

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

To Kenfair International (Holdings) Limited (“Kenfair International” or the “Company” and together with its subsidiaries, the “Group”), fiscal 2006 was a year of challenges and opportunities. During the year, the Group’s professional trade fairs and flagship trade publication, web portal and travel services continued to enjoy synergy.

Although the Group recorded a net loss of approximately HK\$32,200,000 for the year ended 31 March 2006, in addition to the relief of the amortization burden for capitalised development cost for the future, the investment it made has paved the way for development of its business in the years to come.

I am highly confident that Kenfair International, with its sound business model, strong financial resources, excellent management capability and professional staff, will continue to maintain its leading position in the local exhibition industry.



CHAIRMAN 主席

Mr. Ip Ki Cheung 葉紀章先生

致各股東

二零零六年財政年度對建發國際（控股）有限公司（「建發國際」或「本公司」及其附屬公司「本集團」）而言是充滿挑戰和商機的一年。年內，本集團旗下專業的貿易展覽會、優質的商貿雜誌、入門網站及旅運服務繼續為集團締造協同效益。

雖然本集團於截至二零零六年三月三十一日止年度錄得虧損淨額約32,200,000港元，然而，由於免除了已資本化的未來發展成本所作出的攤銷，而不會再為本集團構成負擔，有關的投資亦將為本集團未來的業務發展鋪路。

本人深信，憑藉穩健的業務模式、充裕的財務資源、卓越的管理能力和專業人才，建發國際將可保持於本地展覽行業的領導地位。

Industry Overview

Experienced exhibition and convention specialists, world-class hotel facilities and comprehensive transport links have kept Hong Kong, Asia’s trade fair capital, at the leading edge of exhibition services. According to Hong Kong Exhibition and Convention Industry Association’s figures, exhibitions staged in Hong Kong in 2004 catered a total of 39,517 exhibiting companies and received approximately 3,600,000 international visitors, translating into a handsome income of HK\$19 billion to Hong Kong.

To further enhance the city’s capability to host first-class international exhibitions amid keen competition from other Asia Pacific cities, the AsiaWorld-Expo began operation in the first quarter of 2006, and the Hong Kong Convention and Exhibition Centre (“HKCEC”) will complete expansion by the year of 2008. Adding more exhibition space in Hong Kong, these projects will give local exhibition organizers ample room to grow.

行業回顧

經驗豐富的展覽及會議專才、世界級的酒店設施和完善的交通網絡，令香港這個「亞洲展覽之都」，時刻走在展覽服務業的尖端。根據香港展覽會議業協會發表的數字，二零零四年於香港舉辦的展覽會合共吸引了39,517間公司參展及約3,600,000名國際買家入場參觀，為香港帶來19,000,000,000港元的可觀收入。

為進一步提升香港主辦國際級展覽的能力，以在亞太地區內芸芸的競爭對手中保持優勢，香港亞洲國際博覽館已於二零零六年第一季啟用，而香港會議展覽中心（「會展」）亦將於二零零八年完成擴建工程。此等項目不僅為香港增添更多展覽場地，更為本地展覽會主辦機構帶來更大的發展空間。

Kenfair International

Kenfair International has been steadfastly realizing its mission to serve as “a gateway to achieve business opportunities” for Asian manufacturers and international buyers. During the year, the Group presented its “Mega Show” series, “Asia Expo” series and a brand new exhibition named Hong Kong Spring Fair in Hong Kong and overseas to serve as cost-effective business platforms for exhibitors and buyers to find business associates, market products and source goods. The Group also continued to provide a comprehensive range of exhibition-related services including a trade magazine, a trade portal and travel services to add value to its core trade fair business.

