UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2003

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to ________________

Commission file number 333-62786

Canadian Rockport Homes International, Inc.

(Exact name of registrant as specified in its charter)

700 West Pender Street, Suite 507
Vancouver, B.C. Canada V6C 1G8
(604) 669-1081
(Address of principal executive office & telephone number)

Delaware	98-0354610
(State of incorporation)	(IRS Employer Identification #)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value $.001 per share

[X] Check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days.

[ ] Check if disclosure of delinquent filers in response to Item 405 of Regulation SK is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The common stock of Canadian Rockport Homes International, Inc. is not currently listed on any securities exchange, or quoted on any quotation service. There is currently no established public market for the common stock of Canadian Rockport Homes International, Inc.

At April 29, 2004 the aggregate market value of the issued and outstanding common shares held by non-affiliates of the registrant, as computed based upon the price at which the common equity was sold, was $3,953,848.

The number of shares outstanding of the registrant's common stock as of April 29, 2004 was 15,783,826.

Documents Incorporated by Reference

No (1) annual report to security holders; (2) proxy or information statement; or (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933; are incorporated by reference into any part of this Form 10-K.

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Part I

Business

Canadian Rockport Homes International, Inc. ("the "Company") is a Delaware corporation, which was formed on January 10, 1996 under the name Lenz Products, Inc.

In February 2001, the Company acquired all of the outstanding shares of Canadian Rockport Homes Ltd. ("CRH"), a British Columbia corporation, in exchange for 11,300,000 shares of common stock. Shortly thereafter, the corporate name was changed from Lenz Products, Inc. to Canadian Rockport Homes International, Inc. Canadian Rockport Homes International, Inc. has not generated any revenue to date and continues as a development stage corporation.

Also in February 2001, the Company acquired all of the intellectual properties owned by TWiC Housing Corporation, relating to the TWiC system for the construction of houses. In exchange for the assets acquired, the Company issued 2,000,000 shares of its common stock. TWiC is wholly owned by a shareholder and director of the Company. The Company valued the assets purchased, including patents pertaining to the TWiC System at an estimated historical cost of $10,057.

Canadian Rockport Homes International, Inc. (the Company), during fiscal year 2001 formed a subsidiary in Chile under the name Rockport Homes Chile Limitada ("RCHL"). The Chilean subsidiary was formed to enable the Company to conduct operations in Chile. In 2003, all of its assets of RCHL were transferred to RT.

During 2002, the Company acquired certain assets of 598546 BC LTD, which included 100% of the outstanding shares of Rockport Trading Limitada, a Chilean corporation, formerly Maderas Doradas Canadienses, S.A. (“RT”). At the time of its acquisition, RT had no operations. During the year, the Company sold all of the assets of RT except for the acquired building and land.

Canadian Rockport Homes International, Inc. currently has three (3) subsidiaries; Canadian Rockport Homes Ltd. (CRH), Rockport Homes Chile Limitada ("RHCL"), and Rockport Trading Limitada (“RT”). CRH is a corporation formed under the laws of British Columbia, Canada and is wholly owned by Canadian Rockport Homes International, Inc. In addition, Canadian Rockport Homes International, Inc. is a 1% owner of RHCL, with the remaining 99% owned by CHR. In 2003, the Company transferred all of its assets in RHCL to RT. It is the Company’s intention for RT to own all assets in Chile, including its manufacturing facility in Lampa, Chile. The Company’s liability on the rental of its former plant located in Quilicura has been extinguished in 2004 through the dissolution of Rockport Homes Chile Limitada.

Canadian Rockport Homes International, Inc., through its subsidiaries, intends to manufacture and sell modular housing in various third-world and developing countries primarily in South America, Asia, Mexico, Africa and Eastern Europe. Currently the Company has an agreement with TWiC to construct a manufacturing facility in Chile in which the Company plans to manufacture modular housing. The Company, through its purchase of R.T., is currently building a plant on its land located in Lampa, Chile. The Company is currently negotiating a joint venture to commence the manufacturing of homes in Mexico. There is no assurance that the joint venture will be consummated or that the venture, if consummated, will be profitable.

Description of Business.

Canadian Rockport Homes International, Inc. is in the development stage with plans to manufacture and construct low cost concrete modular housing in developing nations and third-world countries. The Company's business is based upon its exclusive ownership of the TWiC technology which has been developed in Canada over the past thirty years by TWiC Housing Corp. Canadian Rockport Homes International, Inc. is in the process of constructing its manufacturing facility in Lampa, Chile where initial operations will commence. It is the Company's intent to complete the plant by September 2004, barring financial restraints. The estimated cost to complete the plant is $500,000. The Company is in the process of raising the funds necessary to fund the completion of the plant. However, if the amounts raised are deficient, then Management plans to finance the remaining balance needed using the property as collateral against the amount financed. The TWiC technology meets Canadian and U.S. construction standards, using an inexpensive, rapid, and consistent method of construction and application. The construction technology is applicable to low, middle, and high-end housing, as well as single homes, duplexes, row houses, multi-story buildings, hotels, schools and warehouses. However, initial product offerings will focus only on affordable housing and there is no assurance that the Company will create other residential or commercial product lines in the future.

Patents

The TWiC technology bears the United States Patent No. 5,997,792 and was filed on December 7, 1999. At present, the patent is effective and there are no pending challenges. However, United States patents are not recognized in many countries. The Company has filed patent applications in Chile, and China which are still pending.

Operations in Chile

Canadian Rockport Homes International, Inc. intends to conduct initial operations in Chile, through RT. RT is currently constructing a facility on its land located in Lampa, Chile which will house the manufacturing of the TWiC modular units. Canadian Rockport Homes International has also made initial contact with various potential Chilean customers and currently has 16 Chilean employees working on the construction of the plant and two employees working in the Company's Chilean office. Due to treaties between Canada and Chile, there is "free trade" between the two countries. There is currently no taxation on any profits which are invested in Chile or in RT. There is a 15% flat tax on profits moved from Chile into Canada, but due to a treaty between Canada and Chile, there is no double taxation on any repatriated profits.

Patents and Proprietary Rights

The company is relying heavily upon its use of the TWiC technology successfully to carry out its plan of operations. Thus, the company has purchased TWiC technology which is patented and is taking reasonable steps to protect the technology from being copied by any third party. The U.S. Patent number is 5,997,792 and was filed on December 7, 1999

Employees

The Company currently has five (5) employees working in its Canadian office and 18 employees working in Chile as discussed above. Further, the Company's President is providing services to the Company and is being paid through his wholly owned Corporation. The Company anticipates needing to recruit, train and manage local staff and other personnel in each third world country into which Canadian Rockport Homes International, Inc. expands, on an as needed basis.

Properties

The Company currently leases office space at 700 West Pender Street, Suites 507, Vancouver, B.C., Canada V6C 1G8. The company, through RT owns 2.5 acres of land located in Lampa, Chile where it is now building its manufacturing plant which will be utilized as offices and plant facilities in its Chilean operations. The plant and adjacent pad on which a gantry sits will utilize 50% of the acreage. Currently additional space in Chile is leased on a month-to-month basis from which its Chilean operations are currently housed.

Legal Proceedings

Canadian Rockport Homes International, Inc. has never been in bankruptcy, receivership or any similar legal proceeding, and is not subject to any pending legal proceedings. Canadian Rockport Homes International, Inc. is not aware of any threatened legal proceedings. The foregoing is also true with respect to each officer, director and control shareholder as well as any entity owned by any officer, director and control shareholder, over the last five years.

Submission of Matters to a Vote of Security Holders

None during the period ended December 31, 2003.

Market for Common Equity and Related Stockholder Matters

Market Information

The common stock of Canadian Rockport Homes International, Inc. is not currently listed on any securities exchange, or quoted on any quotation service. There is currently no established public market for the common stock of Canadian Rockport Homes International, Inc.

Holders

Canadian Rockport Homes International, Inc. has approximately 15,677,896 shares of common stock outstanding as of December 31, 2003. Canadian Rockport Homes International, Inc. has approximately 2,382 shareholders. Canadian Rockport Homes International, Inc. has outstanding at December 31, 2003 stock options for 2,200,000 shares.

A schedule of options outstanding as of December 31, 2003 is as follows:

Exercise Price	Options Outstanding	Terms
$2.00	850,000 (a)	Exercisable 8 months after Company's common stock begins publicly trading
$2.00	1,300,000 (b)	Currently exercisable through October 31, 2005
$5.00	50,000 (c)	Exercisable 8 months after Company's common stock begins publicly trading
	2,200,000	

a) Of the 850,000 options outstanding, the following officers and related parties hold the following:

William Malone	100,000 options
Ryan Malone	100,000 options
Nelson Riis	100,000 options
Harry Gordon	50,000 options
Carol Laeser	100,000 options

b) Of the 1,300,000 options outstanding, the following officers and related parties hold the following:

William Malone	200,000 options
Ryan Malone	200,000 options
Nelson Riis	200,000 options
Harry Gordon	100,000 options
Carol Laeser	200,000 options

Dividend Policy

Canadian Rockport Homes International, Inc. has never paid dividends on its common stock and does not anticipate paying any dividends in the foreseeable future. Management anticipates that earnings will be retained to fund the company's working capital needs and expansion of the business.

Securities authorized for issuance under equity compensation plan

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation plans approved by security holders	-	-	-
Equity Compensation plans Not approved by Security holders	2,200,000	$2.11	-

Recent Sales of Unregistered Securities

During 2002, the company issued 173,738 shares of its common stock through a private offering in exchange for $870,353. In addition, the Company issued 200,000 shares in exchange for certain assets of 598546 BC LTD. The shares of stock were issued in transactions we believe to be exempt from registration under Section 4(2) of the Securities Act,, The recipients of our stock were accredited investors as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act, and they took their shares for investment purposes without a view to distribution. Furthermore, they had access to information concerning our Company and our business prospects; there was no general solicitation or advertising for the purchase of our shares; and the securities are restricted pursuant to Rule 144.

