WINFOONG INTERNATIONAL LIMITED
（榮豐國際有限公司）*

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

ANNOUNCEMENT OF AUDITED RESULTS

The directors of Winfoong International Limited (the "Company") present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 HK$'000	2008 HK$'000
Turnover	3	**35,667**	48,533
Cost of sales		**(30,428)**	(44,579)
Gross profit		**5,239**	3,954
Valuation gains on investment property		**–**	75,501
Fair value gain on transfer of investment properties to properties under development		**101,990**	–
Other revenue	4	**210**	153
Other net (loss)/income	4	**(1,136)**	510
Reversal of write-down/(write-down) of inventories		**2,029**	(25,908)
Operating and administrative expenses		**(27,164)**	(19,741)
Profit from operations		**81,168**	34,469
Gain on disposal of subsidiaries		**4,940**	–
Finance costs		**(294)**	(179)
Profit before taxation	5	**85,814**	34,290
Income tax (expense)/credit	6	**(144)**	5,505
Profit for the year		**85,670**	39,795
Attributable to:			
Equity shareholders of the Company		**85,670**	39,795
Minority interests		**–**	–
Profit for the year		**85,670**	39,795
Earnings per share	8		
Basic		**HK cents 3.37**	HK cents 1.56
Diluted		**HK cents 3.37**	HK cents 1.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	HK$'000	*HK$'000*
Profit for the year	**85,670**	39,795
Other comprehensive income/(expenses) for the year (after tax and reclassification adjustments)		
Exchange differences on translating foreign operations (net of nil tax):		
– Exchange differences on translation of financial statements of overseas subsidiaries	**2,681**	(280)
– Reclassification adjustments relating to foreign operations disposed of during the year	**(4,891)**	–
	(2,210)	(280)
Available-for-sale securities: net movement in the fair value reserve (net of nil tax):		
– Changes in fair value recognised during the year	**–**	(380)
– Reclassification adjustments for amounts transferred to profit or loss – impairment loss	**70**	–
	70	(380)
	(2,140)	(660)
Total comprehensive income for the year	**83,530**	39,135
Attributable to:		
Equity shareholders of the Company	**83,530**	39,135
Minority interests	**–**	–
Total comprehensive income for the year	**83,530**	39,135

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009		2008	
		HK$'000	**HK$'000**	HK$'000	HK$'000
Non-current assets					
Fixed assets					
– Investment property			**320**		355,320
– Other property, plant and equipment			**2,813**		4,116
– Interests in leasehold land held for own use under operating leases			**428**		440
			3,561		359,876
Pledged bank deposits			**7**		4
Other financial assets			**4,780**		1,610
			8,348		361,490
Current assets					
Inventories		**487,398**		94,531	
Trade and other receivables	10	**123,502**		2,341	
Tax recoverable		**–**		1	
Cash and cash equivalents		**25,016**		2,486	
		635,916		99,359	
Assets of disposal group classified as held for sale	12	**73,433**		–	
		709,349		99,359	
Current liabilities					
Trade and other payables	11	**150,168**		9,937	
Bank borrowings		**145,741**		235	
Tax payables		**–**		504	
		295,909		10,676	
Liabilities of disposal group classified as held for sale	12	**1,286**		–	
		297,195		10,676	
Net current assets			**412,154**		88,683
Total assets less current liabilities			**420,502**		450,173
Non-current liabilities					
Bank borrowings			**441**		130,306
Deferred tax liabilities			**–**		83
			441		130,389
NET ASSETS			**420,061**		319,784
CAPITAL AND RESERVES					
Share capital			**131,582**		119,620
Reserves			**288,479**		200,164
Total equity attributable to equity shareholders of the Company			**420,061**		319,784
Minority interests			**–**		–
TOTAL EQUITY			**420,061**		319,784

