

Managing Director's Report

董事總經理報告



Managing Director 董事總經理

Mr. Cheung Shui Kwai
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Dear Shareholders,

The Directors are pleased to announce the unaudited interim results for the six months ended 30 September 2002 ("Review Period") together with the comparative unaudited figures for the corresponding period in 2001 as below. Due to the accounting standard requirements, the Group can recognize its revenues only after an exhibition has taken place. As the Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show ("October Shows") commenced in October, subsequent to the Review Period, the Group has prepared a post balance sheet event disclosure note for the inclusion of the result for the seven months ended 31 October 2002 to better reflect its business operations.

Financial Results

For the seven months ended 31 October 2002, the Group's turnover amounted to approximately HK\$156 million, representing an increase of approximately 7% over the corresponding period last year. Despite the promotion expenditure has increased in proportion to the larger scale of exhibitions and the Group has conducted several feasibility studies on developing new exhibitions, profit attributable to shareholders still stood at HK\$57 million, compared with last year's figure of approximately HK\$55 million. Earnings per share were approximately 30 HK cents.

致各股東：

建發國際(控股)有限公司(「建發國際」或「本集團」)董事會(「董事會」)，欣然宣佈截至二零零二年九月三十日止六個月(「回顧期」)之未經審核中期業績及二零零一年同期之未經審核比較數據。跟據會計準則之要求，本集團只能於展覽會完結後方可確定其收入。由於十月份展覽會(「香港國際玩具及禮品展」暨「亞洲贈品及家居用品展」)於回顧期後揭幕，故此本集團在此提供包括截至二零零二年十月三十一日止七個月之業績之結算日後事項披露，以反映本集團業務表現。

業績表現

截至二零零二年十月三十一日止七個月，本集團營業額約為港幣156,000,000元，較去年同期上升約7%。縱使由於宣傳開支緊隨著展覽會規模日益擴大而有所增加，以及本集團因應籌辦新展覽而耗用之研究費用，但股東應佔溢利仍然錄得約為港幣57,000,000元，較去年約為港幣55,000,000元為高。每股盈利為30港仙。

Interim Dividend

The Directors have declared an interim dividend of 9 HK cents per share with reference to the results for the seven months ended 31 October 2002 to shareholders whose names appear on the register of members of the Company on 6 December 2002. The dividend will be paid on or before 23 December 2002.

Business Review & Prospects

The macro-economic environment remains gloomy and volatile. Traders and manufacturers are seeking more diverse, effective and efficient methods to explore trading opportunities and to meet more potential match-players. Exhibitions and trade fairs have provided an optimal win-win solution stimulating trading activities and volumes over the years. World-class exhibitions provide a viable, flexible and highly cost-effective business tool in the marketing mix for the various industries, efficiently promoting inter- and/or intra-regional trading activities, and reaping the economic benefits of globalization and trade liberalization.

Driven by its corporate mission, Kenfair International aims to facilitate the matching of potential buyers and manufacturers under one roof. During the Review Period, the Group placed tremendous effort in exploring opportunities to carry out this mission.



中期股息

董事會決定向於二零零二年十二月六日名列本公司名冊上之股東派發截至二零零二年十月三十一日止七個月之未經審核盈利每股九港仙之中期股息。股息將於二零零二年十二月二十三日或以前派發。

業務回顧及展望

面對外圍經濟環境仍然疲弱，營商者及廠商均需利用多元化、有效及快捷的渠道尋找商機，接觸更多潛在買家。一直以來，展覽會是最能刺激商貿活動，締造雙贏局面的最佳途徑。達國際水平的展覽會實為各行各業提供一個富彈性及具高成本效益的商業營銷組合，能有效推廣地區間或地區內的貿易活動，使廠商及買家都能從經濟全球化及貿易自由化中得益。

kenfair.com

In this digital era, the Internet is playing an exponential role in transforming communication and trade patterns. To move in line with this change, the Group decided to implement e-business activities and solutions by revamping its website – **kenfair.com** – into a comprehensive on-line product showcase and sourcing platform, enabling it to evolve beyond as an exhibition organizer in the traditional marketplace into a full-fledged premier e-commerce player in the industry. This was established via the subscription of a HK\$23 million one-year exchangeable note issued by Angel Capital Holdings Limited (formerly known as “Ever Power Services Limited”) for the exchange of shares in its wholly owned subsidiary.

