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

(Incorporated in Bermuda with limited liability)

(Stock code: 63)

2011 INTERIM RESULTS ANNOUNCEMENT
SIX MONTHS ENDED 30 JUNE 2011

The Board of directors of Winfoong International Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		Unaudited six months ended 30 June	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**32,108**	1,552
Cost of sales		**(24,055)**	(273)
Gross profit		**8,053**	1,279
Other revenue		**396**	151
Other net loss		**–**	(680)
Operating and administrative expenses		**(16,470)**	(12,225)
Loss from operating activities		**(8,021)**	(11,475)
Gain on disposal of subsidiaries	*11*	**–**	12,461
Finance costs	*4*	**(10)**	(31)
(Loss)/profit before taxation	*5*	**(8,031)**	955
Income tax expense	*6*	**–**	–
(Loss)/profit for the period		**(8,031)**	955
Attributable to:			
Equity shareholders of the Company		**(8,031)**	955
Non-controlling interests		**–**	–
		(8,031)	955
Basic and diluted (loss)/earnings per share	*7*	**(0.31) cents**	0.04 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Note	Unaudited six months ended 30 June 2011 HK$'000	2010 HK$'000
(Loss)/profit for the period		**(8,131)**	955
Other comprehensive (expense)/income for the period (after tax and reclassification adjustments):			
Reclassification adjustments relating to foreign operations disposed of during the period (net of nil tax)	*11*	–	(9,386)
Available-for-sale securities: net movement in fair value reserve (net of nil tax)			
– changes in fair value recognised during the period		–	800
		–	(8,586)
Total comprehensive expense for the period		**(8,031)**	(7,631)
Attributable to:			
Equity shareholders of the company		**(8,031)**	(7,631)
Non-controlling interests		–	–
Total comprehensive expense for the period		**(8,031)**	(7,631)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2011

	Note	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
Non-current assets			
Fixed assets			
Investment property		**350**	350
Interests in leasehold land held for own use under finance lease		**410**	416
Other properties, plant and equipment		**1,355**	1,858
		2,115	2,624
Other financial assets		**5,050**	5,050
		7,165	7,674
Current assets			
Inventories		**257,716**	281,490
Trade and other receivables	*9*	**18,122**	24,265
Cash and cash equivalents		**154,297**	440,259
		430,135	746,014
Current liabilities			
Trade and other payables	*10*	**52,739**	360,968
Bank borrowing		**313**	441
		53,052	361,409
Net current assets		**377,083**	384,605
NET ASSETS		**384,248**	392,279
Capital and reserves			
Share capital		**131,582**	131,582
Reserves		**252,666**	260,697
Total equity attributable to equity shareholders of the Company		**384,248**	392,279
Non-controlling interests		**–**	–
TOTAL EQUITY		**384,248**	392,279

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements are unaudited, but have been reviewed by the Company's audit committee. The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements.

The preparation of interim condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim condensed consolidated financial statements contain condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim condensed consolidated financial statements as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2010 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 March 2011.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new or revised HKFRSs, which term collectively included individual HKFRSs, HKASs and Interpretations, that are first effective or available for early adoption for the current accounting period of the Group. There have been no significant changes to the accounting policies applied in these condensed interim financial statements for the periods presented as a result of these developments.

3. SEGMENT REPORTING

The Group manages its businesses by product and service types. In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented 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.

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 Company's executive directors monitor 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 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 to the Company's executive directors for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2011 and 2010 is set out below.

