

REPORT OF MANAGING DIRECTOR

董事總經理報告



Managing Director 董事總經理

Mr. Cheung Shui Kwai
張瑞貴先生

Dear Shareholders,

On behalf of the Board of the Company, I am very pleased to present the results of the Group for the six months ended 30 September 2006 (the "Review Period"). As the Hong Kong Accounting Standard requires revenues from an exhibition to be recognized only after the completion of an event, a disclosure note for subsequent events for the results for the seven months ended 31 October 2006 (the "Seven Months Period") is provided to better reflect our business performance.

For the seven months ended 31 October 2006, the Group recorded a revenue of approximately HK\$208 million and profit attributable to equity holders of approximately HK\$27 million. The improved earnings were mainly derived from the better resources management during the Seven Months Period.

致各股東：

本人謹代表本公司之董事會欣然公布本集團截至二零零六年九月三十日止六個月（「回顧期內」）之業績。根據香港會計準則規定，收入在展覽會完結後方可確定，為更全面反映我們的業務表現，我們在此提供截至二零零六年十月三十一日止七個月（「七個月期內」）之業績作為結算日後事項。

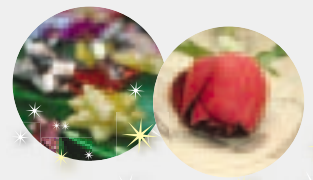
截至二零零六年十月三十一日止七個月，本集團錄得營業額約208,000,000港元，股東應佔溢利約為27,000,000港元。盈利有所改善，主要由於本集團於七個月期內之較好資源管理所致。

Interim Dividend

The Board has declared an interim dividend of HK5.0 cents per share with reference to the results for the Seven Months Period to shareholders whose names appear on the register of members of Kenfair International on 4 January 2007. The dividend will be paid on or before 10 January 2007. The register of members of Kenfair International will be closed from 2 January 2007 to 4 January 2007, both dates inclusive.

中期股息

董事會決定向於二零零七年一月四日名列建發國際名冊上之股東派發七個月期內之中期股息每股5.0港仙。股息將於二零零七年一月十日或以前派發。建發國際將由二零零七年一月二日至二零零七年一月四日（包括首尾兩天）暫停辦理股東登記手續。



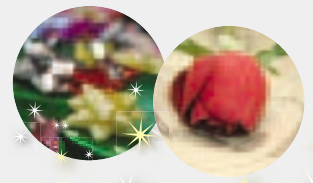
Business Review

During the Seven Months Period, the Group staged a total of five trade exhibitions including its world-acclaimed “Mega Show” series, the brand new “Hong Kong International Furniture Fair” in Hong Kong and the “Asia Expo” series in Poland and the U.S..

業務回顧

本集團於七個月期內合共舉辦五項貿易展覽會，包括於香港舉行的享譽全球的「亞洲展覽盛事」系列、全新的「香港國際家具展」以及在波蘭和美國舉行的「亞洲博覽會」系列。





Trade Exhibitions

“Mega Show” series (Hong Kong)

October Shows – Mega Show Part 1

Held from 20 to 23 October 2006, this year's Mega Show Part 1 again took up all space available at the HKCEC. With the HKCEC expanded to include the new Expo Drive Hall and Expo Drive Entrance, the show was able to accommodate previously unmet demand from exhibitors. This year, Mega Show Part 1 housed a total of 3,475 exhibitors in over 5,000 booths, making it once again the largest trade exhibition for toys, gifts, premium and household products in Asia and the largest ever trade fair held in HKCEC.

To boost exposure of the Mega Show Part 1 worldwide, the Group continued to have the leading e-commerce platform in China, Alibaba.com as the official trade media partner. The pre-registration system for the show on www.alibaba.com had once again helped to secure great response to the Mega Show Part 1.

貿易展覽會

「亞洲展覽盛事」系列（香港）

十月份展覽會 — 亞洲展覽盛事第一部份

本屆「亞洲展覽盛事第一部份」於二零零六年十月二十日至二十三日假會展舉行，再度佔用館內全部可供參展的場地。隨著會展擴充並新增了博覽道及博覽道入口展覽廳，本屆展覽盛事足以應付過往向隅的參展商之需求。本屆「亞洲展覽盛事第一部份」容納了3,475名參展商，合共設置超過5,000個攤位，再次成為亞洲最大型的玩具、禮品、贈品及家居用品貿易展覽會以及會展有史以來最大型的貿易展覽盛事。

為了在全球推廣「亞洲展覽盛事第一部份」，本集團繼續指定中國首屈一指的電子商貿平台阿里巴巴(Alibaba.com)為貿易媒體合作夥伴，於www.alibaba.com之展覽會的預先登記系統，令反應更見踴躍。



Cooperating with another strategic partner, Cathay Pacific, which is the official carrier for Mega Show Part 1 & 2, the Group was able to provide quality flight service featuring exclusive packages to exhibitors and buyers.