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity shareholders of the Company								
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Capital redemption reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Fair value reserve** *HK$'000*	**Retained profits** *HK$'000*	**Total** *HK$'000*	**Minority interests** *HK$'000*	**Total equity** *HK$'000*
At 1 January 2008	119,620	–	121	11,876	640	148,392	280,649	–	280,649
Profit for the year	–	–	–	–	–	39,795	39,795	–	39,795
Other comprehensive expense for the year	–	–	–	(280)	(380)	–	(660)	–	(660)
Total comprehensive income for the year	–	–	–	(280)	(380)	39,795	39,135	–	39,135
At 31 December 2008	119,620	–	121	11,596	260	188,187	319,784	–	319,784
At 1 January 2009	119,620	–	121	11,596	260	188,187	319,784	–	319,784
Profit for the year	–	–	–	–	–	85,670	85,670	–	85,670
Other comprehensive expense for the year	–	–	–	(2,210)	70	–	(2,140)	–	(2,140)
Total comprehensive income for the year	–	–	–	(2,210)	70	85,670	83,530	–	83,530
Shares issued upon rights issue	11,962	4,785	–	–	–	–	16,747	–	16,747
At 31 December 2009	131,582	4,785	121	9,386	330	273,857	420,061	–	420,061

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual 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. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that the investment property, other buildings and financial instruments classified as available-for-sale securities are stated at their fair value.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new HKFRS, amendments to HKFRSs and new Interpretations that are first effective for the current accounting year of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements.

- HKFRS 8, *Operating segments*
- HKAS 1 (revised 2007), *Presentation of financial statements*
- Amendments to HKFRS 7, *Financial instruments: Disclosures – improving disclosures about financial instruments*
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, *Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate*
- HKAS 23 (revised), *Borrowing costs*

The amendments to HKAS 23 and HKFRS 7 and the Improvements to HKFRSs (2008) had no material impact on the Group's financial statements as the amendments were consistent with the policy already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented (see note 9). Corresponding amounts have been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the year arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the year, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any year presented.

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future years and previous years have not been restated.

3. TURNOVER

The principal activities of the Group are property investment and management, property development, property construction and provision of horticultural services.

Turnover represents the rental income, proceeds from sales of properties, revenue from provision of property management services and revenue from provision of horticultural services. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2009	2008
	HK$'000	*HK$'000*
Gross rentals from other properties	**2,303**	1,612
Gross proceeds from properties sold	**29,850**	43,128
Revenue from provision of property management services	**287**	289
Revenue from provision of horticultural services	**3,227**	3,504
	35,667	48,533

4. OTHER REVENUE AND NET (LOSS)/INCOME

	2009	2008
	HK$'000	*HK$'000*
Other revenue		
Interest income		
– banks	**95**	16
– others	**1**	6
Total interest income on financial assets not at fair value through profit or loss	**96**	22
Others	**114**	131
	210	153
Other net (loss)/income		
Loss on disposal of fixed assets	**(10)**	–
Revaluation losses on buildings	**(70)**	(9)
Available-for-sale securities: reclassified from equity		
– on impairment	**(70)**	–
Net foreign exchange (loss)/gain	**(986)**	519
	(1,136)	510

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2009	2008
	HK$'000	*HK$'000*
(a) Finance costs		
Total interest expense on financial liabilities not at fair value through profit or loss:		
Interest on bank borrowings wholly repayable within five years	**1,506**	3,470
Less: Interest expense capitalised into properties under development*	**(1,212)**	(3,291)
	294	179

* The borrowing costs have been capitalised at a rate of 0.84% - 1.18% per annum (2008: at a rate of 0.99% - 4.47% per annum).

	2009	2008
	HK$'000	*HK$'000*
(b) Staff costs (including directors' remuneration)		
Contributions to defined contribution retirement plan	**69**	30
Salaries, wages and other benefits	**3,622**	2,881
	3,691	2,911

	2009	2008
	HK$'000	*HK$'000*
(c) Other items		
Amortisation of land lease premium	**12**	12
Depreciation of property, plant and equipment	**1,115**	1,136
Auditors' remuneration		
– audit services	**445**	463
– tax services	**57**	49
– other services	**595**	67
Operating lease charges: minimum lease payments		
– hire of plant and machinery	**9**	9
– hire of other assets (including property rentals)	**2,747**	2,631
Rentals received and receivable from other properties less direct outgoings of HK$1,044,000 (2008: HK$1,149,000)	**(1,259)**	(463)
Cost of inventories	**28,923**	41,638

6. INCOME TAX

Taxation in the consolidated income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	–
Current tax – Singapore Income Tax		
Provision for the year	**(379)**	(287)
Over-provision in respect of prior years	**153**	–
Deferred tax		
Origination and reversal of temporary differences	**82**	5,767
Effect on deferred tax balances at 1 January resulting from a change in tax rate	**–**	25
Income tax (expense)/credit	**(144)**	5,505

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in Hong Kong for the year (2008: Nil).