For the six months ended (Unaudited)	Property investment and management 2011 HK$'000	Property investment and management 2010 HK$'000	Property development 2011 HK$'000	Property development 2010 HK$'000	Horticultural services 2011 HK$'000	Horticultural services 2010 HK$'000	Total 2011 HK$'000	Total 2010 HK$'000
Revenue from external customers	**236**	128	**30,043**	–	**1,829**	1,424	**32,108**	1,552
Inter-segment revenue	**–**	–	**–**	5,373	**29**	–	**29**	5,373
Reportable segment revenue	**236**	128	**30,043**	5,373	**1,858**	1,424	**32,137**	6,925
Reportable segment profit/(loss) (adjusted EBITDA)	**170**	(829)	**1,131**	(663)	**243**	199	**1,544**	(1,293)

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

	Unaudited six months ended 30 June 2011 HK$'000	Unaudited six months ended 30 June 2010 HK$'000
Revenue		
Reportable segment revenue	**32,137**	6,925
Elimination of inter-segment revenue	**(29)**	(5,373)
Consolidated turnover	**32,108**	1,552

	Unaudited six months ended 30 June 2011 HK$'000	Unaudited six months ended 30 June 2010 HK$'000
Profit		
Reportable segment profit/(loss)	**1,544**	(1,293)
Elimination of inter-segment profit	**(29)**	(24)
Reportable segment profit/(loss) derived from group's external customers	**1,515**	(1,317)
Other revenue and net loss	**396**	(529)
Depreciation and amortisation	**(538)**	(535)
Finance costs	**(10)**	(31)
Gain on disposal of subsidiaries	**–**	12,461
Unallocated corporate expenses	**(9,394)**	(9,094)
Consolidated (loss)/profit before taxation	**(8,031)**	955

4. FINANCE COSTS

	Unaudited six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Interest on bank borrowings	**10**	406
Less: Interest expense capitalised into properties under development*	**–**	(375)
	10	31

* The borrowing costs have been capitalised at a rate of 0.86%-1.01% per annum for the six months ended 30 June 2010.

5. (LOSS)/PROFIT BEFORE TAXATION

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

	Unaudited six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Depreciation and amortisation	**538**	535
Cost of inventories	**24,055**	273
Interest income	**(354)**	(150)
Impairment loss on available-for-sale securities	**–**	680

6. INCOME TAX

	Unaudited six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**–**	–
Current tax – Singapore Income Tax		
Provision for the period	**–**	–
Deferred tax		
Origination and reversal of temporary differences	**–**	–
Income tax expense	**–**	–

No provision for Hong Kong Profits Tax and Singapore Income Tax has been made as the Group has no assessable profits arising in Hong Kong or Singapore for the six months ended 30 June 2011 and 2010.

7. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of HK$8,031,000 (2010: profit of HK$955,000) for the period and the weighted average number of approximately 2,631,652,000 (2010: 2,631,652,000) ordinary shares in issue during the period.

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as the Company does not have dilutive potential ordinary shares for the six months ended 30 June 2011 and 2010.

8. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2011 (2010: Nil).

9. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2011 ***HK$'000***	Audited 31 December 2010 *HK$'000*
Trade receivables		
Within 1 month	**266**	436
After 1 month but within 3 months	**260**	107
More than 3 months but less than 12 months	**18**	1
	544	544
Receivables for monies held by solicitor in respect of pre-sale deposits	**13,949**	19,863
Other debtors	**194**	111
Loans and receivables	**14,687**	20,518
Rental and other deposits	**1,405**	1,610
Other prepaid expenses	**2,030**	2,137
	18,122	24,265

The Group's trade receivables are due within 30 days from the date of billing.

10. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2011 *HK$'000*	Audited 31 December 2010 *HK$'000*
Trade payables		
Within 1 month	**12**	22,909
After 1 month but within 3 months	**1**	8
After 3 months but within 6 months	**–**	–
After 6 months but within 1 year	**12,500**	1
Over 1 year	**2,231**	2,719
	14,744	25,637
Retentions payable	**3,404**	3,404
Other creditors and accrued charges	**10,503**	16,545
Payable for the refund of sales deposit in respect of the cancellation of certain sales transactions	**–**	222,519
Payable for the settlement arrangements in respect of certain sales trasactions	**7,905**	56,547
Amount due to a substantial shareholder	**3,898**	6,273
Financial liabilities measured at amortised cost	**40,454**	330,925
Forward sales deposits and instalments received	**12,285**	30,043
	52,739	360,968

