



Chairman 主席

Mr. Ip Ki Cheung
葉紀章先生

Dear Shareholders,

In the first seven months of the fiscal year 2006 (the "Seven Months Period"), Kenfair International (Holdings) Limited ("Kenfair International" or together with its subsidiaries, the "Group") continued to achieve steady growth by leveraging the synergies of its diversified business covering trade exhibition, professional publication, web portal and travel services.

The robust financial results not only demonstrated the Group's strength in delivering comprehensive exhibition services, but also reflected our strong commitment in serving the exhibitor and buyer communities as "a gateway to achieve business opportunities" and our determination to expand our business reach globally.

致各股東：

憑藉本集團一籃子的服務，包括貿易展覽會、貿易刊物、入門網站及旅遊服務所產生的協同效益，建發國際（控股）有限公司（「建發國際」或其附屬機構「本集團」）的業務於二零零六年財政年度的首七個月內（「七個月期內」）錄得穩定增長。

卓越的業績表現不僅反映本集團提供全面展覽服務的實力，更彰顯我們貫徹為參展商及買家「開啟商機之門」的承諾，以及拓展全球業務的決心。

Industry Overview

Boasting an advantageous geographical location, favourable business environment, well-developed infrastructure and a wealth of talents, Hong Kong has long held the position as the best city in Asia for launching trade fairs. In 2004, over 39,000 companies exhibited their products in Hong Kong, and about 3.6 million international volume buyers attended sourcing events in the city.

To ensure Hong Kong has sufficient space to accommodate the increasing number of exhibition activities, hence maintain its reputation as the "Asia's Trade Fair Capital", the Hong Kong Convention & Exhibition Centre ("HKCEC") will be expanded, and AsiaWorld-Expo – the city's newest trade fair venue – will be opened in the very near future. Besides adding more exhibition space in Hong Kong, these projects also give the local exhibition industry plenty of room to grow.

行業回顧

香港擁有優越的地理位置、良好的營商環境、完善的基礎設施和鼎盛的人才，一向被視為亞洲區內舉辦貿易展覽會之最佳城市。於二零零四年，合共超過39,000間公司曾在香港展出其商品，共有約3,600,000名國際買家蒞臨本港進行採購。

為確保香港配備充足的展覽場地以配合日益頻繁的展覽活動，從而鞏固其作為「亞洲展覽之都」的地位，香港會議展覽中心（「會展」）的擴建工程即將展開，而本地最新的展覽場地亞洲國際博覽館亦即將啟用，不但能為香港增添更多展覽場地，更為本地展覽業帶來更大發展空間。



Kenfair International

Trade Exhibitions

To make sure we are ready to grab the bountiful business opportunities ahead, we enhanced our leading position in the exhibition industry by presenting five tremendous trade exhibitions in the Seven Months Period. The trade exhibitions included our world-famous “Mega Show” series and three exhibitions of the “Asia Expo” series.

“Mega Show” series ~ Mega Show Part 1

Held in October 2005, this year's Mega Show Part 1 (the “14th Hong Kong International Toys & Gifts Show” and the “13th Asian Gifts Premium & Household Products Show”) is more than just the largest trade fair for toys, gifts, premium and household products in Asia. With the staunch support from the Hong Kong Special Administrative Region Government, we expanded the venue of this UFI (the “Global Association of Exhibition Industry”) approved Mega Show Part 1 from the HKCEC to the nearby Tamar Site, making it the largest-ever exhibition staged in Hong Kong. This unprecedented move in the local exhibition industry enabled us to house a record total of 5,384 booths featuring 3,715 exhibitors from 36 countries and regions.

To strive for an even better result, we also formed a strategic trade media partnership with Alibaba.com, a leading e-commerce platform in the People's Republic of China (“China”), for this year's Mega Show Part 1. The agreement had www.alibaba.com – a trade portal with one million registered users from over 200 countries and territories – served as one of the promotion platforms for the event. Riding on our strategic partner's far-reaching member network and our huge investment in show promotion, the 4-day mega event attracted a record of 66,465 buyers, a 4% increase in buyer attendance over last year's show.