During 2003, the Company issued 248,978 shares of its common stock through a private offering in exchange for $1,241,748. In addition, during the year, the Company issued 9,462 shares for consulting services valued at $47,310. The shares of stock were issued in transactions we believe to be exempt from registration under Section 4(2) of the Securities Act,, The recipients of our stock were accredited investors as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act, and they took their shares for investment purposes without a view to distribution. Furthermore, they had access to information concerning our Company and our business prospects; there was no general solicitation or advertising for the purchase of our shares; and the securities are restricted pursuant to Rule 144.

For the period from January 1, 2004 through April 29, 2004, the Company issued 105,355 shares of its common stock through a private offering in exchange for $526,775, issued 1,175 shares for consulting services valued at $5,875, and purchased 600 shares of its common stock from a shareholder for $3,000. The 600 shares were subsequently cancelled. The shares of stock were issued in transactions we believe to be exempt from registration under Section 4(2) of the Securities Act,, The recipients of our stock were accredited investors as defined in Rule 501 of Regulation D promulgated under Section 4(2) of the Securities Act, and they took their shares for investment purposes without a view to distribution. Furthermore, they had access to information concerning our Company and our business prospects; there was no general solicitation or advertising for the purchase of our shares; and the securities are restricted pursuant to Rule 144.

Selected Financial Data

Canadian Rockport Homes International, Inc. is a development stage company and has not yet commenced operations in connection with the manufacture and construction of modular concrete housing units in Chile. The company has been involved in preparing for the commencement of operations and the raising of funds for the commencement of operations, including preparation and build-out of a manufacturing facility in Lampa, Chile where initial operations may commence. The provided selected financial data is derived from the consolidated financial statements of Canadian Rockport Homes International, Inc. and its predecessors for the periods shown.

	December 31,				From Inception (March 27, 1997) to December 31,
	2000	2001	2002	2003	2003
Income	$ -	$ -	$ -	$ -	$ -
Operating Expenses	(249,942)	(1,479,268)	(2,042,819)	(3,317,394)	(7,199,856)
Other income (expenses)	57	3,621	(27,686)	(28,917)	(52,925)
Net loss	(249,835)	(1,475,647)	(2,070,505)	(3,346,311)	(7,252,781)
Basic Loss Per Share	$ (3.42)	$ (.10)	$ (0.14)	$ (0.11)	
Assets					
Current Assets					
Cash	$ 524,039	$ 223,823	$ 181,331	$ 143,718	
Receivables	-	-	-	5,736	
Prepaid Expenses	6,313	500	500	1,792	
Property and Equipment - Net	60,635	121,721	509,424	485,371	
Construction in Progress	-	486,667	692,479	937,645	
Other Assets					
Deferred lease expense	- 59,469	11,894	11,894	-	
Patent and intellectual properties	-	10,981	10,341	9,758	
Deferred offering costs	25,000	-	-	-	
Total Assets	$ 615,987	$ 903,161	$ 1,405,969	$ 1,584,020	
Long-Term Debt	-	-	1,970	7,697	

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion does not purport to be complete and should be read in conjunction with the Financial Statements and Notes thereto included in this report. This discussion contains certain forward-looking statements that involve substantial risks and uncertainties. When used in this report the words “anticipate,” believe,” “estimate,” “expect” and similar expressions as they relate to our management or us are intended to identify such forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Historical operating results are not necessarily indicative of the trends in operating results for any future period.

Results of Operations

For the fiscal year ending December 31, 2003 and 2002:

During the fiscal year ending December 31, 2003, the company was still in the construction phase of its plant in Lampa, Chile and has not generated any revenue since its inception. For 2003, the Company incurred a net operating loss of $3,346,311 as compared to its net operating loss in 2002 of $2,070,505. The $1,275,806 net increase in 2003’s net operating loss primarily relates to the charge to operations of the fair value of options granted to employees and consultants and a reduction in general and administrative expenses. The net increase in the amount of compensation relating to the granting of options in 2003 compared to 2002 was $1,949,207 ($2,282,874 in 2003 compared to $333,667 in 2002). The net decrease in general and administrative expense in 2003 as compared to 2002 was $(286,271) ($1,034,520 in 2003 and $1,320,791 in 2002).

The decrease in 2003 general and administrative expenses over 2002 expenses pertains to decreased legal and accounting expenses of $(63,669) ($72,341 in 2003 as compared to $136,010 in 2002), increased advertising of $19,817 ($38,729 in 2003 compared to $18,912 in 2002) decreased rent of $(393,384) ($103,522 in 2003 as compared to $496,906 in 2002), increased travel of $42,359 ($90,114 in 2003 as compared to $47,755 in 2002), an increase in salaries, benefits and other officer compensation of $111,751 ($378,113 in 2003 compared to $266,362), a decrease in consulting fees of $(37,561) ($125,653 in 2003 compared to $163,214 in 2002)

During 2003, the Company’s president and another employee began providing services to the Company through their wholly owned corporations. The compensation paid to these corporations totaling $63,794 is included in total 2003 compensation of $378,113. Legal and accounting fees incurred in 2003 relate to normal business activity, whereas in 2002, the Company was involved in filing its registration statement in Canada. Increased salaries and related compensation relates to an increase in number of employees in 2003 as compared to 2002.

Of the general and administrative expenses amounting to $1,034,520 incurred in 2003, $233,785 relates to the Company’s Chilean operations and $800,735 was incurred in the Company’s Canadian operations.

The Company incurred interest expense of $29,102 during 2003, the majority of which relates to interest accrued on a $65,657 demand loan borrowed from the two shareholders (See Note 6 to the financial statements).

For the fiscal year ending December 31, 2002 and 2001:

During the fiscal year ending December 31, 2002, the company was still in the construction phase of its plant in Chile and has not generated any revenue since its inception. For 2002, the Company incurred a net operating loss of $2,070,505 as compared to its net operating loss in 2001 of $1,475,647. The $594,858 net increase in 2002's net operating loss primarily relates to the loss that the Company incurred on the disposal of timber and a truss plant that it received in the acquisition of Rockport Trading Limitada.. On the sale of these assets, the Company received net proceeds of $211,639. The allocation of the purchase price allocated to the assets sold totaled $570,000, thus resulting in a net loss on the disposal of these assets of $358,361. Rockport Trading was acquired through the issuance of 200,000 shares of the Company's common stock valued at $5.00 per share. In addition to the assets sold and resulting loss, the Company also charged off to operations $30,000 that was allocated to goodwill in the purchase and had increased general and administrative expenses in 2002 over 2001 of $238,856.

The increase in 2002 general and administrative expenses over 2001 expenses pertained to increased legal and accounting expenses of $104,884 ($136,010 in 2002 as compared to $31,126 in 2001), and rent $128,347 ($496,906 in 2002 as compared to $368,559). Increased professional fees in 2002 pertain to legal fees incurred in the preparation and filing of the Company's Canadian registration statement which were charged to operations. Whereas in 2001, the cost to prepare the Company's United States registration statement was charged to equity as an offset against the proceeds received on the sell of Company's common stock. Rent increase in 2002 was the result of leasing additional space in Vancouver and the fact that 2002 operations included a full year of rent on the leasing if the Company's Chilean plant as compared to including only nine-month's of rent on the plant in 2001.

Administrative expenses for 2002 were $1,320,791 as compared to $1,081,985 incurred in 2001. Of the $1,320,791 incurred in 2002, $695,079 relates to the Company's Chilean operations and $625,712 was incurred in the Company's Canadian operations. Of the $1,081,985 incurred in 2001, $545,453 relates to the Company's Chilean operations and $536,532 was incurred in the Company's Canadian operations.

The Company incurred interest expense of $28,063 during 2002, the majority of which relates to interest accrued on a $54,656 demand loan borrowed from the two shareholders (See Note 6 to the financial statements).

Chilean Operations

During 2003, the Company incurred no rental expense on its Chilean plant as compared to $423,139 incurred in 2002. Rent on an apartment maintained by the Company amounted to $12,528 in 2003 as compared to $12,726 incurred during 2002. Compensation and related expenses incurred during 2003 amounted to $107,069 as compared to $113,536, which was incurred during 2002. During 2003 the Company incurred $10,284 in legal and accounting fees as compared to $20,108 incurred during 2002. Depreciation expense on the Company's Chilean assets during 2003 amounted to $11,881 as compared to $22,193 incurred during 2002. Travel expenses incurred during 2003 amounted to $11,786 as compared to $26,849 incurred in 2002.

During 2002, the Company incurred $423,139 in the rental of its Chilean plant as compared to $316,670 for 2001. Rent on an apartment maintained by the Company amounted to $12,726 in 2002 as compared to $11,409 incurred during 2001. Compensation and related expenses incurred during 2002 amounted to $113,536 as compared to $103,581, which was incurred during 2001. During 2002 the Company incurred $20,108 in legal and accounting fees as compared to $18,207 incurred during 2001. Depreciation expense on the Company's Chilean assets during 2002 amounted to $22,193 as compared to $16,954 incurred during 2001. Travel expenses incurred during 2002 amounted to $26,849 as compared to $67,959 incurred in 2001.

Canadian Operations

Salaries, other compensation, and related costs for 2003 amounted to $283,126 as compared to $235,447 during 2002. Included in the $283,126 is $63,794, which was incurred for services rendered to the Company by its president and a former employee through their wholly owned corporations. Consulting fees during 2003 amounted to $65,804 as compared to $51,968 for 2002. Rent expense for 2003 amounted to $79,100 as compared to $51,968 for 2002. Advertising and promotion for 2003 amounted to $35,935 as compared to $18,912 for 2002. Legal and accounting fees charged to operations 2003 amounted to $61,255 as compared to $120,209 for 2002. Depreciation expense for 2003 amounted to $23,881 as compared to $24,967 for 2002. Telephone expense for 2003 amounted to $18,679 as compared to $16,205 for 2002. Office expense for 2003 amounted to $16,651 as compared to $16,356 for 2002.