The provision for Singapore Income Tax for the year is calculated at 17% (2008: 18%) of the normal chargeable income.

7. DIVIDEND

The directors of the Company do not recommend the payment of a final dividend in respect of the year (2008:Nil).

8. EARNINGS PER SHARE

a) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$85,670,000 (2008: HK$39,795,000) and the weighted average number of approximately 2,544,831,000 (2008: 2,544,353,000) ordinary shares in issue during the year.

In December 2009, the Company completed a rights issue. The effect of the bonus element included within the rights issue has been included within the calculation of basic earnings per share for both years. The effect of the rights issue was to increase the weighted average number of ordinary shares by approximately 152,420,000 (2008: 151,942,000).

b) DILUTED EARNINGS PER SHARE

Diluted earnings per share is the same as basic earnings per share as the Company does not have dilutive potential ordinary shares for the years ended 31 December 2009 and 2008.

9. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property investment and management: this segment leases the Group's properties to generate rental income and to gain from the appreciation in the properties' value in the long term, and provides building management services. Currently the Group's investment property portfolio is located entirely in Hong Kong.

Property development: this segment develops and sells the Group's residential properties. Currently the Group's activities in this regard are carried out in Hong Kong and Singapore.

Horticultural services: this segment provides horticultural services. Currently, the Group's activities in this regard are carried out in Hong Kong.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at "adjusted EBITDA" the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided by the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the year is set out below.

	Property investment and management		Property development – Hong Kong		Property development – Singapore		Horticultural services		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**287**	289	**–**	–	**32,153**	44,740	**3,227**	3,504	**35,667**	48,533
Inter-segment revenue	**–**	–	**11,445**	6,425	**–**	–	**–**	–	**11,445**	6,425
Reportable segment revenue	**287**	289	**11,445**	6,425	**32,153**	44,740	**3,227**	3,504	**47,112**	54,958
Reportable segment profit/(loss) (adjusted EBITDA)	**101,252**	74,871	**(1,377)**	(659)	**3,956**	(25,431)	**770**	748	**104,601**	49,529
Interest income	**22**	3	**72**	–	**1**	5	**–**	–	**95**	8
Interest expenses	**–**	–	**–**	–	**–**	(157)	**–**	–	**–**	(157)
Depreciation and amortisation for the year	**–**	–	**(2)**	(3)	**(77)**	(200)	**(65)**	(65)	**(144)**	(268)
Valuation gains on investment property	**–**	75,501	**–**	–	**–**	–	**–**	–	**–**	75,501
Fair value gain on transfer of investment properties to properties under development	**101,990**	–	**–**	–	**–**	–	**–**	–	**101,990**	–
Income tax (expense)/ credit	**–**	440	**–**	–	**(144)**	5,065	**–**	–	**(144)**	5,505

(b) Reconciliations of reportable segment revenues and profit or loss

	2009 *HK$'000*	2008 *HK$'000*
Revenue		
Reportable segment revenue	**47,112**	54,958
Elimination of inter-segment revenue	**(11,445)**	(6,425)
Consolidated turnover	**35,667**	48,533
Profit		
Reportable segment profit	**104,601**	49,529
Elimination of inter-segment profits	**(1,630)**	(725)
Reportable segment profit derived from Group's external customers	**102,971**	48,804
Other revenue and net (loss)/income	**(926)**	663
Gain on disposal of subsidiaries	**4,940**	–
Depreciation and amortisation	**(1,127)**	(1,148)
Finance costs	**(294)**	(179)
Unallocated corporate expenses	**(19,750)**	(13,850)
Consolidated profit before taxation	**85,814**	34,290

(c) Geographic information

The following table set out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Revenue from external customers	
	2009 ***HK$'000***	2008 *HK$'000*
Hong Kong (place of domicile)	**3,514**	3,793
Singapore	**32,153**	44,740
	35,667	48,533

10. TRADE AND OTHER RECEIVABLES

Trade receivables are generally granted with credit period of not more than 30 days from the date of billing.