“Mega Show” series ~ Mega Show Part 2

Just a few days after Mega Show Part 1, we launched its continuation session – Mega Show Part 2 – in the HKCEC. With 821 booths presented by 709 exhibitors from 14 countries and regions, Mega Show Part 2 continued to serve as a premier trading platform for global exhibitors and buyers to grasp opportunities in the last selling and sourcing season of the year. The 3-day event attracted a total of 14,357 international buyers.

建發國際

貿易展覽會

本集團於七個月期內，共舉辦五項大型貿易展覽會，包括國際知名的「亞洲展覽盛事」系列及三項「亞洲博覽會」系列展覽會，在鞏固本集團於展覽業內的領導地位之餘，更有助我們掌握未來的發展機遇。

「亞洲展覽盛事」系列—亞洲展覽盛事第一部份

於二零零五年十月舉行的「亞洲展覽盛事第一部份」（「第十四屆香港國際玩具及禮品展」暨「第十三屆亞洲贈品及家居用品展」）不僅為全亞洲最大型的玩具、禮品、贈品及家居用品貿易展覽會，在香港特別行政區政府的鼎力支持下，這個成為國際展覽聯盟（「UFI」）認可的展覽會得以由會展擴展至毗鄰的添馬艦舉行，成為香港有史以來最大型的貿易展覽會。作為本地展覽業的創舉，本屆「亞洲展覽盛事第一部份」共容納來自36個不同國家及地區的3,715名參展商，設置5,384個攤位，再度刷新紀錄。

為爭取更佳成績，本集團就本屆「亞洲展覽盛事第一部份」與中華人民共和國（「中國」）首屈一指的電子商貿平台Alibaba.com達成策略性貿易宣傳媒體合作協議。擁有來自超過200個國家及地區共1,000,000名註冊用戶的貿易入門網站www.alibaba.com已成為是次展覽會之其中一個宣傳平台。憑藉此策略性夥伴廣闊之用戶網絡以及本集團就展覽會所作出的強勁宣傳，是次一連四日的展覽會共吸引66,465名買家蒞臨參觀，人數較去年上升4%，打破歷屆紀錄。

「亞洲展覽盛事」系列—亞洲展覽盛事第二部份

緊接「亞洲展覽盛事第一部份」圓滿結束後數天，本集團的「亞洲展覽盛事第二部份」亦假會展舉行。是次展覽會共有709名來自14個國家及地區的參展商於821個攤位上展出其產品，繼續成為全球參展商及買家的重要貿易平台，以把握每年最後一個採購高峰期所帶來的商機。一連三日的展覽會共吸引14,357名國際買家蒞臨參觀。



“Mega Show” series ~ Mega Show Part 2 (cont’d)

In November 2005, Mega Show Part 2 became the Group’s third trade show endorsed by UFI as an “Approved Event”.

With Mega Show Part 2 added to the Group’s portfolio of UFI-approved events, we are highly confident that the “Mega Show” series will continue to grow and excel to become the world’s best trading platform for the toys, gifts, premium and houseware industries.

「亞洲展覽盛事」系列—亞洲展覽盛事第二部份（續）

「亞洲展覽盛事第二部份」於二零零五年十一月成為本集團第三項獲UFI確認的「認可展覽會」。

隨著「亞洲展覽盛事第二部份」成為UFI之「認可展覽會」，本集團對「亞洲展覽盛事」系列的持續發展，以至成為全球最佳玩具、禮品、贈品及家居用品業貿易平台充滿信心。

“Asia Expo” series ~ Asia Expo – Shanghai

For global suppliers, trade exhibitions are among the most cost-effective ways to promote new products and generate important sales contacts in emerging markets. In view of that, the Group has launched the “Asia Expo” series since 2001 to help Asian manufacturers directly tap their target markets worldwide while rendering those regions’ buyers the opportunity to source target Asian products at their homelands.

In April 2005, the Group staged a new exhibition named Asia Expo – Shanghai to facilitate trade in one of the world’s largest growing markets – China.