Salaries and related costs for 2002 amounted to $235,447 as compared to $252,397 during 2001. Consulting fees during 2002 amounted to $51,968 as compared to $62,807 for 2001. Rent expense for 2002 amounted to $51,968 as compared to $40,481 for 2001. The increase in rent in 2002 relates to the Company's leasing of an additional office space. Advertising and promotion for 2002 amounted to $18,912 as compared to $18,647 for 2001. Legal and accounting fees charged to operations 2002 amounted to $120,209 as compared to $10,817 for 2001. Depreciation expense for 2002 amounted to $17,967 as compared to $10,013 for 2001. Telephone expense for 2002 amounted to $16,205 as compared to $12,078 for 2001. Office expense for 2002 amounted to $16,356 as compared to $19,355 for the same period last year.

Liquidity and Capital Resources

During the fiscal year ending December 31, 2003, the company received proceeds of $1,241,748 through the sale of its common stock, $252 from proceeds on an insurance claim and $1,841 from its President. Of the amount received in 2003, $947,843 was used in operations, $224,653 was used in the construction of the Company's gantry, display home, and plant, $9,375 was used to purchase furniture and equipment, $105,738 was used in the stock offerings, $1,296 was used as principal reduction in capital lease obligation, and 238 was repaid to the Company's President. Balance of cash and cash equivalents as of December 31, 2003 was $143,718; which was a decrease in cash of $37,613 for the fiscal year.

During the fiscal year ending December 31, 2002, the company received proceeds of $870,353 through the sale of its common stock. The Company also received loans from shareholders amounting to $70,268 and also received $211,639 from the sale of its truss plant and timber. The net difference between advances to and repayments from Dr. Malone in 2002 amounted to $1,001. Of the amount received in 2002, $941,009 was used in operations, $205,812 was used in the construction of the Company's molds and related plant, $24,401 was used to purchase furniture and equipment, $10,867 was used in the stock offerings, and $10,000 was used to acquire 5,000 shares of Company stock from a shareholder. Balance of cash and cash equivalents as of December 31, 2002 was $181,331; which was a decrease in cash and cash equivalents of $42,492 for the fiscal year.

Critical Accounting Policies

The discussion and analysis of the Company's financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. In consultation with its Board of Directors, the Company have identified two accounting policies that it believes are key to an understanding of its financial statements. These are important accounting policies that require management's most difficult, subjective judgments.

The first critical accounting policy relates to the accounting for costs incurred in the construction of the Company's molds and related plant. All costs incurred in the construction of molds and plant are capitalized until completion. The molds will be depreciated over their respective lives. The costs incurred in the construction of the plant, will be depreciated over the lesser of the useful life of the plant or the term of the lease of the building housing the respective assets (if applicable).

The second critical accounting policy relates to expense recognition. All expenses are recognized at the time the respective expense was incurred.

Quantitative and Qualitative Disclosures About Market Risk

Canadian Rockport Homes International, Inc. may be subject to market risk in the form of interest rate risk and foreign currency risk. Canadian Rockport Homes International, Inc. is a development stage company with limited operations to date, and neither interest rate nor foreign currency has had a material impact on such operations.

The company's exposure to interest rate changes primarily may be as related to long-term debt used to fund future property acquisitions. Management's objective is to limit any impact of interest rate changes and may include any borrowing to be negotiated at fixed rates. Although interest rate changes have had no material affect on operations to date, management must continually evaluate such rates as manufacturing operations commence, corporate profitability is achieved, and expansion is being considered. The company may also establish lines of credit through traditional banking venues to insure liquidity during future periods of growth, and may consider fixed or variable rate bank lines consistent with any fluctuation of interest rates at the time of such growth.

The company's exposure to foreign currency exchange requires continuing management attention to the stability of the countries in which operations may be planned, as well as trade relations between the selected country(s) and Canada. Both trade relations and stability as pursuant to planned operations in Chile are currently favorable. Canadian Rockport Homes International, Inc. will continue to comprehensively evaluate conditions in countries where operations are in place and where future operations are planned, and will take any measures feasible at the time to minimize foreign currency risk. Such measures may include, but are not limited to; a reduction in operations or relocating a portion of operations to a more favorable environment.

Canadian Rockport Homes International, Inc.

(A Development Stage Company)

Financial Statements and Supplementary Data

Contents

Independent Auditors' Report

Board of Directors
Canadian Rockport Homes International, Inc.
Vancouver, British Columbia

We have audited the accompanying consolidated balance sheets of Canadian Rockport Homes International, Inc., (A Development Stage Company) as of December 31, 2002 and 2003, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows, for the years ended December 31, 2001, 2002, and 2003 and for the period from the Company's inception (May 27, 1997) through December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Canadian Rockport Homes International, Inc. as of December 31, 2002 and 2003, and the results of its operations, and its cash flows for the years ended December 31, 2001, 2002, and 2003, and for the period from Company's inception (May 27, 1997) through December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 11 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency, which raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 11. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jonathon P. Reuben, CPA
An Accountancy Corporation
Torrance, California
April 28, 2004
(June 10, 2004 as to Note 3b)

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Balance Sheets

	December 31, 2002 (Restated)	December 31, 2003
Assets		
Current Assets		
Cash and cash equivalents	$ 181,331	$ 143,718
Employee advance	-	2,317
Loan receivable – related party	-	2,492
Receivable – other	-	927
Prepaid expenses	500	1,792
Total current assets	181,831	151,246
Property and Equipment		
Land	400,000	400,000
Trucks	23,773	28,957
Furniture and equipment	160,137	183,887
Property held under capital leases	3,303	12,094
Leasehold improvements	-	1,570
	587,213	626,508
Less accumulated depreciation	(77,789)	(141,137)
	509,424	485,371
Construction in progress	692,479	937,645
Total property and equipment - net	1,201,903	1,423,016
Other Assets		
Deferred lease expense	11,894	-
Intangible assets subject to amortization:		
Patents	10,341	9,758
Total other assets	22,235	9,758
Total Assets	$ 1,405,969	$ 1,584,020

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Balance Sheets

	December 31 2002 (Restated)	December 31 2003
Liabilities and Stockholders' Equity		
Current Liabilities		
Rent payable	$ 283,985	$ 290,366
Legal fees payable	94,105	133,412
Trade payables	-	9,102
Payroll taxes payable	3,457	2,645
Loans payable – related party	2,117	-
Loans payable - other	15,612	15,612
Current maturities of obligation under capital leases	653	2,539
Current maturities of long-term debt	80,771	113,450
Total Current Liabilities	480,700	567,126
Long-term debt and obligations under capital leases	1,970	7,697
Total liabilities	482,670	574,823
Stockholders' Equity		
Common Stock, $.001 par value, authorized 100,000,000 shares; issued and outstanding 15,418,856 shares as of December 31, 2002, and 15,677,896 shares as of December 31, 2003	15,419	15,678
Additional paid-in capital	4,815,431	8,237,056
Deficit accumulated during the development stage	(3,906,470)	(7,252,781)
Other comprehensive loss	(1,081)	9,244
Total Stockholders' Equity	923,299	1,009,197
Total Liabilities and Stockholders' Equity	$ 1,405,969	$ 1,584,020

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statements of Operations and Accumulated Deficit

	For the Year Ended December 31 2001 (Restated)	For the Year Ended December 31 2002 (Restated)	2003	From Inception March 27, 1997 Through December 31, 2003
Income	$ -	$ -	$ -	$ -
Operating Expenses				
General and administrative expenses	(1,081,935)	(1,320,791)	(1,034,520)	(3,797,621)
Compensation and consulting expense incurred on option grants	(397,333)	(333,667)	(2,282,874)	(3,013,874)
Loss on disposition of assets	-	(358,361)	-	(358,361)
Loss on impairment of goodwill	-	(30,000)	-	(30,000)
Loss from Operations	(1,479,268)	(2,042,819)	(3,317,394)	(7,199,856)
Other Income (Expenses)				
Interest income	3,621	377	185	4,240
Interest expense	-	(28,063)	(29,102)	(57,165)
Net Loss Before Income Taxes	(1,475,647)	(2,070,505)	(3,346,311)	(7,252,781)
Income Taxes	-	-	-	-
Net Loss	$ (1,475,647)	$ (2,070,505)	$ (3,346,311)	$ (7,252,781)
Basic and Diluted Loss Per Share	$ (0.10)	$ (0.14)	$ (0.22)	
Weighted Average Common Shares Outstanding	14,703,371	15,227,781	15,539,728	

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statements of Comprehensive (Loss)

	For the Year Ended December 31, 2001 (Restated)	2002 (Restated)	2003	From Inception March 27, 1997 Through December 31, 2003
Net Income	$ (1,475,647)	$ (2,070,505)	$ (3,346,311)	$ (7,252,781)
Other comprehensive income				
Foreign currency translation adjustment	1,201	(1,515)	10,325	9,244
Net comprehensive loss	$ (1,474,446)	$ (2,072,020)	$ (3,335,986)	$ (7,243,537)

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statement of Stockholders' Equity (Deficit)
From The Company's Inception (March 27, 1997) Through December 31, 2003

