

Kenfair.com

During the Review Period, the revamped Kenfair.com continued to deliver highly integrated and value-added services to supplement the Group's core exhibition business. We have augmented newly designed web pages for our new trade shows, Kenfair Asian expo and ASIANA as well as vitalized the web page presentations of all our trade fairs. The portal's powerful global outreach capability has considerably secured the increasing participation of Asian suppliers and buyers around the world.



Kenfair.com has successfully established itself as an effective virtual product showcase. Membership has soared to over 8,000 since its debut in October 2002. Most noteworthy is the influx of about 300 "Big Buyer" members (those with annual sales over US\$50 million) testifying the essential position of Kenfair.com amongst global buyers and manufacturers.

To assist buyers and suppliers in identifying their potential business partners, we have introduced the "Instant Inquiry" function to stimulate spontaneous communication between them. Additionally, our new "Worldwide Trade Show Calendar" provides comprehensive information of global trade shows for toys, gifts, premium and household products industries.

Recently, we have just implemented our localization initiative for Kenfair.com in Beijing, the People's Republic of China (the "PRC"). With this dynamic strategy, we are expecting an exponential growth of membership and revenue. We strongly believe that Kenfair.com is on the right track to becoming the premier eCommerce platform for trade buyers and sellers in the region.

Kenfair.com

於回顧期內，革新版的Kenfair.com繼續為集團主要展覽業務提供各項高質素的增值服務。我們先後為新近推出的「拉斯維加斯－亞洲博覽會」及ASIANA兩項嶄新展覽設計獨立網頁，並不時為各項展覽會更新網頁設計版面及加入新元素，務求各項的網頁版面更生動和更具瀏覽效益。Kenfair.com強勁的延展能力已贏取了廠商及買家的信心和積極參與，加速了本集團業務的增長。

由於Kenfair.com能有效地促進國際買家及廠商之間的貿易，自二零零二年十月至今，登記成為Kenfair.com的會員人數已躍升至8,000多名，更重要的是其中300名是國際「大手買家」（每年銷售額高達50,000,000美元），足見Kenfair.com在世界各地買家及廠商的重要地位。

為協助買家及廠商更有效和快捷物色合適的生意夥伴，我們於Kenfair.com貿易平台上加設一項「即時查詢」功能，加速買家及廠商間之即時互動溝通。此外，我們更增設「全球展覽會概覽表」，為買家及業界提供世界各地有關玩具、禮品、贈品及家居用品貿易展的全面資訊。

最近，為配合本集團業務及服務本地化的策略，率先在中國北京推行Kenfair.com本地化計劃，以進一步發展中國的市場。藉此策略的逐步展開，我們有信心Kenfair.com能吸引更多會員及擴大集團的收入來源。本集團深信，Kenfair.com正邁向成為世界其中一個具領導地位的專業電子商貿平台。



Outlook

In the coming year, Kenfair International will continue to diversify its exhibition theme of local trade fair and introduce its exhibition to other giant markets such as the PRC.

展望

二零零四年本集團將會繼續致力發展本地展覽會，策劃更多元化的主題，並突破地域界限，於潛力龐大的市場如中國舉辦更多展覽會。

Golden Week Retail Exhibition (Hong Kong)

After the visa relaxation for mainlanders in several cities in the PRC, many individual tourists have visited Hong Kong in the past few months, which thus boosted the tourism industry. At the same time, they have become a new group of target consumers in the retailing sector.

To provide our exhibitors with a platform to reach this new target group, Kenfair International will launch a new Golden Week Retail Exhibition in May 2004 extending its capability in holding both trade fairs and public shows.

In this new public show, jewellery products, Chinese herbal medicines, electronic goods and residential properties of respectful suppliers will be on display enabling visitors to shop all these products under one roof.

To attract more mainland Chinese visitors to the exhibition, the Group is now liaising with travel agents in the PRC for the relevant promotions and publicity. To make the show more attractive, the Group will add a series of entertainment programs and lucky draws to this public show. The number of booths is expected to reach 1,000 while a visitor count of 200,000 is expected.