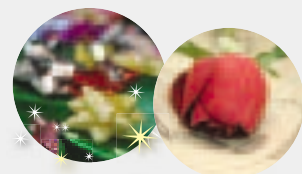
The 2007 session of the Mega Show Part 1 will be held between 21 and 24 October 2007.

本集團與另一策略夥伴國泰緊密合作，國泰為本屆「亞洲展覽盛事」系列的指定航空公司，為參展商及買家提供優質的航空服務和專享的優惠套票。

二零零七年度「亞洲展覽盛事第一部份」將於二零零七年十月二十一日至二十四日舉行。

Seize the expanded sourcing opportunity
for *Toys, Gifts, Premium & Household Products*





Mega Show Part 2

The second part of the “Mega Show” series – Mega Show Part 2, which took place a few days after the Mega Show Part 1 in October, offered an extended sourcing platform to international buyers and a perfect conclusion for their Asian sourcing trip. To give international buyers yet more choices, we added a new element – Table Object Asia – to this year’s Mega Show Part 2, which featured a wide array of tableware of different styles and designs from Asian countries.

The continuous evolution of the Mega Show Part 2 has enhanced its position as one of the most effective business matching platforms for the global toys, gifts, premium and household products industries. This reputation drew to the show this year 879 exhibitors from 18 countries and regions, putting up 1,192 booths.

亞洲展覽盛事第二部份

緊接「亞洲展覽盛事第一部份」完結後數天，本集團隨即舉辦「亞洲展覽盛事第二部份」，為國際買家提供一個更廣闊的採購平台，並為其亞洲採購之旅畫上圓滿的句號。本屆「亞洲展覽盛事第二部份」更新增一個全新專題展覽區 — 「亞洲餐桌用品展」，展示一系列不同款式及設計的亞洲餐桌用品，為國際買家提供更多選擇。

「亞洲展覽盛事第二部份」不斷革新，使其業內地位得以鞏固，繼續成為全球玩具、禮品、贈品及家居用品行業中最有效的商貿配對平台之一。這個美譽為本屆展覽會帶來18個國家及地區的879名參展商，設置1,192個攤位。



The 2006 “Mega Show” series received a total of 75,403 visitors.

二零零六年的「亞洲展覽盛事」系列合共吸引75,403名參觀者蒞臨參觀。



“Asia Expo” series

Asia Expo – Poland (Warsaw, Poland)

The Group's aspiration for the show debuted in 2005 is for it to be an effective direct sourcing platform for Asian-made toys, gifts, premium and household products in Eastern Europe, and the 2nd Asia Expo – Poland held between 6 and 8 June 2006 in Warsaw, Poland, once again fulfilled this role. This year's Asia Expo – Poland housed a total of 483 booths presented by 436 Asian exhibitors and attracted an impressive 4,037 buyers.

To enhance the fair's ability to match Asian suppliers and Eastern European buyers, we launched the brand new “Business Matching Service” at this year's show. Both exhibitors and buyers said they were pleased with the fruitful business results achieved at the trade fair, and the buyers were deeply impressed by the wide product ranges and high quality of the exhibitors.

Aiming to repeat this year's success, the 3rd Asia Expo – Poland will be held between 12 and 14 June 2007.



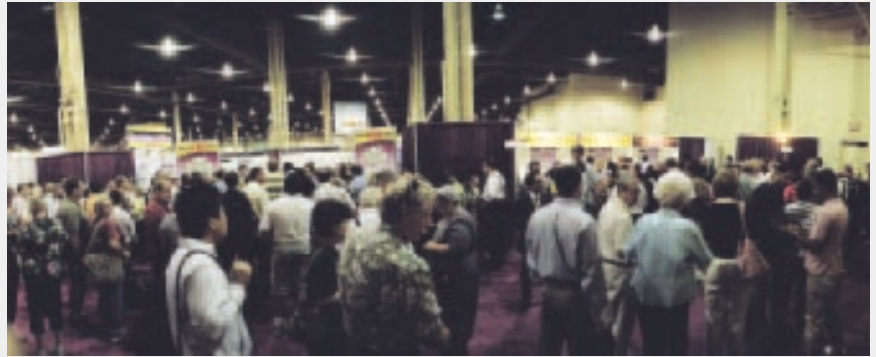
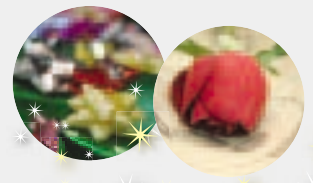
「亞洲博覽會」系列