	Unit Price	Transaction Date	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deficit Accumulated During Development Stage	Stock Subscription Receivable	Equity Adjustment Foreign Currency Translation
Shares issued on organizing company	$ 0.00	03/27/97	5,816,675	$ 5,817	(4,817)	$ (1,050)	-	-
Adjustments to give effect to recapitalization on February 15, 2001			1,135,186	1,135	(1,135)	-		
Net Loss from the company's inception (March 27, 1997) through December 31, 1997			-	-	-	-	-	-
Balance - December 31, 1997			6,951,861	$ 6,952	(5,952)	$ (1,050)	-	-
Net loss for the year ended December 31, 1998			-	-		(96,259)	-	773
Balance - December 31, 1998			6,951,861	$ 6,952	(5,952)	(97,309)	-	773
Shares issued for cash	$ 21.49	06/30/99	791	1	16,999	-	-	-
Shares issued for cash	$ 0.09	06/30/99	791,000	791	72,409	-	65,000	-
Net loss for year ended December 31, 1999			-	-	-	(13,174)	-	(1,483)
Balance - December 31, 1999			7,743,652	7,744	83,456	(110,483)	65000	(710)
Shares issued in cancellation of indebtedness	$ 0.01	02/10/00	847,500	848	6,153	-	-	-
Shares issued for service (at estimated value of services rendered)	$ 0.01	02/10/00	113,000	113	887	-	-	-
Shares issued for cash	$ 0.16	02/14/00	339,000	339	53,898	-	-	-
Shares issued for cash	$ 0.16	02/14/00	339,000	339	53,898	-	-	-
Shares issued in cancellation of indebtedness	$ 0.06	02/15/00	56,500	57	3,444	-	-	-
Shares issued for cash	$ 0.16	03/02/00	282,500	283	44,916	-	-	-
Shares issued for cash	$ 0.26	03/03/00	141,250	141	36,017	-	-	-
Shares issued in cancellation of indebtedness	$ 0.07	03/08/00	56,500	57	3,844	-	-	-
Shares issued in cancellation of indebtedness	$ 0.53	03/08/00	56,500	57	29,944	-	-	-
Shares issued for services (at estimated value of services rendered)	$ 0.09	03/08/00	113,000	113	9,887	-	-	-
Shares issued for cash	$ 0.16	03/28/00	113,000	113	17,966	-	-	-
Shares returned to company and cancelled	$ 31.61	04/13/00	(791)	(1)	(24,999)	-	-	-
Cash received on subscription		09/26/00	-	-	-	-	(10,000)	-
Shares issued for cash	$ 0.20	10/05/00	226,000	226	44,972	-	-	-
Shares issued for cash	$ 0.32	10/05/00	141,250	141	45,057	-	-	-
Shares issued in cancellation of indebtedness	$ 1.06	10/25/00	28,250	28	29,972	-	-	-
Shares issued for services (at estimated value of services rendered)	$ 0.09	10/25/00	28,250	28	2,472	-	-	-
Shares issued for cash	$ 0.32	10/27/00	226,00	226	72,090	-	-	-
Shares issued for cash	$ 0.16	10/30/00	197,750	198	31,440	-	-	-
Cash received on subscription			-	-	-		(20,000)	
Shares issued for cash	$ 0.32	10/31/00	56,500	57	18,023	-	-	-
Shares issued for cash	$ 0.32	10/31/00	56,500	57	18,023	-	-	-
Shares issued for cash	$ 0.32	11/01/00	16,950	17	5,407	-	-	-
Shares issued for cash	$ 0.32	11/02/00	28,250	28	9,012	-	-	-
Shares issued for cash	$ 0.32	11/02/00	28,250	28	9,012	-	-	-
Shares issued for cash	$ 0.32	11/02/00	113,000	113	36,045	-	-	-
Shares issued for cash	$ 0.32	11/06/00	113,000	113	36,045	-	-	-

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statement of Stockholders' Equity (Deficit)
From The Company's Inception (March 27, 1997) Through December 31, 2003
(continuation)

	Unit Price	Transaction Date	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deficit Accumulated During Development Stage	Stock Subscription Receivable	Equity Adjustment Foreign Currency Translation
Shares issued for cash	$ 0.16	11/09/00	113,000	113	17,966	-	-	-
Shares issued for cash	$ 0.32	11/10/00	56,500	57	18,023	-	-	-
Shares issued for cash	$ 0.32	11/14/00	113,000	113	36,045	-	-	-
Cash received on subscription		11/21/00	-	-	-	-	(20,000)	-
Shares issued for cash	$ 0.32	11/24/00	56,500	57	18,023	-	-	-
Shares issued for cash	$ 0.48	11/30/00	94,129	94	45,104	-	-	-
Shares issued for services (at estimated value of services rendered)	$ 0.53	11/30/00	18,871	19	9,981	-	-	-
Shares issued for cash	$ 0.25	12/06/00	522,625	523	129,647	-	-	-
Cash received on subscription		12/24/00	-	-	-	-	(15,000)	-
Net loss for the year ended December 31, 2000			-	-	-	(249,835)	-	(57)
Balance - December 31, 2000			12,435,186	$ 12,435	951,665	$ (360,318)	-	(767)
Shares issued for cash	$ 40.00	01/02/01	150	-	6,000			
Shares issued to TWiC Housing Corporation as partial consideration for manufacturing costs of molds and other plant equipment	$ 2.00	01/10/01	100,000	100	199,900	-	-	-
Shares issued to TWiC Housing Corporation in consideration for patents and other intellectual properties	$ 0.01	02/15/01	2,000,000	2,000	8,057	-	-	-
Shares issued for cash through private placement offering	$ 2.00		427,513	428	854,598	-	-	-
Shares issued for cash through private placement offering	$ 3.00		1,000	1	2,999	-	-	-
Shares issued for cash through private placement offering	$ 5.00		86,269	86	431,259	-	-	-
Cost incurred in offerings			-	-	(219,164)	-	-	-
Compensation expense from stock option grants					397,333			
Net loss for the year ended December 31, 2001 - Restated			-	-	-	(1,475,647)	-	1,201
Balance - December 31, 2001			15,050,118	$ 15,050	2,632,647	$ (1,835,965)	-	434
Shares issued for cash through private placement offering	$ 5.00		173,738	174	870,179	-	-	-
Shares returned to treasury and cancelled	$ 2.00		(5,000)	(5)	(9,995)	-	-	-
Shares issued in purchase of 598546 B.C., Ltd.	$ 5.00		200,000	200	999,800	-	-	-
Cost incurred in offerings			-	-	(10,867)	-	-	-
Compensation expense from stock option grants					333,667			
Net loss for the year ended December 31, 2002 - Restated			-	-	-	(2,070,505)	-	(1,515)
Balance - December 31, 2002			15,418,856	15,419	4,815,431	(3,906,470)	-	(1,081)

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statement of Stockholders' Equity (Deficit)
From The Company's Inception (March 27, 1997) Through December 31, 2003
(continuation)

	Unit Price	Transaction Date	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deficit Accumulated During Development Stage	Stock Subscription Receivable	Equity Adjustment Foreign Currency Translation
Shares issued for cash through private placement offering	$ 5.00		248,978	249	1,241,499	-	-	-
Shares issued for marketing services (at estimated value of services rendered)	$ 5.00		600	1	2,999			
Shares issued for services rendered in connection with the Company's private placement offering (at estimated value of services rendered)	$ 5.00		9,462	9	(9)	-	-	-
Cost incurred in offerings			-	-	(105,738)	-	-	-
Compensation expense from stock option grants					2,282,874			
Net loss for the year ended December 31, 2003			-	-	-	(3,346,311)	-	10,325
Balance - December 31, 2003			15,677,896	$ 15,678	$ 8,237,056	$ (7,252,781)	$ -	$ 9,244

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2001 (Restated)	2002 (Restated)	2003	From Inception March 27, 1997 Through December 31, 2003
Cash Flows from Operating Activities				
Net Loss	$(1,475,647)	$(2,070,505)	$ (3,346,311)	$ (7,252,781)
Adjustments to reconcile net loss to net cash used in operating activities:				
Issuance of common stock for services	-	-	3,000	16,500
Issuance of common stock in company's organization				1,000
Compensation recognized on stock option grants	397,333	333,667	2,282,874	3,013,874
Loss on disposition of assets	-	358,361	388	358,749
Loss on impairment of goodwill	-	30,000	-	30,000
Accrued interest	-	27,242	27,918	55,160
Depreciation and amortization	29,887	40,804	50,336	132,507
(Increase) Decrease in Assets				
(Increase) decrease in prepaid expenses	(53,656)	47,574	10,687	(1,800)
(Increase) in other assets			(3,091)	(3,091)
Increase (Decrease in Liabilities				
Increase in trade and other payables	51,114	291,848	26,356	374,279
Net cash used in operating activities	(1,050,969)	(941,009)	(947,843)	(3,275,603)
Cash Flows from Investing Activities				
Net proceeds on sale of timber and truss plant	-	211,639	-	211,639
Insurance proceeds on equipment theft			252	252
Acquisition of equipment and other property	(380,600)	(230,213)	(234,028)	(917,238)
Net cash used in investing activities	(380,600)	(18,574)	(233,776)	(705,347)
Cash Flows from Financing Activities				
Gross proceeds from private offerings	1,295,371	870,353	1,241,748	4,307,672
Costs incurred in stock offerings	(160,569)	(10,867)	(105,738)	(302,174)
Officer advances	-	103,826	1,841	129,810
Proceeds from loans	-	70,268	-	144,668
Repayments on officer loans	(6,686)	(102,825)	(238)	(127,382)
Principal reduction on obligation under capital leases	-	(420)	(1,296)	(1,716)
Purchase of treasury stock	-	(10,000)	-	(35,000)
Net cash provided by financing activities	1,128,116	920,335	1,136,317	4,115,878
Effect of exchange rates on cash	3,237	(3,244)	7,689	8,790
Net Increase (Decrease) in Cash and Cash Equivalents	(300,216)	(42,492)	(37,613)	143,718
Beginning Balance - Cash and Cash Equivalents	524,039	223,823	181,331	-
Ending Balance - Cash and Cash Equivalents	$ 223,823	$ 181,331	$ 143,718	$ 143,718

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)

Statements of Cash Flows

Supplemental Information:

Non-cash Investing and Financing Activities:

During 2001, the Company issued 2,000,000 shares of its common stock in exchange for patents and other intellectual properties. The property was acquired from a related party and were valued at the seller's cost basis of $10,057.