With our vision, strong business foundations and experienced professional team, we are going to introduce more trade fairs and public shows. The Group also believes the Golden Week Retail Exhibition will not only take Kenfair International into a new era, but it will turn up a new page in the local exhibition industry.

黃金週展銷會 — 香港

放寬內地人士來港旅遊簽證的政策實施後，大量內地旅客到港旅遊，刺激香港旅遊業發展之同時，亦成為本地零售業的新目標客戶群。

為向參展商提供一個直接接觸此客戶群的最佳機會，建發國際決定於二零零四年五月舉辦「黃金週展銷會」，將本集團多年來舉辦貿易展的經驗，擴展至供公眾人士入場的展銷會。

是次展銷會將會由具知名度的廠商展示黃金首飾、中藥材、電子產品及住宅樓盤等各類產品，為參觀人士帶來一站式的購物享受。

為吸引更多內地旅客到場參觀，集團正與內地旅行社洽談，推行連串相關推廣及宣傳活動。為了讓入場人士置身於一個輕鬆有趣的購物環境中，本集團打算推出一系列娛樂節目及抽獎遊戲以增加該展銷會的吸引力及可觀性。預計是次展銷會將可吸引1,000個攤位及200,000人次入場。

憑藉本集團具前瞻性的發展目標、穩固的業務基礎以及經驗豐富的專業隊伍，我們將會推出更多創新的貿易展和展銷會。本集團亦深信「黃金週展銷會」不單為本集團業務樹立另一個里程碑，更將為本港展覽業展開新的一頁。

Grasping golden new opportunities in the PRC

Capitalizing its lower operation costs in the PRC, the country is now widely recognized as a global manufacturing base. Together with its accession to the World Trade Organization, there are more overseas buyers visiting the PRC to search for value-for-money products, which in hence creates more open inter-regional trade opportunities.

On 29 June 2003, the Mainland and Hong Kong Closer Economic Partnership Arrangement (“CEPA”) brought the exhibition industry good news. Under CEPA, Hong Kong exhibition service suppliers, in the form of wholly-owned operations, are allowed to provide convention and exhibition services in the PRC. These developments will not only foster significant economic growth in the PRC but also boost market demand for world-standard exhibitions and trade shows.

To capture these golden opportunities in the PRC, Kenfair International has been expanding the Group’s world-class exhibition business to two important cities in the PRC – Shanghai and Beijing. We believe we will be holding more trade fairs and public shows in the PRC.

爭取中國黃金新機遇

中國低廉的營運成本使其一躍成為世界生產工場。此外，隨著中國加入世界貿易組織，更多來自世界各地的買家到中國採購價廉物美的貨品，促使跨越地域之貿易活動越趨繁盛。

中港雙方於今年六月二十九日簽署《更緊密經貿關係安排》（「CEPA」），有關開放貿易服務的條文，允許香港展覽業經營商以獨資形式在內地提供會議服務和展覽服務，為本港展覽行業帶來莫大喜訊。此安排不獨加快中國經濟增長的步伐，更提升內地市場對世界級的展覽會的渴求。

為充分把握國內種種的黃金機會，建發國際蓄勢待發，積極於中國兩大城市—上海和北京，籌備具世界級水準的展覽服務。本集團相信日後將於國內舉辦更多貿易展及展銷會。



International Ladies’ Products Expo (Shanghai)

Shanghai, which successfully hosts large-scale international conventions and exhibitions, will be the host city for the 2010 World Expo. The 2010 World Expo will not only bring promising returns for Shanghai but also enhance its role as an international metropolis for conventions and exhibitions.

As a pioneer in the exhibition industry, Kenfair International will be launching its first event, International Ladies’ Products Expo in Shanghai. The event will be held in August 2004 at the Shanghai New International Exhibition Centre. As at the report date, the number of booths is expected to reach 500. Products on display will include ladies’ products such as cosmetic products, skin care products, hair & manicure products and health-care products, etc. The event will welcome both trade visitors and the general public.