Despite the great feedback from over 180 exhibitors and more than 5,000 buyers, Asia Expo – Shanghai was unable to generate satisfactory financial results. As a listed company, we have to take into account the return of shareholders in all facets of our business. Therefore, after the thoughtful consideration of the board of directors of Kenfair International, we decided to put the Asia Expo – Shanghai to halt. However, seeing that Chinese economy shows growth on all fronts, we will gear up to explore other profitable projects in China in the coming years.

「亞洲博覽會」系列—上海—亞洲博覽會

對全球供應商而言，貿易展覽會無疑是推廣新產品及打進新興市場最具成本效益的方法。有見及此，本集團自二零零一年起推出「亞洲博覽會」系列，帶領亞洲廠商直接進軍全球目標市場，同時為該等地區的買家提供於當地採購亞洲產品的機會。

於二零零五年四月，本集團推出全新的「上海—亞洲博覽會」，以促進於全球發展最迅速的市場之一——中國——的貿易活動。

儘管參與「上海—亞洲博覽會」的逾180名參展商及超過5,000名買家對展覽會給予優秀評價，惟此展覽會未能帶來理想的業績貢獻。作為上市公司，我們必須考慮各項業務為股東所帶來之回報。因此，經建發國際董事會詳細考慮後，決定停辦「上海—亞洲博覽會」。然而，窺準中國經濟正全面增長，我們將會繼續於中國發掘其他具盈利潛力的商機。

“Asia Expo” series ~ Asia Expo – Poland

In June 2005, the Group introduced the Asia Expo – Poland – another brand new exhibition in the series – to help Asian manufacturers to tap the huge Eastern European market. With 400 Asian manufacturers featuring a wide array of products in 431 booths, the 1st Asia Expo – Poland recorded 13,179 visits from 4,343 quality international buyers.

The inauguration of Asia Expo – Poland marked not only the successful strategic move to expand the business reach to the Republic of Poland for the Group, but it also boosted our confidence in opening up other new markets in the future.

「亞洲博覽會」系列—波蘭—亞洲博覽會

本集團於二零零五年六月舉辦「波蘭—亞洲博覽會」，引領亞洲廠商進軍龐大的東歐市場。首屆「波蘭—亞洲博覽會」共有400名亞洲廠商參展，於431個攤位展出多元化的產品，吸引4,343名國際買家蒞臨參觀，總入場人次達13,179名。

首屆「波蘭—亞洲博覽會」不僅代表本集團成功將業務擴展至波蘭共和國，更增添我們日後開拓其他新市場的信心。



“Asia Expo” series ~ Kenfair Asian expo

We also launched the 3rd Kenfair Asian expo – the second exhibition of the development of “Asia Expo” series – in Las Vegas of the United States during the Seven Months Period. As the most direct sourcing platform for Asian-made goods in the United States, Kenfair Asian expo gathered 418 Asian suppliers in 443 booths and attracted 6,859 international volume buyers in 3 days. Although becoming a well-recognised effective trade platform for Asian manufacturers and American buyers in its three-year history, the show was unable to achieve the profit level as expected by the Group. As a result, the Group decided to reconsider the date for the next edition of Kenfair Asian expo.

「亞洲博覽會」系列—拉斯維加斯—亞洲博覽會

「亞洲博覽會」系列發展歷程中第二個項目—「拉斯維加斯—亞洲博覽會」亦於七個月期內於美國拉斯維加斯圓滿舉行。作為亞洲產品於美國最直接的採購平台，一連三日的第三屆「拉斯維加斯—亞洲博覽會」共有418名亞洲參展商設立443個攤位，向到場的6,859名國際買家展示其產品。儘管展覽會於短短三年間已獲亞洲廠商及美國買家的認同，成為有效的貿易平台，惟展覽會所產生的溢利未能達到本集團之預期。因此，本集團決定另行部署「拉斯維加斯—亞洲博覽會」下屆舉行之日期。

Exhibition-Related Businesses

To complement the development of our ever-growing trade fair business, the Group established our own trade publication and web portal in 2002, as well as a travel agency in 2003. After a few years of growth, these three components – MegAsia, www.kenfair.com and Kenfair Travel Limited – have become the Group's stable income streams. More importantly, these three business arms enable us to link up the suppliers and buyers via channels in addition to the trade-fair media and to cater for their travel needs. Seeing their steady growth in the Seven Months Period, the Group have every confidence in our capability in providing customers with complete exhibition services.