During 2001, the Company issued 100,000 shares of its common stock as partial payment towards the manufacturing costs of molds and other plant equipment. The issued shares were valued at $200,000.

During 2002, the Company issued 200,000 shares of its common stock in exchange for substantially all of the assets of 598546 B.C. Ltd. The Company valued the assets received at $1,000,000, the estimated fair market value of the shares issued. Subsequent to the acquisition, the Company sold all of the timber and a truss plant received from 598546 B.C. and recognized a loss of $358,361 on the sale. In addition, the Company charged $30,000 allocated to goodwill in the purchase to operations.

During 2003, the Company issued 9,462 shares of its common stock for services rendered in connection with its private offerings. The services were valued at $47,310, the estimated value of the shares issued.

During 2003, the Company acquired computer equipment through capitalized leases. The price of the leased equipment amounted to $8,003.

Cash Paid For:

	For the Year Ended December 31			From Inception March 27, 1997 Through
	2001	2002	2003	December 31, 2003
Interest Expense	$ -	$ 821	$ 1,184	$ 2,005
Income Taxes	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

Canadian Rockport Homes International, Inc.
(A Development Stage Company)
Notes To Consolidated Financial Statements

Note 1 - Business Activities and Related Risks

Canadian Rockport Homes International, Inc. (the "Company") was incorporated in Delaware on January 10, 1996 under the name, Lenz Products, Inc. The Company changed its name to Canadian Rockport Homes International, Inc. in early 2001.

The Company is in the development stage as defined in FASB Statement 7 and currently has plans to manufacture and erect low cost concrete modular buildings. The Company has not paid any dividends and dividends, which may be paid in the future, will depend on the financial requirements of the Company and other relevant factors.

In February 2001, the Company acquired all of the outstanding shares of Canadian Rockport Homes, Ltd., ("CRH") a company incorporated in the Province of British Columbia on March 26, 1997, in exchange for issuing 11,300,000 of its common stock. For financial reporting purposes, the acquisition was treated as a reverse acquisition whereby CRH's operations continue to be reported as if it had actually been the acquirer. Assets and liabilities continue to be reported at the Acquiree's historical cost because before the reverse acquisition, the Company had nominal assets, liabilities and operations.

The Company also formed a subsidiary in 2001 in Chile under the name Rockport Homes Chile Limitada ("RHCL"). The Company and CRH are the sole shareholder's of this Chilean company.

In 2002, the Company acquired certain assets of 598546 BC Ltd., which included 100% of the outstanding shares of Rockport Trading Limitada, a Chilean corporation, formerly Maderas Doradas Canadienses, S.A. ("RT"). At the time of its acquisition, RT had no operations. During the year, the Company sold all of the assets of RT except for the acquired building and land. (See Note 3).

The Company maintains all of its cash deposits at two banks, one in Canada and one in Chile. The Company's bank accounts are not insured.

Note 2 – Summary of Significant Accounting Policies

a. Principles of consolidation

The accompanying consolidated financial statements include the accounts and transactions of Canadian Rockport Homes International, Inc. and its wholly owned subsidiaries, Canadian Rockport Homes, Ltd. Rockport Homes Chile Limitada and Rockport Trading, Limitada Intercompany transactions and balances have been eliminated in consolidation.

b. Foreign Currency Translations

For foreign operations whose functional currency is the local foreign currency, balance sheet accounts are translated at exchange rates in effect at the end of the year and income statement accounts are translated at average exchange rates for the year. Translation gains and losses are included as a separate component of stockholders' equity.

c. Property and Equipment

The cost of property and equipment is depreciated over the estimated useful lives of the related assets that range from 3 to 7 years. Depreciation is computed on the straight-line method for financial reporting purposes and for income tax reporting purposes. Depreciation expense for 2001, 2002, and 2003 was $29,397, $40,160, and $49,667 respectively.

d. Intangible assets

Patents received from TWiC are being amortized over their respective remaining lives ranging from 11 to18 years. Amortization expense for 2001, 2002 and 2003 was $490, $644, and $669, respectively. Intangible assets consist of the following:

December 31, 2001

		Gross Intangible Assets		Accumulated Amortization		Net Intangible Assets	Weighted Average Life (Years)
Patents	$	11,471	$	490	$	10,981	18

December 31, 2002

		Gross Intangible Assets		Accumulated Amortization		Net Intangible Assets	Weighted Average Life (Years)
Patents	$	11,474	$	1,133	$	10,341	17

December 31, 2003

		Gross Intangible Assets		Accumulated Amortization		Net Intangible Assets	Weighted Average Life (Years)
Patents	$	11,568	$	1,810	$	9,758	17

Estimated amortization expense for each of the next five years ended December 31, is as follows:

2004	$	669
2005		669
2006		669
2007		669
2008		669
Total	$	3,345

e. Net Loss Per Share

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" ("EPS") that established standards for the computation, presentation and disclosure of earnings per share, replacing the presentation of Primary EPS with a presentation of basic and anti-diluted EPS. For 2001, 2002, and 2003, common stock equivalents are anti-dilutive and, accordingly, basic and diluted earnings per share are the same amount.

f. Issuances Involving Non-cash Consideration

All issuances of the Company's stock for non-cash consideration have been assigned a dollar amount equaling either the market value of the shares issued or the value of consideration received whichever is more readily determinable. Issuance of options to purchase common stock have been valued using Black-Scholles. The majority of the non-cash consideration received pertains to services rendered by consultants and others.

g. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

h. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

i. Income Taxes

The Company accounts for its income taxes under the provisions of Statement of Financial Accounting Standards 109 ("SFAS 109"). The method of accounting for income taxes under SFAS 109 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

j. Fair Value of Financial Instruments

Pursuant to SFAS No. 107, "Disclosures About Fair Value of Financial Instruments", the Company is required to estimate the fair value of all financial instruments included on its balance sheets as of December 31, 2002 and December 31, 2003. The Company considers the carrying value of such amounts in the consolidated financial statements to approximate their face value.

k. Reclassification

Certain amounts in December 31, 2002 have been reclassified to conform to the December 31, 2003's presentation. Such reclassification had no effect on net loss as previously reported.

l. New Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" (an interpretation of Accounting Research Bulletin (ARB) No. 51, Consolidated Financial Statements). Interpretation 46 addresses consolidation by business enterprises of entities to which the usual condition of consolidation described in ARB-51 does not apply. The Interpretation changes the criteria by which one company includes another entity in its consolidated financial statements. The general requirement to consolidate under ARB-51 is based on the presumption that an enterprise's financial statements should include all of the entities in which it has a controlling financial interest (i.e., majority voting interest). Interpretation 46 requires a variable interest entity to be consolidated by a company that does not have a majority voting interest, but nevertheless, is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. A company that consolidates a variable interest entity is called the primary beneficiary of that entity. In December 2003 the FASB concluded to revise certain elements of FIN 46, primarily to clarify the required accounting for interests in variable interest entities. FIN-46R replaces FIN-46, that was issued in January 2003. FIN-46R exempts certain entities from its requirements and provides for special effective dates for entities that have fully or partially applied FIN-46 as of December 24, 2003. In certain situations, entities have the option of applying or continuing to apply FIN-46 for a short period of time before applying FIN-46R. In general, for all entities that were previously considered special purpose entities, FIN 46 should be applied in periods ending after December 15, 2003. Otherwise, FIN 46 is to be applied for registrants who file under Regulation SX in periods ending after March 15, 2004, and for registrants who file under Regulation SB, in periods ending after December 15, 2004. The Company does not expect the adoption to have a material impact on the Company's financial position or results of operations.

In December 2003, the FASB issued a revised SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" which replaces the previously issued Statement. The revised Statement increases the existing disclosures for defined benefit pension plans and other defined benefit postretirement plans. However, it does not change the measurement or recognition of those plans as required under SFAS No. 87, "Employers' Accounting for Pensions," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," and SFAS No. 106,"Employers' Accounting for Postretirement Benefits Other Than Pensions." Specifically, the revised Statement requires companies to provide additional disclosures about pension plan assets, benefit obligations, cash flows, and benefit costs of defined benefit pension plans and other defined benefit postretirement plans. Also, companies are required to provide a breakdown of plan assets by category, such as debt, equity and real estate, and to provide certain expected rates of return and target allocation percentages for these asset categories. The Company has implemented this pronouncement and has concluded that the adoption has no material impact to the financial statements.

During April 2003, the FASB issued SFAS 149 - "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," effective for contracts entered into or modified after June 30, 2003, except as stated below and for hedging relationships designated after June 30, 2003. In addition, except as stated below, all provisions of this Statement should be applied prospectively. The provisions of this Statement that relate to Statement 133 Implementation Issues that have been effective for fiscal quarters that began prior to June 15, 2003, should continue to be applied in accordance with their respective effective dates. In addition, paragraphs 7(a) and 23(a), which relate to forward purchases or sales of when issued securities or other securities that do not yet exist, should be applied to both existing contracts and new contracts entered into after June 30, 2003. The Company has implemented this pronouncement and has concluded that the adoption has no material impact to the financial statements.

During May 2003, the FASB issued SFAS 150 - "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for public entities at the beginning of the first interim period beginning after June 15, 2003. This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a freestanding financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. Some of the provisions of this Statement are consistent with the current definition of liabilities in FASB Concepts Statement No. 6, Elements of Financial Statements. The Company has implemented this pronouncement and has concluded that the adoption has no material impact to the financial statements.