國際女士用品博覽會 — 上海

曾有舉辦多次大型國際會議及展覽經驗的上海，將為二零一零年世界博覽會的主辦城市，此舉不單為上海帶來可觀回報，亦進一步提高上海作為會議展覽國際大都會的地位。

作為展覽行業的先行者，建發國際將於二零零四年八月，假上海新國際博覽中心舉行「第一屆國際女士用品博覽會」。截至報告呈交日止，預計將設有500個攤位，展出一系列化妝、美容、美髮及保健等相關產品及服務。展覽會將歡迎業內人士及公眾入場參觀。

The Exhibition Business (Beijing)

Besides Shanghai, Kenfair International is going to grasp the opportunities arising from the open up of the exhibition market in Beijing. I am pleased to announce that Kenfair International has successfully entered into an agreement with Citic Trust & Investment Co., Ltd. in the PRC to expand our exhibition business in Beijing.

To get well prepared for our first trade show focusing on the product theme of toys, gifts, premium and household products, our professional team of 8 staff in Beijing, has been actively engaging in intensive market research and collecting updated market information.

Data collection for both buyers and manufacturers in the PRC and a feasibility study are also underway.

In the next few years, Kenfair International plans to explore more new exhibition themes such as a Travel Show in the PRC.

北京展覽項目

除上海外，建發國際亦準備迎接中國開放北京展覽行業所帶來的龐大商機。本人欣然宣佈集團已成功與國內中信托投資有限責任公司簽訂合作協議，拓展集團展覽業務至北京。

除考慮一如以往以玩具、禮品、贈品及家居用品作為展會主題外，集團駐北京的8名專業人員亦正積極進行市場研究及資料搜集工作，以開發新展題。而有關蒐集團內買家及廠商資料與展覽會的研究工作亦正順利進行。

建發國際計劃於來年開拓更多的新展覽主題，如在中國舉辦旅遊展覽等。



Asian Gems and Jewellery Show (Bangkok, Thailand)

Kenfair International is eager to explore business opportunities anywhere and anytime. As Thailand is the region's hub for the manufacturing and export of gems and jewellery, Kenfair International plans to launch the Asian Gems and Jewellery Show in Bangkok, Thailand in 2004. The show is expected to attract thousands of overseas buyers from Europe, the U.S. and Asia. Currently, negotiations for the show's format and logistic arrangements are underway between Kenfair International and relevant trade associations in Thailand. Meanwhile, we are now proceeding with the data collection and updating of market information. As such, details of the show will be announced upon confirmation.

亞洲寶石及珠寶展 — 泰國曼谷

建發國際不分時間地域開拓不同種類的展覽會。有見泰國為亞洲區內生產及出口加工寶石及珠寶的中心，本集團計劃於二零零四年在當地舉辦亞洲寶石及珠寶展，預期是次展覽會將可吸引大量歐美及亞洲買家。本集團現正與泰國有關商會研討有關展覽會的各項安排，詳情容於日後公佈。



Asian Food Fair (Hong Kong)

With the outbreak of SARS, we announced the pending of the Asian Food Fair, based upon our concerns for public hygiene and food safety. Together with the concerns with regard to the possible return of SARS and other viral attack in late winter or early spring, we are deeply studying the feasibility of organizing such a food fair for trade visitors.

亞洲食品展 — 香港

鑑於非典型肺炎爆發，本集團以公眾衛生及食物安全為理由，重新考慮並宣佈延遲舉行亞洲食品展。加上近日報導非典型肺炎及其他傳染病毒有可能於冬末或初春重臨本港，本集團現正重新評估及研究舉行亞洲食品展的可行性。

Liquidity and Financial Resources

The Group finances its operations with internally generated cash flows. As at 30 September 2003, the Group had cash, bank balances and fixed deposits of approximately HK\$71 million. 6,000,000 new shares of Kenfair International was issued on 1 August 2003 to raise approximately HK\$6.6 million for general working capital. Approximately HK\$24 million was raised via the placement of 43,160,000 warrants on 19 October 2003. Fund raised will be used to explore and develop new trade shows in Asia, either of new exhibition themes or new locations; to expand the size of the existing trade shows and general working capital.