Included in trade and other receivables are trade debtors (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**381**	342
1 to 3 months	**118**	150
More than 3 months but less than 12 months	**12**	6
	511	498

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Within 1 month	**5,433**	32
After 1 month but within 3 months	**43**	37
After 3 months but within 6 months	**38**	6
Over 6 months	**2,436**	24
	7,950	99

12. Disposal group classified as held for sale

The assets and liabilities related to Goldease Investments Limited and its subsidiaries (collectively referred to as the "Goldease Group") (part of the property development) have been presented as held for sale following the approval of the Group's management in November 2009 to sell the Goldease Group subject to certain conditions. The transaction was completed on 25 January 2010.

a) Assets of disposal group classified as held for sale

	2009	2008
	HK$'000	*HK$'000*
Property, plant and equipment	**112**	–
Inventories	**69,675**	–
Trade and other receivables	**21**	–
Cash and cash equivalents	**3,625**	–
	73,433	–

b) Liabilities of disposal group classified as held for sale

	2009	2008
	HK$'000	*HK$'000*
Amount due to controlling shareholder	**216**	–
Trade creditors	**28**	–
Other creditors and accrued charges	**188**	–
Rental and other deposits received	**424**	–
Tax payables	**430**	–
	1,286	–

(c) Cumulative income or expense recognised directly in equity relating to disposal group classified as held for sale

	2009	2008
	HK$'000	*HK$'000*
Foreign exchange translation adjustments	**9,386**	–

13. CONTINGENT ASSETS AND LIABILITIES

a) Financial guarantees issued

As at 31 December 2009, the Company issued the following guarantees:

a) The Company had given unconditional guarantees to banks to secure loan facilities made available to certain wholly-owned subsidiaries to the extent of approximately HK$284 million (2008: HK$318 million). The extent of such facilities utilized by these subsidiaries at the balance sheet date amounted to approximately HK$145 million (2008: HK$130 million).

b) The Company had given corporate guarantees to a bank for issuing letters of indemnity to third parties in respect of contracts undertaken by a wholly-owned subsidiary to the extent of approximately HK$268,000 (2008: HK$268,000).

The Company has not recognised any deferred income in respect of the above guarantees issued because the fair value of these guarantees was insignificant. As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

b) Contingent liability in respect of a claim

A subsidiary of the Company was involved in a dispute in connection with the contract for the foundation work on the redevelopment of residential properties in Hong Kong. As claimed by the contractor, the total expected additional construction costs may amount to approximately HK$16.19 million. The Company is of the view that the claim is based on unreasonable and invalid grounds and therefore unfounded. The Directors are of the view that this claim will not have a material adverse impact on the financial position of the Group. No provision has therefore been made in respect of this claim.

Except for the aforesaid, the Group and the Company did not have any material contingent liabilities as at 31 December 2009 and 2008.

BUSINESS REVIEW AND PROSPECTS

During the year, the Group continued to engage in property related business and provision of horticultural services. The decrease in turnover by 27% was mainly due to the decrease in revenue from the sale of properties of Goldease Group.

The net profit of for the year of approximately HK$85.7 million was mainly contributed by the valuation gains of approximately HK$102.0 million on the Group's properties.

As the redevelopment of THE ICON progressed, the Group devoted more resources in the management and administration of the project and operating and administrative expenses increased correspondingly.

Provisional agreements for the sale and purchase of certain units of THE ICON were entered into by the Group and independent third parties during the year. The total consideration from the disposal of these units was approximately HK$625 million. As at 31 December 2009, deposits received amounted to approximately HK$124 million. Deposits received are held for the payment of development costs and repayment of project finance before completion of the redevelopment. Balance payments of approximately HK$501 million would be received after completion of the redevelopment.

It was announced on 16 November 2009 that the Group entered into a conditional agreement with Hong Fok Corporation Limited ("HFC"), the ultimate holding company of the Company at the date of the agreement, for the disposal of the Group's entire equity interest in the Goldease Group and the amount owed by the Goldease Group to the Group for a cash consideration of approximately HK$56.4 million. The transaction was completed in January 2010. The proceeds have been applied to repay a revolving loan of the Group.