Note 3 – Related Party Transactions

a. On February 5, 2001, the Company acquired all of the intellectual properties owned by TWiC Housing Corporation relating to the TWiC system for the construction of houses. Included in the assets acquired were the patents pertaining to the TWiC System. In exchange for the assets acquired, the Company issued 2,000,000 shares of its common stock. Under the terms of the purchase agreement, the shares issued have restricted covenants as to when the shares are free to sell or transfer. TWiC's is wholly owned by Harry Gordon, a shareholder and director of the Company. The Company valued the assets purchased at their estimated historical cost of $10,057. The Company is amortizing the purchase price over 18 years, the remaining life of the related patents.

   Pursuant to the purchase agreement, the Company guaranteed that the market price of the shares received by TWiC will exceed $2.50 Canadian within four years from the commencement date of trading. If the shares do not reach such a price within the period, the Company will issue sufficient additional shares in order that the total number of shares issued multiplied by the highest market price of the stock during the four year period equals $5,000,000 Canadian.

b. On January 10, 2001, the Company entered into an agreement with TWiC for the manufacturing of 32 molds and the supply of the services required to construct the Company's Chilean plant. For these molds and services, the Company agreed to pay $1,600,000 consisting of $1,400,000 cash, and 100,000 shares of common stock valued at $2.00 per share. Under the terms of the agreement the Company is to make a $300,000 down payment and pay the remainder of the balance due in progressive draws. During the year ended December 31, 2001 , the Company paid $285,000 and issued the 100,000 shares of its common stock. The $485,000 has been included in construction in progress. No payments were made in 2002. Total amounts paid towards this agreement in 2003 were $10,315.

   On June 9, 2004, this agreement was concluded and the Company and TWiC each released each other from any further obligations that they had under it.

c. The Company and its President have made advances and repayments to each other. These advances are non-interest bearing and due upon demand. The balance due the President by the Company as of December 31, 2002 was $2,117. The balance due the Company by its President as of December 31, 2003 was $2,492.

d. Acquisition of Rockport Trading Limitada

In June 2002, the Company consummated its acquisition of certain assets of 598546 B.C. Ltd in exchange for 200,000 shares of its common stock. The price allocated to the assets acquired was based upon the market value of the shares issued of $5.00 per share. The assets acquired and their respective allocated values are as follows:

Land	$ 400,000
Land & building	120,000
Timber	450,000
Goodwill	30,000
	$1,000,000

The timber was sold during the second quarter of 2002 for $131,329, net selling expenses resulting in a loss from the sale of $318,671. The land and building were sold during the third quarter of 2002 for $80,310, net of selling expenses resulting in a loss of $39,690.

The Company deemed the goodwill acquired to be impaired and charged the full amount to operations during the fourth quarter of 2002,

598546 B.C. Ltd. is owned by a shareholder of the Company.

Note 4 - Income Taxes

The Company is in the development stage and incurred net operating losses, therefore no provisions for income taxes have been established. As of December 31, 2003, the Company's net operating losses totaled $7,252,781, which expire in various years through 2023.

An allowance has been provided that reduced the tax benefits accrued by the Company for these operating losses to zero as it cannot be determined when, or if, the tax benefits derived from these losses will materialize.

Note 5 - Issuances of Common Stock

During the year ended December 31, 2002, the Company issued 173,738 shares of its common stock through a private offering in exchange for $870,353. In addition, the Company issued 200,000 shares of its common stock in exchange for certain assets of 598546 BC LTD (see Note 6)

During the year ended December 31, 2003, the Company issued 248,978 shares of its common stock through a private offering in exchange for $1,241,748. In addition, the Company issued 9,462 shares of common stock to various consultants relating to the Company's private offering, The services were valued at $47,310, the estimated value of the shares issued for the services rendered, and were charged against the offering proceeds received. In addition, in 2003, the Company issued 600 shares to a consultant for marketing services. The services were valued at $3,000, the estimated value of the shares issued for the services rendered.

Note 6 - Payable to Shareholders

In April 2002, two shareholders advanced $65,657, to the Company evidenced by two promissory notes that are assessed interest at an annual rate of 8%. The notes are due on demand. Under the terms of the notes, the Company is also required to issue 5,000 shares of its common stock to each lender at the time of repayment. The Company is imputing interest on the shares to be issued at a price of $5.00 per share. The imputed interest is being charged to operations ratably over a one-year period, which Management believes to be the length of time that the loans will be outstanding. Interest charged to operations for 2002 and 2003 was $27,242 and $14,353.

Note 7 - Leases

The Company is a lessee of computer equipment under capital leases expiring through August 28, 2007. The equipment and respective liabilities under these leases have been recorded at the fair value of the equipment and are being amortized over the estimated useful life of the equipment. Amortization of equipment under the capital leases is included in depreciation expense.

Following is a summary of the property held under the capital lease:

	2002	2003
Computer equipment	$ 3,033	$12,094
Less: accumulated amortization	(505)	(2,404)
	$ 2,528	$ 9,690

Minimum future lease payments under the capital lease over its remaining life is as follows:

2004	$ 4,545
2005	4,545
2006	3,440
2007	2,053
	14,583
Less imputed interest	(4,347)
Present value of net minimum lease payments	$10,236

On March 7, 2001, the Company entered into an agreement for the lease of certain real property in Chile where the Company plans to build its plant. The lease is for twenty-four months commencing April 7, 2001. The monthly rent is $31,297. At the maturity of the lease, the Company has the option to acquire the property for $4,580,000. The Company paid $95,151 in commission and legal fees pertaining to the lease that have been capitalized and are being amortized over life of the lease. The balance due on this lease as of December 31, 2003 amounts to $283,985. The Company has not made any payments towards this obligation since April 2002 and is in default under the terms of the lease agreement.

In addition, the Company leases its Vancouver, B.C. office on a long-term lease expiring on December 31, 2006.

Future minimum lease commitments pertaining to this lease expire as follows:

December 31, 2004	$32,680
December 31, 2005	32,680
December 31, 2006	32,680
Total future minimum lease payments	$98,040

Note 8 - Investment in Unconsolidated Joint Venture

On August 20, 2003, the Company entered into an agreement with Urrutia Conus & Asociados ("SerCon") to form a joint venture under the name of Inmoboiliaria y Construcciones Ser-Con Rockport ("ICSR"). Each party has a 50% ownership interest in the joint venture. The joint venture was formed for the purpose of building and selling houses using the technology of the Company. Under the agreement SerCon is responsible for the construction of each property's foundation, patio, carport, utility hook-up, and fences. The Company is responsible for the manufacturing of the dwellings.

For 2003, the Company incurred a net loss in the joint venture equal to its total investment amounting to $6,288. The Company terminated the joint venture in 2003.

Note 9 - Stock Options

In 2001, the Company granted to certain employees, directors and consultants, options to acquire 1,150, 000 shares of the Company's common stock at a price of $2.00 per share of which 150,000 options were forfeited during the year, The options are exercisable eight months after the commencement of the Company's stock trading publicly for a period of two years.. In the event that the eight-month period ends after January 1, 2003, the expiration date of the options extend to the first business day after the eight-month period expires.. As of December 31, 2003, the Company's common stock has yet to commence trading.

In 2003, the Company granted to certain employees, directors, and consultants, options to acquire 1,300,000 shares of the Company's common stock at a price of $2.00 per share. The options are exercisable through October 31, 2005; however, if the Company commences a second public offering, the options are not exercisable during the period from 60 days before the commencement of the pubic offering through 60 days after the commencement of the public offering. In 2003, 150,000 options were forfeited.

Also in 2003, the Company granted an option to an employee to purchase 50,000 shares of its common stock at a price of $5.00 per share. The options are exercisable eight months after the Company begins trading its shares publicly and must be exercised within two years once vested.

In 2003, the Company adopted the fair value method of accounting for its stock based compensation pursuant to FASB Statement 123. Prior to the adoption of FASB 123, the Company used the intrinsic value method under APB Opinion 25.

In the change from APB 25 to FASB 123, the Company restated its losses from operations in 2001 and 2002 to reflect the application of FASB 123. A reconciliation of the restated net loss and basic loss per share for 2001 and 2002 is as follows:

	2001	2002
Net loss as originally reported	$ (1,078,314)	$ (1,736,838)
Compensation on stock option grants, net of related tax effects	(397,333)	(333,667)
Net loss as restated	$ (1,475,647)	$ (2,070,505)
Basic loss per share as originally reported	$ (.07)	$ (.11)
Compensation on stock option gains	(.03)	(.03)
Basic loss per share - as restated	$ (.10)	$ (.14)

The following is a summary of the outstanding options:

	Number of Shares	Weighted Average Exercise Price
Outstanding – December 31, 2001	1,000,000	$ 2.00
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding – December 31, 2002	1,000,000	2.00
Granted	1,350,000	2.11
Exercised	-	-
Forfeited	150,000)	(2.00)
Outstanding – December 31, 2003	2,2,000	$ 2.11

Average fair value for options granted February 2001 (Exercise price $2.00 per share)	$ .42
Average fair value for options granted November 2001 (Exercise price $5.00 per share)	$ 3.11
Average fair value for options granted October 2003 (Exercise price $2.00 per share)	$ 3.09
Average fair value for options granted December 2003 (Exercise price $5.00 per share)	$ 1.16

The following is a summary of the status of fixed options outstanding at December 31, 2003:

Outstanding Options			Exercisable Options		
Exercise Price	Number	Weighted Average Exercise Price	Exercise Price	Number	Weighted Average Exercise Price
$2 - $5	2,200,000	$2.11	$2	1,100,000	$2

The assumptions used in determining the fair value of options granted are as follows:

	2001	2003
Weighted average risk-free interest rate	3.75%	1.5%
Weighted average expected life	1.2 years	2.75 years
Expected volatility	30%	30%
Expected dividends	0	0

Note 10. Segment Reporting

Currently, the Company has only one principal reportable segment, its Chilean operation, which is still in the construction phase. The Company's corporate offices are located in Vancouver, B.C. A schedule reflecting the application of costs and expenses for the years ended December 31, 2001, 2002 and 2003 on a geographical basis for the two facilities is as follows:

2001

Chilean operations	$ (630,430)
Corporate offices	(845,217)
Net operating loss	$ (1,475,647)

2002

Chilean operations	$ (1,398,645)
Corporate offices	(671,860)
Net operating loss	$ (2,070,505)

2003

Chilean operations	$ (233,785)
Corporate offices	(3,112,526)
Net operating loss	$ (3,346,311)

Company assets at December 31, 2002 and 2003 are located as follows:

2002

Chilean operations	$ 1,134,663
Corporate offices	271,306
Total assets	$ 1,405,969

2003

Chilean operations	$ 1,390,245
Corporate offices	193,775
Total assets	$ 1,584,020

Note 11 – Basis of Presentation and Going Concern

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the Company as a going concern. However, the Company has sustained operating losses since its inception (March 27, 1997). In addition, the Company has used substantial amounts of working capital in its operations. Further, at December 31, 2003, current liabilities exceed current assets by approximately $416,000 and the deficit accumulated during the development stage amounted to approximately $7,250,000.

In view of these matters, realization of a major portion of the assets in the accompanying consolidated balance sheet is dependent upon the Company's ability to meet its financing requirements, and the success of its future operations. Management continues to raise funds through private offerings and is still seeking manufacturing contracts. Management believes that these sources of funds and current liquid assets will allow the Company to continue as a going concern. However, no assurances can be made that current or anticipated sources of funds will enable the Company to finance future periods' operations.

Note 12 – Subsequent Events

For the period from January 1, 2004 through April 29, 2004, the Company issued 105,355 shares of its common stock through a private offering in exchange for $526,775, issued 1,175 shares for consulting services valued at $5,875, and purchased 600 shares of its common stock from a shareholder for $3,000. The 600 shares were subsequently cancelled.

On April 27, 2004, the Company acknowledged indebtedness to a consultant in the amount of $57,700. This obligation is payable to the consultant either from the Company's first commercial financing or upon the commencement of production. On June 9, 2004, the construction agreement with TWiC was concluded and the Company and TWiC each released each other from any further obligations the construction agreement. In the original agreement, the Company was obligated to pay TWiC a total of $1,600,000 of which $200,000 was paid thorugh the issuance of 100,000 shares of the Company's common stock and the remaining balance of $1,400,000 to be paid in cash. Through June 10, 2004, the Company paid in cash a total of approximately $319,000, and is released from paying any further amounts under the contract.

Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

There have been no disagreements between Canadian Rockport Homes International, Inc. and its independent accountants on any matter of accounting principles or practices or financial statement disclosure. There have been no changes in Canadian Rockport Homes International, Inc. accountants.

Controls and Procedures

Canadian Rockport Homes International, Inc. management, including the Principal Executive Officer and Principal Financial Officer, have conducted an evaluation of the effectiveness of disclosure controls and procedures pursuant to Exchange Act Rule 13a-14(c) and 15d-14(c). This evaluation was conducted within 90 days prior to the filing of this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this annual report has been made known to them in a timely fashion. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date the Principal Executive Officer and Principal Financial Officer completed their evaluation.

Directors and Executive Officers of the Registrant

Canadian Rockport Homes International, Inc. directors and principal executive officers are as follows:

Name	Age	Position
Nelson Riis	62	Director
Dr. William R. Malone	63	President ,CEO, Chairman of the Board of Directors
Harry Gordon	77	Secretary and Director
Carol Laeser	45	CFO and Director

Canadian Rockport Homes Ltd. directors, principal executive officers and key employees are:

Name	Age	Position
Dr. William R. Malone	63	President, CEO, and Director
Nelson Riis	62	Vice President of investor and government relations, Director
Kenneth Olson	42	Vice-President of Manufacturing
Harry Gordon	77	Secretary, Treasurer, Vice President of Engineering and Design, and Director
Donald Belsby	64	Director
Bernard G. Smith	55	Director
Ryan Malone	32	Director

Rockport Homes Chile Limitada directors and principal officers are, as follows:

Name	Age	Position
Dr. William R. Malone	63	President, Secretary, Treasurer and Director

Rockport Trading Limitada directors and principal officers are, as follows:

Dr. William R. Malone	63	President, Secretary, Treasurer and Director

Mr. Nelson Riis is a former Member of Parliament of Canada who had served for over twenty (20) years. He has served on several committees and boards overseeing the regulation and review of Canadian Federal and International Banking Institutions, governmental fiscal and monetary policy. Most recently, he sat on the Industry Committee responsible for small and medium sized business, competition policy and productivity. He has traveled extensively and has established an extensive network of worldwide business contacts. Mr. Riis graduated from the University of British Columbia ("UBC") receiving a Bachelor of Education in 1965. Thereafter, Mr. Riis received his Masters Degree from UBC in Urban Geography in 1970.

Dr. William R. Malone has been involved in the health and real estate industries since 1967. By pursuing acquisitions of underutilized property and engaging in construction systems designed to maximize property use and value, Dr. Malone has obtained experience with the basic economic, legal and financial principles, which affect world real estate markets. Dr. Malone has held senior positions in a variety of sectors within the commercial and residential real estate fields including President and CEO of Country Supreme Estates and President of Thoroughbred Properties Inc. Dr. Malone was also President of Zenith Energy, Inc., an oil and gas company that drilled 200 wells in the U.S. and traded on the NASD OTC market.

Mr. Harry Gordon, as a structural engineer, mechanical engineer, and heating and ventilating designer, has worked with Trans-Canada Airlines, C.D. Howe Company, Consolidated Mining and Smelting, and H.A. Simons Ltd. Mr. Gordon established H. Gordon Engineering Limited in 1965, supplying services to the forestry industry and the construction industry, primarily in the commercial and residential fields. The largest single contract undertaken by this firm was the design of site, services and structures for a large pulp and paper mill in Nigeria. Other assignments included four ship loader tower designs for installations on the Western Coast of Canadian and United States and on Richards Bay, South Africa. Mr. Gordon initiated development of thin-wall-in-concrete housing modules and obtained first patents in the name of Formete Structures Ltd. Since the disbanding of his engineering firm in 1990, he has accepted structural assignments and continues development and engineering on the thin-wall-in-concrete module as president of TWiC Housing Corp., responsible for development and structural engineering.

Mr. Donald P. Belsby. For the past eight years, Mr. Belsby has held the position of President of Belsby Farms, along with being the Chairman of the Board of Belsby Farms. The farm activities include over 11,000 acres of wheat, barley, peas and oat farming. The other acreage is used for cattle, bison, lumbering and developing small parcels for sale. He is also the Chairman of Canyon Crest Hunting Club, Inc., a hunting ranch that entertains over 250 hunters a year.

Ms. Laeser spent four years at the University of British Columbia where she took business and accounting courses. Ms. Laeser has more than fourteen years of business experience working with accounting firms as well as running her accounting business. Her responsibilities included budget preparations, minimizing taxes, supervising accounting systems, creating monthly financial statements and being part of a strategic goal setting team. Ms. Laeser present duties are CFO. She is also developing Rockport's own Web service that will connect the various plants to the Corporate Headquarters in Vancouver. This system will also assist in our quality control and security requirements.

Mr. R. Malone has many years' hands on supervisory experience in the communication/construction business in overseas and North America projects. Present duties include execution of all Sales contracts including arranging schedules for production, construction, delivery of housing, Recruitment, as well as management of all project management staff.

Ken Olsen, B.Sc. (Eng), MBA, is a member of the CRH Board of Directors and CRH's Vice-President, Manufacturing. Mr. Olsen holds a degree in Mechanical Engineering and an Masters of Business Administration from the University of Saskatchewan. Mr. Olsen has sixteen (16) years of progressive professional experience with both small and large manufacturing companies including ten (10) years with Nortel Networks. Mr. Olsen has developed particular expertise in the areas of Operations Management, Supply Chain Management, Quality Management, People Leadership, and New Product Introduction. Mr. Olsen is a member of Mensa Canada.

The board of directors has determined that for the purpose of and pursuant to the instructions of item 401(e) of regulation S-K titled Audit Committee Financial Expert, Carol Laeser possesses the attributes of an Audit committee financial expert. Carol Laeser is a board member. Carol Laeser is not independent as defined by item 401(e)(ii) of regulation S-K. She receives compensation for services as the CFO of the company.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires the company's directors and officers, and persons who own more than ten-percent (10%) of the company's common stock, to file with the Securities and Exchange Commission reports of ownership on Form 3 and reports of change in ownership on Forms 4 and 5. Such officers, directors and ten-percent stockholders are also required to furnish the company with copies of all Section 16(a) reports they file. Based solely on its review of the copies of such forms received by the company and on written representations from certain reporting persons, the company believes that all Section 16(a) reports applicable to its officers, directors and ten-percent stockholders with respect to the fiscal year ended December 31, 2003 were filed.