建發國際

一直以來，建發國際致力貫徹為亞洲廠商和國際買家「開啟商機之門」的使命。年內，本集團分別在香港及海外舉辦「亞洲展覽盛事」及「亞洲博覽會」系列，並於香港首度舉辦一項名為「香港春季交易會」的展覽會，為參展商和買家提供具成本效益的交易平台，協助他們更有效地尋求業務夥伴、銷售及採購產品。本集團亦繼續提供全面的展覽相關服務，包括貿易雜誌、商貿入門網站及旅運服務，為核心貿易展覽業務增值。

Trade Exhibitions

Hong Kong

“Mega Show” series ~ Mega Show Part 1

The UFI-approved Mega Show Part 1 (“Hong Kong International Toys & Gifts Show” and “Asian Gifts Premium & Household Products Show”) entered its 14th successful year in October 2005. With the Mega Show’s venue extended from the HKCEC to the Tamar Site, one of the landmarks in Hong Kong, the 2005 Mega Show Part 1 housed 3,715 exhibitors from 36 countries and regions in a record high of 5,384 booths. It was Asia’s largest trade fair for toys, gifts, premium and household products, and also the largest-ever trade fair in Hong Kong.

Moreover, the Group formed a strategic media partnership with Alibaba.com, China’s leading e-commerce company, to particularly promote the 2005 Mega Show Part 1. With Alibaba.com promoting Mega Show Part 1 in its trade portal and the Group’s massive publicity investment, the 4-day mega event drew a record 66,465 international buyers, representing a 4% increase in buyer attendance over the 2004 edition.

“Mega Show” series ~ Mega Show Part 2

Just a few days after Mega Show Part 1, the Group opened Mega Show Part 2 in the HKCEC.

Positioned as the continuation of Mega Show Part 1, Mega Show Part 2 featured a wide array of Asian-made toys, gifts, premium and household products from 709 exhibitors in 821 booths. With the hottest products on display, the event rendered a premier sourcing platform in the last sourcing season of the year for 14,357 international buyers.

2005 was an especially meaningful year special to the “Mega Show” series. The first part of the series had become the largest-ever trade fair in Hong Kong, and the second part of the series had formally accredited as an “UFI-approved event” by the Global Association of the Exhibition Industry (“UFI”).

The Group will continue its dedication and efforts to make the “Mega Show” series enjoying international recognition and becoming the world’s best trading platforms for the toys, gifts, premium and household products industries.

貿易展覽會

香港

「亞洲展覽盛事」系列—亞洲展覽盛事第一部份

獲UFI認可的「亞洲展覽盛事第一部份」（「香港國際玩具及禮品展」暨「亞洲贈品及家居用品展」）於二零零五年十月已踏入第十四屆。是項盛事由會展擴展至香港地標之一的添馬艦舉行，共吸引來自36個不同國家和地區的3,715名參展商，設置5,384個攤位，打破歷屆紀錄。作為亞洲最大型玩具、禮品、贈品及家居用品貿易展的「亞洲展覽盛事第一部份」，同時成為香港有史以來最大型的貿易展覽會。

此外，本集團就二零零五年「亞洲展覽盛事第一部份」，與中國具領導地位的電子商貿公司阿里巴巴（Alibaba.com）達成策略性媒體合作協議。在Alibaba.com於其商貿入門網站進行推廣及本集團的大量宣傳及推廣工作下，是項一連四日的展覽會吸引了66,465名國際買家蒞臨參觀，人數較二零零四年上升4%，再創新紀錄。

「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」後數天，本集團假會展舉行「亞洲展覽盛事第二部份」。

作為第一部份的延續，「亞洲展覽盛事第二部份」由709名參展商設置821個攤位，展示一系列的亞洲玩具、禮品、贈品及家居用品。是項展覽會共向14,357名國際買家展示最新的產品，為他們於二零零五年最後一個採購高峰期提供重要的採購平台。

二零零五年對「亞洲展覽盛事」系列而言別具意義，系列中的第一部份於二零零五年成為香港有史以來最大型的貿易展覽會，而第二部份亦於同年獲UFI確認為「認可展覽會」。

本集團將繼續努力，致力令享譽國際的「亞洲展覽盛事」系列，成為全球玩具、禮品、贈品及家居用品業內最佳的貿易平台。

Hong Kong Spring Fair

Besides the "Mega Show" series, the Group also launched a brand new trade exhibition known as "Hong Kong Spring Fair" during the year. As the very first trade exhibition at the AsiaWorld-Expo, the 1st Hong Kong Spring Fair was also the city's first-ever trade fair covering a full range of light-industry products such as toys, gifts, premium, handicrafts, watches and clocks, custom jewellery, apparel and accessories, tableware, home appliances and other household products.