展覽會相關業務

為配合貿易展覽業務的蓬勃發展，本集團於二零零二年推出展覽會相關的貿易刊物及入門網站，並於二零零三年開展旅運業務。經過多年發展，MegAsia、www.kenfair.com及建發旅運有限公司三項業務均已成為本集團穩定的收入來源。更重要是，這三項業務不但讓本集團透過貿易展覽會以外的渠道為參展商和買家締造更緊密的聯繫，同時亦得以為參展商和買家提供完善的旅運服務。此等業務於七個月期內均錄得穩定增長，本集團深信我們已具備雄厚實力為客戶提供全面的展覽會服務。

Strategic Partnership

Always striving for excellence, the Group are never complacent with what we have achieved. To further enhance the worldwide exposure of the Group and demonstrate our dedication in better serving our exhibitors and buyers, the Group entered into another agreement with one of the world-famous Hong Kong-based brands, Cathay Pacific Airways Limited (“Cathay Pacific”). Cathay Pacific is now the sole official carrier for our shows in Hong Kong, including Mega Show Part 1, Mega Show Part 2 and a brand new show named Hong Kong Spring Fair. Our exhibitors and buyers will be offered exclusive special flight packages from Cathay Pacific in the year 2006.

策略性聯盟

本集團一直致力精益求精，從不會因為現有成就而感到自滿。為進一步提升本集團於全球市場的知名度，以及顯示我們為參展商及買家提供最優質服務的決心，本集團與國際知名的本地航空公司國泰航空有限公司（「國泰」）訂立一項協議，國泰現已成為本集團於香港舉行之展覽會，包括「亞洲展覽盛事第一部份」、「亞洲展覽盛事第二部份」及另一全新之展覽會—「香港春季交易會」的獨家指定航空公司。而我們之參展商及買家亦可於二零零六年內享有國泰所提供之獨家優惠套票。



Future Opportunities

Looking ahead, as a Hong Kong-based company with global vision and expertise, Kenfair International will persist in exploring new opportunities in Hong Kong and extending the business reach to China and overseas. In year 2006, we will launch two brand new exhibitions in Hong Kong, the first one is the Hong Kong Spring Fair and the second is the Hong Kong International Furniture Fair, which is co-organized with the Hong Kong Trade Development Council. Meanwhile, the Group will also conduct feasibility studies for staging trade shows in various provinces in China and Thailand, and seek to introduce the "Asia Expo" series to the Kingdom of Bahrain in the Middle East.

前景

展望未來，作為具國際視野的專業香港公司，建發國際將繼續致力於香港發掘更多商機，並積極拓展於中國及海外的業務。本集團將於二零零六年推出兩項全新的展覽會，分別名為「香港春季交易會」及與香港貿易發展局合辦之「香港國際家具展」。此外，本集團亦將於中國不同省份及泰國進行舉辦貿易展覽會之可行性研究，並致力將「亞洲博覽會」系列引進中東之巴林王國。

Appreciation

In closing, on behalf of the board of directors of Kenfair International, I would like to express my gratitude to the shareholders, customers and suppliers for their continued support. I would also like to thank all the staff for their exceptional efforts and contributions. With confidence and optimism, I believe the Group will continue to realize its vision and fully develop its potentials in the coming years.

Ip Ki Cheung
Chairman

Hong Kong, 28 December 2005

致謝

最後，本人謹代表建發國際董事會，藉此機會向股東、客戶及供應商一直以來的支持致以衷心感謝。本人並感謝全體員工於過去所付出的努力及貢獻。本人對本集團的前景樂觀且充滿信心，深信建發國際定能於來年成就各項目標，全面發揮其潛能。

主席
葉紀章

香港，二零零五年十二月二十八日