

REPORT OF MANAGING DIRECTOR

董事總經理報告



MANAGING DIRECTOR 董事總經理

Mr. Cheung Shui Kwai
張瑞貴先生

Dear Shareholders,

2002 was a remarkable year for Kenfair International, a year in which we can take pride for our many achievements. The Company was successfully listed on the main board of the SEHK on 10 April 2002. The successful initial public offering attracted retail and institutional investors both in Hong Kong and overseas, bearing testament to the quality standards that we have established in our exhibition services. This significant move not only marked a major milestone in the Group's business development, but also enhanced the profile of Kenfair International's reputation and recognition in the exhibition industry.

Financial Results

For the year ended 31 March 2002, the Group's turnover increased to HK\$164,038,000, representing significant growth of 9% against the previous year. Profit attributable to shareholders reached a historic high at HK\$45,637,000, a rise of 15.4% over 2001. This increase was higher than the profit forecasted in the prospectus. Earnings per share were HK32 cents. The outstanding performance was mainly attributable to the increased scale of the October Shows and Asia Expo.

Dividend

The Directors have resolved not to recommend the payment of a final dividend for the year ended 31 March 2002.

致各股東：

對建發國際而言，二零零二年乃令人振奮的一年，本集團於年內取得多項成就。建發國際於二零零二年四月十日在港交所主板成功上市。本公司首次公開招股十分成功，吸引香港及海外散戶及機構投資者熱烈認購，充份反映本集團的展覽服務質素已達超卓水平。這不單為本集團的業務發展奠下一個重要的里程碑，同時亦鞏固了建發國際在展覽業內的聲譽及地位。

業績

截至二零零二年三月三十一日止年度，本集團營業額增加9%至港幣164,038,000元。股東應佔溢利更創下歷史新高至港幣45,637,000元，較二零零一年度增加15.4%，超越招股書所載之溢利預測。每股溢利為港幣32仙。本年度的業績表現優越，主要可歸功於「十月份展覽會」及「亞洲博覽會」的規模不斷增長。

股息

董事會決不派發截至二零零二年三月三十一日止年度之末期股息。

Business Review

To capture the essence of a successful exhibition — matching quality manufacturers with potential buyers, we worked hard to strengthen our business and continued to deliver our founding philosophy during the review period. Deriving significant benefits from integrating traditional exhibition settings with a diverse range of value-added services, we have established a bond of trust among our customers, earned over 10 years of our commitment to promote business opportunities.

In fiscal 2002, all of the Group's businesses recorded prominent growth.

Marking its 10th anniversary, the October Shows in 2001 has catered for 2,900 exhibitors with 4,306 booths, an increase of over 20 times. Manufacturers join our October Shows as they know what we stand for and they share our beliefs "A gateway to achieve business opportunities". Proving highly successful, this philosophy has brought us a high repeat ratio of exhibitors, with a figure of around 70% annually. In 2001, the October Shows fully occupied every available space in the Hong Kong Convention and Exhibition Centre. Not only was the Shows a huge success, this was also one of the largest exhibitions to take place in Hong Kong in 2001.

As we look back on the year, one accomplishment stood out — 55,000 international buyers visited our October Shows. Customer satisfaction and acclaim was also high, creating further growth potential for the October Shows.



業務回顧

成功展覽會的精粹為替廠商尋找合適的買家，本集團於回顧年內致力加強業務，並持守本集團的宗旨。過去十年間，本集團一直堅守著經營理念，致力為客戶提供傳統展覽服務的同時，並融入多元化增值服務，這份信念為建發國際與客戶建立了一份信任。

本集團之各項業務在二零零二年度均錄得理想的增長。

踏入第十個年頭，二零零一年的「十月份展覽會」取得2,900個參展商參與及開設4,306個展覽攤位，增長幅度超越20倍，廠商積極參與「十月份展覽會」主要由於他們深明建發國際與他們擁有同樣的信念 — 「貫通經貿之門」。每年展覽會的再次參與率達70%的高水平。於二零零一年，香港會議展覽中心所有能騰空擺放攤位的位置均已被「十月份展覽會」租用。是次展覽會不單獲得空前成功，更是二零零一年內香港其中一個最大型之展覽會。

回顧過去一年，我們最傑出的成績莫過於吸引了55,000名海外買家與參與「十月份展覽會」。客戶反應非常熱烈，對我們的安排亦十分滿意，使「十月份展覽會」邁向更大的成就。

Over the past decade, we have been taking a leading role in the exhibition industry in the region and we have been committed to growing beyond our domestic roots. The reason is simple: we understand our customers and their desire to maximize their operational scope. Driven by this knowledge and by growing customer demand, we stepped beyond our local geographical boundaries and organized our first overseas trade show, Asia Expo in February 2001 in London. Focusing closely on bringing Asian products to international buyers, Asia Expo proved to be an unqualified success.

Building on this success, the second Asia Expo in 2002 recorded significant growth. Around 10,000 visitors attended the Asia Expo, growing over 50% against the previous year. The number of booths for the second Asia Expo also increased from 500 to 652, representing an increase of approximately 30% over last year. Not only has it become one of the most important events in the European trade show calendar, Asia Expo has also earned the status of being the biggest trade show for Asian manufacturers in London.

Good location and timing are of utmost importance when planning an exhibition. Over the years, we have rooted our business in Hong Kong, where its enormous potential and business opportunities have enabled us to build a multi-million dollar organization. To ensure guaranteed participation, we have strategically fixed the timing of our events within the peak buying seasons. For instance, the October Shows and Asia Expo, held in October and February respectively, are timed to catch the buying seasons when international buyers are looking for products for Easter and Christmas respectively.