The new version of kenfair.com was formally launched on 18 October 2002 during the grand opening of the Group’s October Shows, marking the new era of Kenfair International to serve its exhibitors and global buyers beyond the exhibition halls. During the launch day, over 750 buyers and suppliers immediately signed up for membership after viewing the innovative and practical features of the new portal. At present, over 5,000 industry players have encouragingly signed up as members. Also, there have been increasing transactional activities on-line, proving itself to be a potential new revenue source for the Group. The Group expects kenfair.com to further promote the mobility and participation of buyers and exhibitors.

And most important of all, the management believes that kenfair.com will boost revenues by creating an additional revenue channel for the Group. By the end of 2003, kenfair.com is projecting over US\$1.5 million revenue based on the achievement of approximately US\$400,000 revenues by this fiscal year ended 31 March 2003.

kenfair.com

在這數碼紀元，互聯網改變溝通及貿易模式。為與時並進，本集團決定透過提升現有網站kenfair.com進軍電子商貿業務，成為一個多元化網上產品陳列中心及採購平台，令本集團由一個傳統的展覽會主辦商轉變為展覽業內的首個電子商貿專家。本集團透過認購由Angel Capital Holdings Limited (前名為「Ever Power Services Limited」) 發行之港幣二千三百萬元一年可換股票據，以認購其旗下全資擁有附屬公司之股份。

經改良後的kenfair.com已於二零零二年十月十八日在本集團十月份展覽會中隆重推出，標誌著建發國際已昂然踏進新紀元，為參展商及國際買家提供展館以外之展覽服務。kenfair.com於推出當日已有超過750名買家及供應商在了解此創新及實用的平台後立即登記成為會員。目前，已有超過5,000名業內人士登記成為會員。同時，網上交易量不斷增加，足證kenfair.com能為本集團帶來新收入來源之潛力。

本集團預期kenfair.com能進一步提高買家及參展商的參展意慾。最重要的是，管理層相信kenfair.com能為本集團創造新收入來源。本集團預計在二零零三年底kenfair.com將可錄得1,500,000美元的收入，到下一個財政年度三月底止則可錄得400,000美元的收入。



MegAsia

During the Review Period, the Group placed substantial effort into utilizing its existing resources to introduce new elements to enrich its exhibition services. The Group initiated the launch of a biannual trade magazine, **MegAsia**, at the October Shows 2002. The publication consists of the most updated industry trends in toys, gifts, premium and household products, exhibition information, product promotion and company profiles. It is currently available at the Group's two major exhibitions, the October Shows in Hong Kong and February's Asia Expo in London, as well as at other major international trade shows with a similar product theme. Noting the publication being acclaimed by both the manufacturers and international buyers as an encyclopedia for the industry, the Group is considering the possibility of launching more frequent issues in the years ahead.



MegAsia has proven to be profitable with its inaugural launch. Over 370 pages of advertisement bookings were taken up within two months from the original conception to the completion of the magazine, achieving a revenue of over HK\$1.6 million. Management anticipates that MegAsia will contribute an additional and stable revenue stream to the Group, further broadening the business scope. MegAsia's success has once again proven the Group's vision and sound business strategies in grasping opportunities and fully utilizing the Group's database.



MegAsia

於回顧期內，本集團不斷善用內部資源來為其展覽服務注入新元素。建發國際於二零零二年十月份展覽會中推出一本一年出版兩次的商貿雜誌 MegAsia。雜誌內容包含最新玩具、禮品、贈品及家居用品的行業趨勢、展覽資訊、產品推介及公司專訪。目前，在本集團兩個主要展覽會 香港的十月份展覽會及二月份於倫敦舉辦的亞洲博覽會以及其他相同展覽主題的重要貿易展中派發。由於MegAsia深受廠商及國際買家的歡迎，故本集團正考慮於未來增加出版期數。

