



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 2003.

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」）截至二零零三年十二月三十一日止年度之年報。

FINANCIAL RESULTS

For the year ended 31 December 2003, the Group recorded consolidated loss attributable to shareholders of approximately HK\$41.1 million.

DIVIDENDS

No interim dividend was paid for the year ended 31 December 2003 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. The decrease in turnover was due to the decrease in rental income and revenue from property development. The decrease in loss was mainly attributable to the decrease in the Group's share of the downward revaluation of properties held by an associate in Singapore by approximately HK\$66.5 million. Excluding the effect of the associate, the Group's loss from operating activities decreased by approximately 41.8% which was mainly due to the write back of project payables.

The net asset value of the Group per share as at 31 December 2003 was approximately HK\$0.82 based on the 1,492,410,986 shares issued.

While Hong Kong's economy is on a path of recovery, the Group will look for potential investment opportunities to broaden its earning base.

財務業績

於截至二零零三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41,100,000港元。

股息

截至二零零三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。營業額減少主要由於物業發展之租金收入及收益減少所致。虧損減少主要由於本集團分佔一間位於新加坡之聯營公司所持有物業重估減值下調約66,500,000港元。在不計入該聯營公司之影響之情況下，本集團來自經營業務之虧損下跌約41.8%，主要由於撥回項目應付款項所致。

本集團於二零零三年十二月三十一日按1,492,410,986股已發行股份計算之每股資產淨值約0.82港元。

香港經濟正在復甦，本集團將尋求有潛力之投資機會，以擴大其盈利基礎。



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. Due to the downward revaluation of properties, there was a slight increase in the year-end gearing ratio to 45% (2002: 44%) based on bank loans less cash and bank balances to shareholders' funds including minority interests. The majority of the Group's borrowings matures in or after 2007. As at 31 December 2003, the outstanding bank loans amounted approximately HK\$563.3 million. These loan facilities were secured by the Group's properties. The Company has provided guarantees in respect of bank facilities made available to subsidiaries totalling approximately HK\$638.5 million (2002: HK\$653.5 million).

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
27 February 2004

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經提取之信貸融資額，滿足營運資金需要。由於物業重估出現減值，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，包括少數股東權益比率）上升至45%（二零零二年：44%）。本集團大部份借貸於二零零七年或之後到期償還。於二零零三年十二月三十一日，尚未清償之銀行借貸約563,300,000港元。該等貸款乃以本集團之物業作抵押。本公司已就附屬公司獲得之銀行信貸合共約638,500,000港元（二零零二年：653,500,000港元）提供擔保。

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
二零零四年二月二十七日