Code of Ethics

The board of directors has adopted a code of ethics that applies to its senior officers such as the principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. This code of ethics is included as an exhibit to this annual report

Executive Compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options SARS(#)	LTIP Payouts	All Other Comp-sation
William	2003	$32,000	$ --	$39,100(1)	$ --	200,000(3)	$ --	$ --
Malone, CEO	2002	$60,000	$ --	$ --	$ --	--	$ --	$ --
Director	2001	$60,000	$ --	$ --	$ --	100,000(2)	$ --	$ --
Nelson Riis	2003	$46,800	$ --	$24,700(1)	$ --	200,000(3)	$ --	$ --
Director	2002	$60,000	$ --	$ --	$ --	--	$ --	$ --
	2001	$60,000	$ --	$ --	$ --	100,000(2)	$ --	$ --
Carol Laeser	2003	$50,800	$ --	$ --	$ --	200,000(3)	$ --	$ --
CFO,	2002	$38,500	$ --	$ --	$ --	--	$ --	$ --
Director	2001	$39,000	$ --	$ --	$ --	100,000(2)	$ --	$ --
Harry Gordon	2003	$ --	$ --	$ --	$ --	100,000(3)	$ --	$ --
Director	2002	$ --	$ --	$ --	$ --	--	$ --	$ --
	2001	$ --	$ --	$ --	$ --	50,000(2)	$ --	$ --
Ryon Malone	2003	$50,800	$ --	$ --	$ --	200,000(3)	$ --	$ --
Director	2002	$38,500	$ --	$ --	$ --	--	$ --	$ --
Of CRHZL	2001	$39,000	$ --	$ --	$ --	100,000(2)	$ --	$ --
Kenneth Olson	2003	$3,300	$ --	$ --	$ --	50,000 (4)	$ --	$ --
VP Marketing	2002	$ --	$ --	$ --	$ --	--	$ --	$ --
and Director	2001	$ --	$ --	$ --	$ --	--	$ --	$ --
Of CRHL								

All amounts reflected above are in United States currency.

1) Amounts paid to the respective executive's wholly owned corporation for services rendered by them through the corporation.
2) Options to acquire 100,000 shares of common stock at $2.00 per share exercisable eights months after Canadian Rockport Homes International's common stock is trading publicly.
3) Options to acquire 200,000 shares of common stock at $2.00 per share currently exercisable through October 31, 2005.
4) Options to acquire 50,000 shares of common stock at $5.00 per share exercisable eights months after Canadian Rockport Homes International's common stock is trading publicly.

Security Ownership of Certain Beneficial Owners and Management

The following tables set forth certain information regarding the beneficial ownership of our common stock as of December 31, 2003, by each person or entity known to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and named executive officers, each of the directors and named executive officers of CRH, each of the directors and executive officers of RHCL, and our subsidiary CRH's directors and named executive officers and all directors and executive officers of our company as a group.

Security Ownership of Certain Beneficial Owners

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common Stock	TWiC Housing Corp. #309-7600 Moffat, Richmond, B.C. Canada, V6Y 3Y1	2,100,000	12
Common Stock	Ray and Terry Villigas 7601 Pecos Drive Sloughouse, California 95683 U.S.A.	900,611	5
Common Stock	Nelson Riis 700 West Pender, Suite 507 Vancouver, BC V6C 1G8	1,898,248	11
Common Stock	Ryan Malone 201-2182 W. 2nd Avenue Vancouver, B.C. Canada V6K 1H6	1,841,329	10
Common Stock	Donald Belsby 2902 Belsby Road Cheney, WA 99004 U.S.A.	840,570	5
Common Stock	Bernard Smith Box 45 Caslan, Alberta Canada, TOA ORO	1,841,209	10

Notes:

a) The above percentage s assumes 2,200,000 stock options have been exercised as of December 31, 2003

b) Harry Gordon and his family, through their ownership in Hamor Investments Ltd., have a 33 1/3% ownership interest in TWiC Housing Corp. Thus Mr. Gordon and his family own an approximate 33 1/3% interest in the 2,100,000 shares of CRHI's Common Stock.

Security Ownership by Management of the Company, CRH and RHCL.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common Stock	William Malone	300,000 options	
Common Stock	Nelson Riis #11-1555 Summit Drive, Kamloops, B.C. Canada V2E 1E9	1,898,248 300,000 options	11
Common Stock	Ryon Malone 201-2182 West 2nd Avenue Vancouver, B.C. Canada, V6K 1H6	1,841,329 300,000 options	10
Common Stock	Bernard Smith Box 45 Caslan, Alberta Canada, TOA ORO	1,841,209	10
Common Stock	Harry Gordon #309-7600 Moffat Richmond, B.C. Canada V6Y 3Y1	150,000 options	
Common Stock	Donald P. Belsby 2902 Belsby Road Cheny, Washington 99004 U.S.A.	870,570	5
Common Stock	Directors and Officers (As A Group)	6,451,356 (Not Including Options)	36

Notes:

a) Percentage of Class assumes all 2,200,000 stock options have been exercised.

b) Mr. Riis' wife owns an additional 60,040 shares of the company's common stock.

c) Mr. Belby's immediate family member Anne Belsby owns an additional 4,503 shares.

Certain Relationships and Related Transactions

a. On February 5, 2001, the Company acquired all of the intellectual properties owned by TWiC Housing Corporation relating to the TWiC system for the construction of houses. Included in the assets acquired were the patents pertaining to the TWiC System. In exchange for the assets acquired, the Company issued 2,000,000 shares of its common stock. Under the terms of the purchase agreement, the shares issued have restricted covenants as to when the shares are free to sell or transfer. TWiC is wholly owned by Harry Gordon, a shareholder and director of the Company. The Company valued the assets purchased at their estimated historical cost of $10,057. The Company is amortizing the purchase price over 18 years, the remaining life of the related patent.

   Pursuant to the purchase agreement, the Company guaranteed that the market price of the shares received by TWiC will exceed $2.50 Canadian within four years from the commencement date of trading. If the shares do not reach such a price within the period, the Company will issue sufficient additional shares in order that the total number of shares issued multiplied by the highest market price of the stock during the four year period equals $5,000,000 Canadian.

b. On January 10, 2001, the Company entered into an agreement with TWiC for the manufacturing of 32 molds and the supply of the services required to construct the Company's Chilean plant. For these molds and services, the Company agreed to pay $1,600,000 consisting of $1,400,000 cash, and 100,000 shares of common stock valued at $2.00 per share. Under the terms of the agreement the Company is to make a $300,000 down payment and pay the remainder of the balance due in progressive draws. During the year ended December 31, 2001, the Company paid $285,000 and issued the 100,000 shares of its common stock. The $485,000 has been included in construction in progress. No payments were made in 2002.

c. The Company's President has advanced funds to the corporation. These advances are non-interest bearing and due upon demand. The balances due the President as of December 31, 2002, and 2003, were $2,117 and $2492, respectively.

Principal Accountants Fees and Services

<u>Audit Fees</u>

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and for services provided by the accountant in connection with statutory and regulatory filings or engagements for the last two fiscal years were: $11,685 for Fiscal Year 2002 and $22,719 for Fiscal Year 2003.

<u>Audit-Related Fees</u>

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements are $19,336 for fiscal year 2002 and $21,185 for fiscal year 2003.

<u>Tax Fees</u>

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were $1,530 for fiscal year 2002 and $3,055 for fiscal year 2003..

<u>All Other Fees</u>

No other services were provided, nor aggregate fees billed, other then such services or fees which have been previously disclosed herein.

The registrant's Audit Committee, or officers performing such functions of the Audit Committee, has approved the principal account's performance of services for the audit of the registrant's annual financial statements; and review of financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal year ending December 31, 2003. Audit-related fees, tax fees, and all other fees, if any, were approved by the Audit Committee or officers performing such functions of the Audit Committee.

The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work preformed by persons other than the principal accountant's full-time, permanent employees was less than 50 percent.

Exhibits and Reports on Form 8-K

(a) The following are filed as exhibits with this report:

14.1	Ethics Plan
31.1	Certification of Principal Executive Officer pursuant to Section 302
31.2	Certification of Principal Accounting Officer pursuant to Section 302
32.1	Certification of Principal Executive Officer pursuant to Section 1350
32.2	Certification of Principal Accounting Officer pursuant to Section 1350

(b) The following documents are incorporated by reference, as noted in each description, to this report:

Number	Description
3 (a)	Articles of Incorporation of the registrant (filed as Exhibit 3.1 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
3 (b)	Bylaws and Amendments of the registrant (filed as Exhibit 3.5 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
4	Stock Purchase Agreements (filed as Exhibits 4.1 through 4.6 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (a)	Stock Purchase Agreements (see Exhibit 4 above)
10 (b)	Option to Purchase Agreement (filed as Exhibit 10.02 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (c)	February 15, 2001 Canadian Rockport Homes, Ltd. and TwiC Housing Corp. Purchase Agreement (filed as Exhibit 10.03 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (d)	Plant Construction Agreement between CRH and TwiC Housing Corp. (filed as Exhibit 10.04 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (e)	Lease Agreement of Quilicura Plant (filed as Exhibit 10.05 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (f)	Employee Agreement with William Malone (filed as Exhibit 10.06 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
10 (g)	Employment Agreement with Nelson Riis (filed as Exhibit 10.07 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.
21	List of the Registrant's Subsidiaries (filed as Exhibit 21.01 to the registrant's Registration Statement on Form S-1 (Number 333-62786) as amended, filed October 30, 2001), and incorporated herein by reference.

(c) Reports on Form 8-K

No reports on Form 8-K were filed in fiscal year 2003.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has dully caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Canadian Rockport Homes International, Inc.
Registrant

By: \s\ William R. Malone, CEO
William R. Malone, CEO and Chairman
Principal Executive Officer

Date: June 14, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: June 14, 2004	By: \s\ William R. Malone, CEO William R. Malone, CEO and Chairman Principal Executive Officer
Date: June 14, 2004	By: \s\ Nelson Riis, Director Nelson Riis, Director
Date: June 14, 2004	By: \s\ Harry Gordon, Secretary Harry Gordon, Secretary and Director
Date: June 14, 2004	By: \s\ Carol Laeser, CFO Carol Laeser, CFO and Director Principal Accounting Officer