

Corporate Governance

Kenfair International believes good corporate governance is crucial for a corporation hoping to achieve business success and long-term growth. As such, we fully adhere to the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other measures recommended to strengthen corporate governance. While rules and regulations are essential, Kenfair International believes the full measure of a corporation's credibility resides within the values of that company and its leaders. Hence, it continues to value and benefit from the governance, counsel and guidance of our directors. All executive directors are responsible for the day-to-day management of the Group's operations and they hold regular meetings with senior managers to communicate and formulate the Group's overall strategies and corporate policies. Furthermore, the board of directors remains vigilant to all situations that may affect the Group's finance and shareholders' interests. The Group is committed to enhancing its overall transparency to the public.

To ensure that the Group's financial policies are implemented diligently, our audit committee meets regularly to review the completeness, accuracy and fairness of the Group's financial statements. We take the nature and scope of external audit reviews into account to effectively guide our corporate finance implementations.

企業管治

建發國際深信良好的企業管治乃業務成功的重要因素。我們全力執行香港聯合交易所有限公司證券上市規則附錄14之最佳應用守則，以及其他為加強企業管理而建議的措施。除遵守條列及規則外，公司的價值觀及領導層之鼎力支持亦是不可或缺。所有執行董事均負責本集團之日常營運，並定期與高級管理層進行會議，商討及制訂本集團整體策略及企業政策。然而，董事會仍會保持警覺，留意每個可能影響本集團財政及股東利益的情況。本集團亦致力向公眾提升整體透明度。

為堅守我們一貫嚴謹的財政政策，我們的審核委員會定期檢討本集團的財務文件，確保文件之完整、正確及公平，以及檢討本集團外聘核數師的報告。

Employment, Training and Development

As of 30 September 2004, the Group employs a total of 127 staff members in Hong Kong and China. All employees are remunerated in accordance with their performance, experience and prevailing industry practices.

Kenfair International participates in retirement benefit schemes for staff in Hong Kong and China. The Group has also adopted a share option scheme since 10 April 2002. At its discretion, the board of directors may grant options to employees of the Group. No option has been granted up to the date of this report.

人力資源

截至二零零四年九月三十日，本集團於香港及中國共僱有127名員工。本集團給予員工的薪酬乃按照其工作表現、經驗及人力市場情況作出相應調整。

建發國際為香港及中國員工提供一套完善的退休福利計劃。自二零零二年四月十日起，本集團開始採納購股權計劃。董事會可酌情向員工授出購股權。唯截至本報告日止，本集團暫未有根據計劃授出任何購股權。

Liquidity and Financial Resources

The Group's operations are financed with internally generated cash flows. As of 30 September 2004, the Group had bank balances and fixed deposits of approximately HK\$85 million (30.9.2003: HK\$71 million).

As of 30 September 2004, the Group's total investment in listed securities amounted to approximately HK\$32 million (30.9.2003: HK\$15 million). They are classified into long-term holding for capital growth and short-term holding for profit.

The Group had bank borrowings of approximately HK\$2.4 million (30.9.2003: HK\$9.1 million) as of 30 September 2004, which were funded mainly by legal charges on certain fixed assets owned by the Group. The Group's financial position as of 30 September 2004 was satisfactory, with a current ratio of 98% (30.9.2003: 93%) and a gearing ratio (total debts to total assets) of 1.0% (30.9.2003: 4.1%). Both the Group and the Company had no significant contingent liabilities as at the balance sheet date. The Group's cash balances are mainly in Hong Kong and U.S. dollars, while bank borrowings are mainly in Hong Kong dollars. As such, the Group does not have any significant exposure to foreign exchange fluctuations.

流動資金及財務資源

本集團主要以日常營運所產生的現金支付業務運作開支。於二零零四年九月三十日，本集團的銀行存款及定期存款總值約85,000,000港元（二零零三年九月三十日：71,000,000港元）。

於二零零四年九月三十日，本集團投資於上市公司的股票總值約為32,000,000港元（二零零三年九月三十日：15,000,000港元），分為長期持有及短期持有兩類，前者著眼於長遠資本增長，後者則著重短期獲利。

於二零零四年九月三十日，本集團的銀行借貸約為2,400,000港元（二零零三年九月三十日：9,100,000港元），主要由若干本集團擁有的固定資產作抵押。本集團於二零零四年九月三十日的財政狀況理想，流動比率為98%（二零零三年九月三十日：93%），資產負債比率（以總負債對比總資產）則為1.0%（二零零三年九月三十日：4.1%）。於結算日，本集團及本公司均無重要的或然負債。本集團的現金存款主要以港幣及美元結算，銀行借貸則主要以港幣結算。故此本集團並無任何重大的外幣風險。