Positioning our trade shows as "one-stop shop" marketplace, we are committed to providing a full range of exhibition services from sales and marketing activities, pre-show campaigns, booth design, venue set up, strong and comprehensive show promotion both in local and overseas media to post-show reviews. At the same time, we offer our buyers comprehensive services with the provision of travel and hotel accommodation arrangements, VIP buyers lounges, business centers etc. These services enable us to flexibly cater for the specific demands of our exhibitors and buyers. They demonstrate our commitment to the industry and service pledge to our customers. Kenfair International has established a leading position in the industry and we aim to be the best in the industry's future development.



在過去十年內，本集團在亞洲區內展覽業中一直扮演領導的角色，同時我們亦致力拓展海外市場。向外發展的理由很簡單，我們深明客戶的需要，了解他們熱切渴求提高營運效益的希望。有見及此，為了滿足客戶的需求，我們決定衝出香港，並於在二零零一年二月在倫敦舉辦首個海外展覽會－「亞洲博覽會」，主要將亞洲產品推向國際買家。「亞洲博覽會」獲得空前成功，成績令人鼓舞。

鑑於首屆「亞洲博覽會」的成功，二零零二年舉辦的「亞洲博覽會」亦錄得顯著的增長。吸引了約10,000名買家參與，較去年上升50%。攤位數目亦由500個增至652個，較去年增加近30%。時至今日，亞洲博覽會已不但成為歐洲展覽會的一項盛事，更為倫敦最大型之亞洲貿易展。

籌備展覽會最重要的莫過於選取合適的場地及日期。多年來，建發國際紮根香港，其鉅大發展潛力及商機令本集團躋身於大型企業之列。為了確保參與率，本集團特別將展覽會安排在採購高峰期間舉行。如十月份展覽會及「亞洲博覽會」分別定於每年十月及二月舉行，好讓海外買家為來年的復活節及聖誕節搜羅各式各樣的精製貨品。

我們將展覽會定位為為市場提供一站式服務，並致力提供各式各樣的展覽服務，包括銷售及市場活動、展覽前的籌備活動、攤位設計、場地裝潢，以及由展期開始至結束的本地及海外傳媒推廣活動，以發展後檢討。與此同時，我們亦為買家提供全面配套服務，包括旅遊及住宿安排、貴賓接待室及商務中心等。以上種種服務均能為我們的參展商及買家提供增值服務，充份顯示我們對展覽業及客戶的承諾。建發國際已在行內建立領導地位，並致力推動展覽業的發展。

In conclusion, I am deeply grateful to our staff for their commitment to our vision and for their hard work. Entering our 11th year, I see tremendous opportunities on a regional basis. I believe we have only just begun to explore Kenfair International's true potential, as we continue to drive ongoing levels of excellence in our business operations. My colleagues and I look forward to sharing our progress and success with you in the months and years ahead.

Human Resources

As at 31 March 2002, the Group has 62 full-time staff for its operation in Hong Kong and the PRC. The Group's employees are remunerated in accordance with their work performance, experience and the prevailing industry practice. The Group also participates in a retirement benefit scheme for its staff in Hong Kong and the PRC. Since 10 April 2002, the Group has adopted a share option scheme of which the Board may at its discretion grant options to employees of the Group. No option has been granted up to 17 June 2002.

Liquidity and Financial Resources

As at 31 March 2002, the Group's cash and bank balances was approximately HK\$20,875,000, which is approximately HK\$947,000 lower than last year. The Group had bank borrowings of HK\$9,848,000 as at 31 March 2002. The Group had a satisfactory financial position as at 31 March 2002 with a current ratio of 0.94 (2001:0.64) and a gearing ratio (total debts to total assets) of 13% (2001:17%). The Group and the Company had no significant contingent liabilities as at the balance sheet date (2001:Nil). The Group's cash balance is mainly denominated in Hong Kong dollar and United States dollar. The Group's borrowings are mainly denominated in Hong Kong dollar. The Group does not have significant exposure to foreign exchange fluctuation.



Cheung Shui Kwai
Managing Director
Hong Kong, 17 June 2002

總括而言，本人深深感謝各位員工致力實踐本集團的信念及所付出的努力。邁向第十一個年頭，本人預見區內業務商機不斷湧現。深信建發國際只是鋒芒初露，我們將繼續精益求精，追求更卓越的成績。建發國際所有員工及本人希望能在未來與大家分享我們的成果。

人力資源

截至二零零二年三月三十一日止，本集團於香港及中國僱用62名全職員工。本集團根據員工之表現、經驗及行業概況酬報員工。此外，本集團亦為其香港及上海的員工提供退休保障計劃。自二零零二年四月十日起，本集團董事會可酌情向員工授出購股權。截至二零零二年六月十七日止，本集團並無根據購股權計劃授出任何購股權。

流動資金及財政資源

於二零零二年三月三十一日，本集團之現金及銀行結餘約為港幣20,875,000元，較去年下降約港幣947,000元。本集團於二零零二年三月三十一日之銀行貸款為港幣9,848,000元。於二零零二年三月三十一日，本集團錄得穩健的財務狀況，流動比率為0.94 (二零零一年: 0.64)，資產負債比率則維持於13% (二零零一年: 17%)的健康水平。本集團之現金結餘主要以港元及美元結算，貸款則主要以港元結算。本集團毋須承受重大之外匯波動風險。



董事總經理

張瑞貴

香港，二零零二年六月十七日