Running for four days from 10 to 13 January 2006, the 1st Hong Kong Spring Fair housed 991 Asian suppliers in 1,187 booths, and attracted a total of 10,710 buyers from around the globe.

香港春季交易會

在「亞洲展覽盛事」系列以外，本集團亦於年內推出一項名為「香港春季交易會」的全新貿易展覽會。首屆「香港春季交易會」為首項假亞洲國際博覽館舉行的展覽盛事，亦是香港首個全面涵蓋輕工業產品，包括玩具、禮品、贈品、手工藝品、鐘錶、人造首飾、服裝及配飾、餐具、家庭電器及其他家居用品的貿易展覽會。

為期四日的「香港春季交易會」於二零零六年一月十日至十三日舉行，共有991名亞洲廠商設置1,187個攤位，成功吸引了10,710名來自世界各地的買家入場參觀。

Overseas

Asia Expo – Shanghai

Since 2001, the Group has been actively developing new markets worldwide. The Group launched the "Asia Expo" exhibition brand in London in 2001, with the vision of assisting Asian suppliers in tapping overseas markets. Asia Expo – Shanghai was one of the new additions to the "Asia Expo" series during the year. Launched in April 2005, the brand new event gathered over 180 exhibitors in more than 220 booths and brought in over 5,000 international buyers.

Despite the remarkable participation and attendance achieved, the 1st Asia Expo – Shanghai was unable to generate satisfactory profit for the Group. After careful consideration of the board of directors of the Group (the "Board"), the event was put on halt. The Group will apply the useful experience it gained from developing the show in exploring other potential exhibition projects in China.

Asia Expo – Poland

The 1st Asia Expo – Poland was the second new show added to the "Asia Expo" series during the year. Held in June 2005, the 3-day event, featuring 431 booths and attracting over 4,300 international buyers, helped 400 Asian suppliers tap the huge Eastern European market. The second event was held from 6 to 8 June 2006 with 483 booths displaying in front of 4,037 international buyers.

Kenfair Asian expo

In August 2005, Kenfair International launched the 3rd Kenfair Asian expo in Las Vegas, the United States. Gathering 418 exhibitors in 443 booths and attracting 6,859 international buyers, the 3-day event fortified its position as the most direct sourcing platform in the United States for Asian-made toys, gifts, premium and household products.

Asia Expo

The first trade exhibition in the Group's "Asia Expo" series, Asia Expo was held for the sixth time in February 2006 in London with great success, participated by 606 exhibitors marketing their goods in 647 booths and 8,605 buyers sourcing at the event.

Positioned as one of the largest trade fairs for Asian-made toys, gifts, premium and household products in London, Asia Expo will turn a new page in 2007, as it will expand and be staged at the Grand Hall and National Hall of Olympia Exhibition Centre, London.

海外

上海—亞洲博覽會

自二零零一年起，本集團積極於世界各地拓展新市場。本署協助亞洲廠商進軍海外市場的理念，本集團於二零零一年以「亞洲博覽會」品牌在倫敦推出全新的展覽會，而「上海—亞洲博覽會」正是回顧年內「亞洲博覽會」系列其中一個新增展覽會。「上海—亞洲博覽會」於二零零五年四月舉行，逾180名參展商設置超過220個攤位，吸引超過5,000名國際買家進場參觀。

儘管首屆「上海—亞洲博覽會」所獲得的入場人數及反應均相當理想，惟是項展覽會未能為本集團帶來滿意的盈利貢獻。因此，本集團董事會（「董事會」）於審慎考慮後，決定停辦「上海—亞洲博覽會」。然而，本集團將以籌辦是次展覽會所獲得的寶貴經驗，應用於中國發展其他具潛力的展覽會項目。