第一期出版之MegAsia已為本集團帶來盈利貢獻，成績實在令人鼓舞。從構思、預訂廣告至完成此雜誌，本集團只花了短短兩個月時間，便接獲超過三百七十頁的廣告，為集團帶來港幣1,600,000元的收入。管理層預期MegAsia能為本集團帶來額外及穩定的收益，同時更使本集團的業務範疇更趨多元化。MegAsia之成功，再一次證明本集團能把握業務商機及充份利用其資料庫的成功業務策略。

October Shows

Subsequent to the Review Period, the Group completed the four-day **October Shows** which ran from 18 October to 21 October 2002. The management is very pleased to declare that the October Shows attracted a total of 58,405 buyers this year. Among this number, it is encouraging that the number of overseas buyers has increased substantially against last year. Heightening the fair's success, both exhibitor and booth numbers reached historical highs, with over 3,000 exhibitors taking up 4,559 booths within every available area for stand construction in the Hong Kong Convention and Exhibition Centre. The October Shows successfully recruited Hong Kong as well as overseas companies, mainly small and medium-sized enterprises. This remarkable growth in the event's participation not only boosted the October Shows' role as the largest sourcing platform for toys, gifts, premium and household industries in Asia, but also strengthen the Group's leading edge in the exhibition industry.

十月份展覽會

於回顧期後，本集團於二零零二年十月十八日至二十一日成功舉辦為期四日的十月份展覽會。管理層欣然宣佈十月份展覽會共吸引58,405名買家，令人鼓舞的是海外買家人數較去年有顯著增長。今年的展覽會獲得空前成功，參展商及參展攤位數目更創下歷史新高，超過3,000間參展商設置了4,559個攤位，用盡了香港會議展覽中心每寸地方。十月份展覽會成功吸引香港及各地之中小型企業參與。十月份展覽會的參與率激增，不單奠定十月份展覽會為亞洲玩具、禮品、贈品及家居用品業中最大規模的採購平台，同時亦鞏固本集團於展覽業內的領導地位。

Upon the closing of the October Shows, the Group has received thousands of booth application forms from exhibitors for the event next year, showing a remarkable repeat ratio of over 90% from Hong Kong companies, who wish to attend next year's October Shows. **All booths reserved for Hong Kong participants have been fully booked.** The management expects the October Shows 2003 will embrace more exhibitors and buyers, with a wider range of products and more innovative elements. Customer satisfaction and acclaim have been high for the shows this year, taking Kenfair International a further step forward as a market leader on the international exhibition scene.

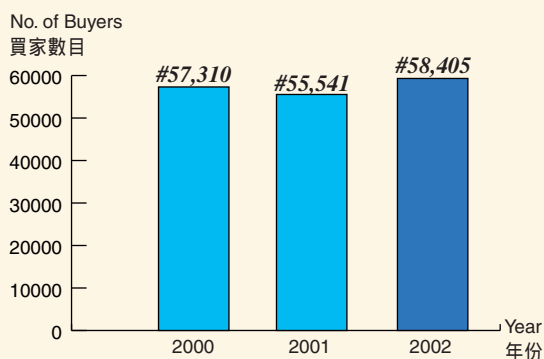
With overwhelming support from local and regional manufacturers and overseas buyers, there were over 1,000 companies on the waiting list for booth allotment this year. To cater for this ever-increasing demand, the Group is considering to split the October Shows into two separate events held over consecutive periods in 2004.

十月份展覽會結束後，本集團接獲逾千份參展商申請明年繼續參展的表格，超過90%香港參展商已再次登記參與明年的十月份展覽會，而明年所有為香港參展廠商而預留之攤位已經悉數出租。管理層預期二零零三年的十月份展覽會能吸引更多參展商及買家參與，展出更多類別及創新的產品。今年客戶滿意度及支持率高企，讓建發國際昂然邁向成為國際展覽市場之翹楚。

鑑於國際廠商及買家對十月份展覽會的鼎力支持，故今年的候補參展商名單逾千個。為滿足此殷切需求，本集團計劃於二零零四年將十月份展覽會分拆成兩個獨立展覽會。



GROWTH OF BUYERS ATTENDANCE 入場買家增長圖表



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GROWTH OF BOOTHS 攤位增長圖表