It was also announced on 16 November 2009 a rights issue of 239,241,098 shares on the basis of one rights share for every ten shares at HK$0.07 per rights share. The shares issued upon the rights issue were allotted in December 2009. The proceeds of approximately HK$16.7 million have been employed to repay a revolving loan of the Group.

The net asset value of the Group per share as at 31 December 2009 was approximately HK$0.16 (2008: HK$0.13) based on the 2,631,652,084 (2008: 2,392,410,986) shares issued. The increase was mainly due to the valuation gains on the Group's properties during the year.

The redevelopment of THE ICON is expected to be completed in 2010. The Group intends to explore more quality investment opportunities with a view to strengthening its property portfolio in order to enhance the shareholders' value.

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's monetary assets and liabilities are denominated and the Group conducts its business transactions principally in Hong Kong dollars or Singapore dollars. The Group aims to utilize the fund for transactions that are denominated in the same currency. The exchange rate risk of the Group is not considered significant, no financial instruments for hedging purpose are employed.

The Group's working capital requirements are met by committed undrawn credit facilities. The Group's banking facilities were denominated in Hong Kong dollars and Singapore dollars and arranged on a floating rate basis. The year-end gearing ratio was 35% (2008: 41%) based on bank loans less pledged bank deposits to total equity. The improvement in gearing ratio was mainly due to the valuation gains of the Group's properties.

As at 31 December 2009, the outstanding bank loans amounted approximately HK$146 million (2008: HK$130 million). Approximately HK$145 million of these loan facilities were secured by the Group's properties and bank deposits of approximately HK$487 million and approximately HK$7,000 respectively. Properties located in Singapore of approximately HK$49 million were pledged for certain of the undrawn banking facilities. The Company has provided guarantees in respect of bank facilities made available to subsidiaries totaling approximately HK$284 million (2008: HK$318 million).

The following is the maturity profile of the Group's bank borrowings as of 31 December 2009:

Within 1 year	100%

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited results of the Group for the year ended 31 December 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

CORPORATE GOVERNANCE

The Company has adopted the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules with the following deviations:

(i) Under Code A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheong Pin Chuan, Patrick is both the Chairman of the board, as well as the Group's chief executive officer ("CEO")/managing director. Given the size and that the Company's and the Group's current business operations and administration have been relatively stable and straightforward, the board is satisfied that one person is able to effectively discharge the duties of both positions. However, going forward, the board will review from time to time the need to separate the roles of the chairman and the CEO if the situation warrants it.

(ii) Under Code A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Non-executive directors of the Company are not appointed for a specific term although they are subject to retirement and rotation and re-election at the annual general meeting. Under the Company's Bye-laws and except for the chairman of the board and/or the managing director of the Company, each director is effectively appointed under a term of not more than three years.

(iii) Under Code A.4.2, every director should be subject to retirement by rotation at least once every three years. The Company's Bye-law 87(1) states that the chairman of the board and/or the managing director of the Company shall not be subject to retirement by rotation and shall not be counted in determining the number of directors to retire in each year. In the opinion of the board, the continuity of leadership role of the chairman is important for the stability of the Company and is considered beneficial to the growth of the Company. The board is of the view that the chairman should not be subject to retirement by rotation at the present time.

(iv) Under Code B.1, a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The board has not established a remuneration committee. The board conducts an informal assessment of the individual director's contribution. No director decides his or her own remuneration.

(v) Under Code C.3.3, the audit committee should have the duties to be primary responsible for making recommendation to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor.

The recommendation on the appointment, reappointment and removal of the external auditor, and to approve the remuneration of the external auditors, and any questions of resignation or dismissal of that auditor of the Company is made by the board to the audit committee for approval.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.winfoong.com). The annual report will be dispatched to the shareholders and available on the above websites in due course.

On behalf of the Board
Winfoong International Limited
Cheong Pin Chuan, Patrick
Chairman

Hong Kong, 26 February 2010

As at the date of this statement, the Board comprises (i) three executive directors, namely Messrs. Cheong Pin Chuan, Patrick, Cheong Kim Pong and Cheong Sim Eng and; (ii) one non-executive director namely Mdm. Lim Ghee; and (iii) four independent non-executive directors, namely Messrs. Lai Hing Chiu, Dominic, Kan Fook Yee, Chan Yee Hoi, Robert and Leung Wing Ning.

* *For identification purpose only*