波蘭—亞洲博覽會

首屆「波蘭—亞洲博覽會」為年內「亞洲博覽會」系列旗下第二個新增展覽會。為期三日的展覽會於二零零五年六月舉行，共有431個攤位，吸引逾4,300名國際買家蒞臨參觀，帶領400名亞洲廠商進軍龐大的東歐市場。第二屆之展會已於二零零六年六月六日至八日舉行，共有483個攤位展示於4,037名國際買家。

拉斯維加斯—亞洲博覽會

建發國際於二零零五年八月在美國拉斯維加斯舉行第三屆「拉斯維加斯—亞洲博覽會」。為期三日的展覽會由418名亞洲參展商設置443個攤位，吸引了6,859名國際買家進場參觀。展覽會所獲得的熱烈反應，鞏固其作為美國最直接亞洲玩具、禮品、贈品及家居用品採購平台的領導地位。

亞洲博覽會

「亞洲博覽會」為本集團「亞洲博覽會」系列所推出的首個貿易展覽會。第六屆「亞洲博覽會」成功於二零零六年二月在倫敦舉行。是項展覽會由606名參展商設置647個攤位，向到場採購的8,605名買家展示其產品。

作為倫敦最大型的亞洲玩具、禮品、贈品及家居用品貿易展覽會之一，「亞洲博覽會」將於二零零七年揭開新一頁，其展覽規模將會擴大，於倫敦 Olympia Exhibition Centre的Grand Hall及National Hall舉行。

Exhibition-related Services

After a few years of robust growth, the Group's exhibition-related business, including MegAsia, www.kenfair.com and Kenfair Travel Limited, continued to bring in stable incomes for the Group during the year. More importantly, these three components have been ideal complements to the development of the Group's core trade fair business. With them boasting strong track record in the past few years, Kenfair International has every confidence in its capability to provide the exhibitors and buyer communities with complete exhibition services.

Future Opportunities

Looking ahead, the Group will persistently explore new opportunities in Hong Kong and expand its market reach to China and overseas. Besides co-organizing the 1st Hong Kong International Furniture Fair with the Hong Kong Trade Development Council ("HKTDCC") in October 2006, the Group will investigate the feasibility of staging trade shows in southern China, Macau, Middle East and various parts of Europe. Moreover, the Group will continue to work closely with its existing strategic partners, including Alibaba.com and Cathay Pacific Airways Limited, to maximize global visibility of its shows and offer special travel packages to privileged exhibitors and buyers.

Appreciation

On behalf of the Board, I would like to express my heartfelt thanks to our shareholders, customers and suppliers for their continued support to the Group. Moreover, I would like to thank all staff of the Group for their tremendous efforts and contributions. With a focused senior management team and a professional operation team, I believe the Group will succeed in realizing its business goal and create significant value for its shareholders in the coming years.



Ip Ki Cheung

Chairman

Hong Kong, 14 July 2006

展覽相關服務

經過數年的蓬勃發展，本集團的展覽相關業務，包括MegAsia、www.kenfair.com及建發旅運有限公司，繼續於年內為本集團帶來穩定的收入。更重要的是，此等業務與本集團核心貿易展覽業務的發展起了相輔相成的作用。憑藉此等業務的穩健往績，建發國際對其為參展商和買家提供全面的展覽服務的能力充滿信心。

前景

展望未來，本集團將繼續致力於香港發掘更多商機，並積極於中國及海外市場拓展業務。本集團將於二零零六年十月與香港貿易發展局（「貿發局」）合辦首屆「香港國際家具展」，除此之外，本集團將會就於華南、澳門、中東及歐洲等地舉辦貿易展覽會進行可行性研究。本集團亦會繼續與現有策略性業務夥伴，包括Alibaba.com及國泰航空有限公司緊密合作，以增加本集團旗下展覽會的國際知名度，並為本集團的特選參展商及買家提供旅運服務優惠。

致謝

本人謹代表董事會，藉此機會向各股東、客戶及供應商對本集團一直以來的支持致以衷心感謝。本人並感謝本集團全體員工為本集團所付出的努力及貢獻。本人深信，憑藉高瞻遠矚的高級管理層及專業的營運團隊，本集團定能於未來成就各項業務目標，並於來年為股東帶來更理想的回報。



主席

葉紀章

香港，二零零六年七月十四日