

Chairman's Statement 主席報告

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 2006.

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」）截至二零零六年十二月三十一日止年度之年報。

FINANCIAL RESULTS

For the year ended 31 December 2006, the Group recorded consolidated profit attributable to shareholders of approximately HK\$150.5 million.

財務業績

於截至二零零六年十二月三十一日止年度，本集團錄得股東應佔綜合溢利約150,500,000港元。

DIVIDENDS

No interim dividend was paid for the year ended 31 December 2006 and the directors do not recommend the payment of a final dividend.

股息

截至二零零六年十二月三十一日止年度並無派付中期股息，而董事亦不建議派付末期股息。

MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year, the Group continues to engage in property related businesses and provision of horticultural services. The decrease in turnover was mainly due to the sale of a commercial property in 2005. Rental income decreased as a result of the commencement of the redevelopment of 38 Conduit Road in the year.

管理層討論及分析 經營回顧及未來前景展望

於本年度內，本集團繼續從事與物業相關之業務及提供園藝服務。營業額下跌之原因主要為於二零零五年出售一項商用物業。因重建干德道38號的工程於年內展開，租金收入因而下跌。

The Group recorded net profit of approximately HK\$150.5 million in the year, representing an increase of 34% from 2005. Contributed to the improvement of the Group's results were:

本集團於本年度錄得淨溢利約150,500,000港元，較二零零五年上升34%。有助本集團業績改善者包括：

- (i) increase in the Group's share of valuation gains of an associate by approximately 155.1 million;
- (ii) decrease in impairment loss of a China property of approximately HK\$67.5 million;
- (iii) decrease in net rental income of approximately HK\$10.8 million;

- (i) 本集團所佔聯營公司估值收益增加約155,100,000港元；
- (ii) 一項中國物業之減值虧損下降約67,500,000港元；
- (iii) 淨租金收入下跌約10,800,000港元；

Chairman's Statement 主席報告

- (iv) decrease in valuation gains on investment properties, net of deferred tax, of approximately HK\$120.9 million;
- (v) increase in interest expense of approximately HK\$4.2 million; and
- (vi) decrease in profit on disposal of properties of approximately HK\$46.9 million attributable to the disposal of a commercial property in 2005.

The net asset value of the Group per share as at 31 December 2006 was approximately HK\$1.26 (2005: HK\$1.13) based on the 1,492,410,986 (2005: 1,492,410,986) shares issued.

The redevelopment of the investment property at 38 Conduit Road has commenced during the year as planned and is expected to be completed by 2009.

The redevelopment project of 15 Magazine Gap Road to improve its rental potential is still at the planning stage and the property has continued to generate rental income during the year.

The Group will continue to look for investment and development opportunities in Hong Kong.

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.

- (iv) 投資物業估值收益(扣除遞延稅項)下跌約120,900,000港元；
- (v) 利息開支上升約4,200,000港元；及
- (vi) 由於二零零五年出售一項商用物業，出售物業之溢利下跌約46,900,000港元。

於二零零六年十二月三十一日，本集團之每股資產淨值按已發行股份1,492,410,986股（二零零五年：1,492,410,986股）計算約為1.26港元（二零零五年：1.13港元）。

位於干德道38號之投資物業已於年內按計劃重新發展，預期於二零零九年之前竣工。

為提高租金潛力而進行之馬己仙峽道15號之重新發展項目仍處於規劃階段，該物業於年內繼續帶來租金收入。

本集團將繼續於香港物色投資及發展之機會。

流動資金及財務資源

本集團所有融資和財資活動均在集團層面由中央管理及控制。財資及融資政策與本集團最近期刊發之年報所披露之資料並無重大變動。本集團除持有一間新加坡聯營公司權益作為長線投資外，並無承受匯兌波動風險。本集團借款均以港元計算並以浮息基準安排。

Chairman's Statement 主席報告

The Group's working capital requirements are met by recurring cash flows from the investment properties portfolio and committed undrawn credit facilities. The year-end gearing ratio was 25% (2005: 25%) based on bank loans less cash and bank balances to shareholders' funds including minority interests. As at 31 December 2006, the outstanding bank loans amounted approximately HK\$478.1 million. These loan facilities were secured by the Group's properties and parental guarantees given by the Company.

The current portion of bank loans included property loan of 15 Magazine Gap Road. Subsequent to the year-end in January 2007, the property loan was replaced by a project finance of the redevelopment project.

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.

Cheong Pin Chuan, Patrick

Chairman

Hong Kong, 28 February 2007

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，應付營運資金需要。按銀行貸款扣除現金及銀行結餘再除以股東資金(包括少數股東權益)計算，於年末之資本負債比率為25%(二零零五年：25%)。於二零零六年十二月三十一日，尚未清償之銀行貸款約為478,100,000港元。該等貸款乃以本集團之物業及本公司提供之母公司擔保作抵押。

銀行貸款之即期部分包括馬己仙峽道15號之物業貸款。於年度終結後，該物業貸款於二零零七年一月由重新發展項目之一項項目融資所取代。

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，二零零七年二月二十八日