental income brought by the property interest acquired during the year.

The Group recorded net loss of approximately HK\$116 million. Overall performance of the Group was adversely affected by the Group's share of the revaluation deficit of properties held by an associate in Singapore of approximately HK\$86.8 million. The Group's loss from operating activities and finance costs decreased by approximately HK\$4.6 million and approximately HK\$9.7 million respectively.

財務業績

於截至二零零二年十二月三十一日止年度，本集團錄得股東應佔綜合虧損約116,000,000港元。

股息

截至二零零二年十二月三十一日止年度並無派付中期股息，而董事不建議派付末期股息。

管理層討論及分析 業務回顧及未來前景

年內，本集團繼續從事與物業相關之業務及提供園藝服務。儘管年內購入物業權益導致租金收入上升，惟本集團之營業額仍因物業發展之收入下降而減少19.6%。

本集團錄得虧損淨額約116,000,000港元。本集團之整體表現，受到本集團分佔一間位於新加坡之聯營公司所持有物業重估虧絀約86,800,000港元之不利影響。本集團來自經營業務之虧損及融資成本分別減少約4,600,000港元及約9,700,000港元。



In April 2002, an open offer of 747,416,993 shares of HK\$0.05 each was made at a cash price of HK\$0.195 per share to the public for an aggregate consideration before expenses of HK\$145.7 million. The proceed has been applied as to approximately HK\$74.1 million for the acquisition of a subsidiary, and the remaining balance for the repayment of part of the bank loan of the subsidiary. The subsidiary is engaged in the business of property investment and the principal asset of the subsidiary is a residential building in the Mid-Levels, Hong Kong.

The net asset value of the Group per share as at 31 December 2002 was approximately HK\$0.84 based on the 1,492,611,986 shares issued.

Current global political and general economic uncertainties may continue to adversely affect the Hong Kong economy, the Group will invest in areas which will enhance its asset value by constantly assessing its particular market segment and re-positioning and upgrading its properties where appropriate.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report. The Group has no exposure to foreign exchange rate fluctuations except for the interests in an associate in Singapore which is held as long term investment. The Group's borrowings are denominated in Hong Kong dollars and arranged on a floating rate basis.

The Group's working capital requirements are met by recurring cash flows from the investment properties portfolio and committed undrawn credit facilities. Majority of the Group's borrowings matures in or after 2006. As at 31 December 2002, the outstanding bank loans amounted approximately HK\$559.6 million. These loan facilities were secured by the Group's investment properties. Due to the downward revaluation of assets, there was a rise in the year-end gearing ratio to 44.2% (2001: 38.5%) based on bank loans less cash and bank balances to shareholders' funds including minority interests. The Company has provided guarantees in respect of bank facilities made available to subsidiaries totalling approximately HK\$653 million (2001: HK\$ 679 million).

二零零二年四月，本集團按現金價格每股股份0.195港元向公眾人士公開發售747,416,993股每股面值0.05港元之股份，以取得扣除開支前總代價145,700,000港元。所得款項中約74,100,000港元用作收購一間附屬公司，餘額則用作償還該附屬公司部份銀行貸款。該附屬公司從物業投資業務，其主要資產為位於香港半山區一幢住宅大廈。

本集團於二零零二年十二月三十一日之每股資產淨值，按1,492,611,986股已發行股份計算為約0.84港元。

目前全球政治及整體經濟不穩定，並可能繼續對香港經濟造成不利影響。本集團將會持續評估所處市場的狀況，投資於可增加資產價值的範疇，並在適當時候為旗下物業重新定位及改善設施。

流動資金及財務資源

本集團所有融資和司庫活動均在集團層面由中央管理及控制。司庫及融資政策與本集團對上一次年報所披露之資料顯示並無重大變動。除本集團持有一間新加坡聯營公司權益作為長線投資外，本集團毋須承受匯兌波動風險。本集團借款均以港元計算並以浮息基準安排。

本集團以投資物業組合之經常性現金流量及已承諾但未提取之信貸融資額，滿足營運資金需要。本集團大部份借貸於二零零六年或之後到期償還。於二零零二年十二月三十一日，仍未償還之銀行貸款約559,600,000港元。該等貸款乃以本集團之投資物業作抵押。由於資產重估出現減值，故年終之資本與負債比率（基於銀行貸款減現金及銀行結存與股東資金，包括少數股東權益之比率）上升至44.2%（二零零一年：38.5%）。本公司已就附屬公司獲得之銀行信貸合共約653,000,000港元（二零零一年：679,000,000港元）提供擔保。



ACKNOWLEDGMENT

I take this opportunity to express my gratitude to my colleagues on the board and the staff members of the Group for their strong support and valuable contribution.

Patrick Cheong

Chairman

Hong Kong

28 March 2003

致謝

本人謹藉此機會向董事會同寅及本集團各位職員之鼎力支持及寶貴貢獻致謝。

主席

鍾斌銓

香港

二零零三年三月二十八日