The Group's bank borrowings at 30 September 2003 amounted to approximately HK\$9.054 million, which were secured mainly by legal charges on certain fixed assets owned by the Group. The gearing ratio of the Group at 30 September 2003, calculated as the ratio of total debts to total assets, was approximately 4.1 percent. Net current liabilities at 30 September 2003 were approximately HK\$10.614 million and the current ratio was maintained at a healthy level of approximately 93 percent.

流動資金及財務資源

本集團主要以日常營運所產生之現金支付業務運作。於二零零三年九月三十日，本集團之手頭現金、銀行存款及定期存款總值約港幣71,000,000元。6,000,000股建發國際之新股於二零零三年八月一日發出以籌集約港幣6,600,000元用於一般營運開支。於二零零三年十月十九日透過配售43,160,000股認股權證，成功集資約港幣24,000,000元。籌得資金將用於在亞洲區開拓新展覽主題或突破現有地域界限的貿易展；擴充現有貿易展覽會規模及用作一般營運開支。

於二零零三年九月三十日，本集團之銀行借貸約為港幣9,054,000元，主要由若干本集團擁有之固定資產作抵押。本集團於二零零三年九月三十日之資產負債比率（以總負債對比總資產）約為4.1%。二零零三年九月三十日之流動負債淨值約港幣10,614,000元，而流動比率則維持於約93%的健康水平。

Employment, Training and Development

As at 30 September 2003, the Group had a total of 99 employees, 93 are based in Hong Kong and 6 are stationed in Shanghai, the PRC. The Group's employees are remunerated in accordance with their experience, performance and prevailing industry practices.

The Group also has retirement benefit schemes for staff in both Hong Kong and the PRC. Since 10 April 2002, the Group has also adopted a share option scheme. The Board of Directors, at its discretion may grant options to employees of the Group. No option had been granted up to the date of this report.

人力資源

截至二零零三年九月三十日，本集團共有99名員工，其中93名主要以香港為工作基地，6名則駐守中國上海。本集團給予僱員之薪酬均按其工作經驗、工作表現及人力市場情況而作出適當的調整。

此外，本集團為香港及中國內地員工提供退休福利計劃。由二零零二年四月十日起，本集團開始設有一項購股權計劃，董事會可向員工授出購股權。截至本報告日止，本集團暫未有根據計劃授出任何購股權。

Conclusion

With our strongly established business, clear strategy, well-motivated and experienced management team, and relentless commitment to our objectives, we see significant opportunities for growth and we have every confidence in Kenfair International's future success.

Finally, I would like to take this opportunity to pay special tribute to our staff for their extraordinary efforts and commitment. I am also delighted to see that all our staff is actively pursuing improvements in all our exhibition services. The improved services will further enhance our recognition in the industry, both domestically and internationally.

On behalf of the Board of Directors, I would like to thank everyone at Kenfair International for their outstanding contribution, persistence and fellowship that have played such a major part in achieving our objectives in 2003.



Cheung Shui Kwai

Managing Director

Hong Kong, 8 December 2003

總結

穩健的業務基礎、清晰明確的營運發展策略、閱歷豐富的管理人員及對服務承諾貫徹始終的態度，為本集團的未來發展建立了雄厚的基礎和潛力，更堅定了建發國際於未來締造更大成就的信念。

最後，本人希望向我們努力不懈的員工謹此致謝。他們在提供展覽服務時力求進步的精神，實在令本人十分欣慰。仰賴上下員工的支持，我們的服務得以不斷完善，將使本集團於海內外展覽行業的聲譽更隆。

本人謹代表董事會感謝建發國際每一位員工。他們傑出的貢獻、堅毅團結的精神，成為推動本集團成功達到二零零三年目標的重要力量。



董事總經理

張瑞貴

香港，二零零三年十二月八日