11. DISPOSAL OF SUBSIDIARIES

On 16 November 2009 , the Group entered into an agreement with Hong Fok Corporation Limited ("HFC"), the ultimate holding company of the Company from 1 August 2007 to 15 December 2009 and a substantial shareholder from 16 December 2009 onwards, pursuant to which the Group agreed to sell and HFC agreed to purchase the Group's interest in Goldease Investments Limited and its subsidiaries (collectively referred to as "Goldease Group") at the cash consideration of S$10,150,000 (equivalent to approximately HK$56,434,000). The transaction was completed on 25 January 2010 and resulted in a gain of approximately HK$12,461,000 on such disposal. In the opinion of the Company's directors, this transaction was conducted on normal commercial terms and in the ordinary course of the Group's business.

On 25 January 2010, the net liabilities of Goldease Group were as follows:

	HK$'000
Net liabilities disposed of:	
Property, plant and equipment	112
Properties held for sale	69,675
Trade and other receivables	21
Cash and cash equivalents	3,593
Amount due to a substantial shareholder	(216)
Trade and other payables	(114,720)
Tax payable	(430)
Bank borrowings	(20,340)
	(62,305)
Amount due from Goldease Group	114,078
Release of exchange reserve	(9,386)
	42,387
Gain on disposal	12,461
Total consideration, net of expenses	54,848
Net cash inflow arising on disposal:	
Net cash consideration	54,848
Bank balances and cash disposed of	(3,593)
	51,255

12. CONTINGENT LIABILITY IN RESPECT OF A CLAIM

As at 30 June 2011, 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 (31 December 2010: 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.

BUSINESS REVIEW

During the period, the Group continued to engage in property related businesses and provision of horticultural services. The increase in turnover was mainly due to the revenue from the sale of properties in the period.

The Group recorded loss for the period of approximately HK$ 8 million. Loss from operating activities has decreased by 30% mainly due to the gross profit from the sale of properties. The increase in operating and administrative expenses was mainly due to the professional fees incurred for the Group's development project. In the absence of the one-off gain on disposal of subsidiaries in the six months ended 30 June 2010, the Group's loss for the period would have decreased by 30%.

The Company remains confident in the Hong Kong property market, the prestigious location and the superior quality of the Group's development properties.

The net asset value of the Company per share as at 30 June 2011 was approximately HK$0.15 (31 December 2010: HK$0.15) based on the 2,631,652,084 shares issued.

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 Company'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. The exchange rate risk of the Group is not considered significant, no financial instruments for hedging purpose are employed.

As at 30 June 2011, the outstanding bank loan amounted approximately HK$0.3 million (31 December 2010: HK$0.4 million). This bank facility was denominated in Hong Kong dollars and arranged on a floating rate basis. The end of period gearing ratio was 0% (31 December 2010: 0%) based on bank borrowings to total equity. The Group's working capital requirements are funded by bank deposits.

The following is the maturity profile for the Group's bank borrowing as of 30 June 2011:

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 period.

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:

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.

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, 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.

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.

Under Code B.1, a remuneration committee should be established 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.

Under Code C.3.3, the audit committee should have the duties to be primarily 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 INTERIM 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 interim report will be dispatched to the shareholders and available on the same websites in due course.

By Order of the Board
Winfoong International Limited
Cheong Pin Chuan, Patrick
Chairman

Hong Kong, 12 August 2011

As at the date of this statement, the Board comprises (i) four executive directors, namely Messrs. Cheong Pin Chuan, Patrick, Cheong Kim Pong, Cheong Sim Eng and Ms. Cheong Hooi Kheng and; (ii) three independent non-executive directors, namely Messrs. Chan Yee Hoi, Robert, Leung Wing Ning and Kwik Sam Aik.

* *For identification purposes only*