波蘭—亞洲博覽會（波蘭華沙）

本集團於二零零五年首次舉辦「波蘭—亞洲博覽會」，旨在為亞洲製玩具、禮品、贈品及家居用品在東歐設立一個有效直接的採購平台，而於二零零六年六月六日至八日在波蘭華沙舉行的第二屆「波蘭—亞洲博覽會」再次發揮其作用。本屆「波蘭—亞洲博覽會」容納了436名亞洲參展商，合共設置483個攤位，並吸引多達4,037名買家到場參觀。

為促進亞洲供應商及東歐買家間之合作，本集團於本屆展覽會特別推出「商貿配對服務」。參展商及買家對貿易展覽會提供的豐富商機非常滿意，而場內展示的各種產品系列及優質的參展商亦令買家留下深刻的印象。

承著本屆展覽會的成功經驗，本集團將於二零零七年六月十二日至十四日舉辦第三屆「波蘭—亞洲博覽會」。



Kenfair Asian expo (Las Vegas, United States)

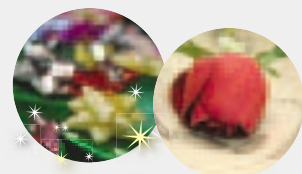
Kenfair Asian expo had immediate success at its debut in 2003 and has become one of the most important business platforms for Asian suppliers and a must-visit event for buyers in the U.S.

This year's expo, held from 24 to 26 August 2006 at Bayside D, Mandalay Bay Convention Center in Las Vegas, housed 382 booths in total that showcased wide arrays of Asian toys, gifts, premium and household products to a total of 3,524 visitors.

拉斯維加斯 — 亞洲博覽會（美國拉斯維加斯）

「拉斯維加斯 — 亞洲博覽會」於二零零三年首次舉辦便取得空前成功，並成為亞洲供應商最重要的貿易平台之一，亦是美國買家不可錯過的展覽盛事。

本屆展覽會於二零零六年八月二十四日至二十六日假拉斯維加斯Mandalay Bay Convention Center Bayside D舉行，場內合共382個攤位為3,524名參觀人士展示一系列多元化的亞洲玩具、禮品、贈品及家居用品。



Exhibition-related Services

MegAsia

The Group's tri-annual trade magazine MegAsia, which first appeared in October 2002, is seen today as a premier sourcing guide for global buyers of toys, gifts, premiums and houseware from Asian suppliers. Apart from product advertisements, the magazine also carries industry news, trade show information, in-depth profile of selected suppliers, and discusses product trends.

The printed version of the magazine comes also with a CD-ROM version, and an online version – e-MegAsia – is available on the Group's website: www.kenfair.com. The different versions guarantee advertisers that their products have maximum exposure among buyers.

During the Seven Months Period, MegAsia released its Vol. June/2006 to coincide with the Group's 2nd Asia Expo-Poland and the 4th Kenfair Asian expo in Las Vegas, held in late August in the U.S., and the mega Vol.Oct/2006 issue was the official show directory publication for the Group's flagship Shows – Mega Show Series in Hong Kong. The October issue contains 354 advertising pages taken up by Hong Kong and other Asian suppliers. Over 10,000 free copies of the Oct/2006 issue were picked up by buyers visiting the 15th edition of the Mega Show Series – Mega Show Part 1 and Part 2 in Hong Kong. Another several thousands copies will be made available to buyers at the Hong Kong Spring Fair in January 2007.



展覽相關服務

MegAsia

本集團於二零零二年十月首度推出一年三期的商貿雜誌MegAsia，該雜誌已成為全球買家向亞洲供應商採購玩具、禮品、贈品及家居用品的重要指南。除產品廣告外，雜誌亦刊載行業消息、貿易展覽資訊、供應商的深入報導及產品潮流討論。

除刊印本外，MegAsia亦設光碟版及網上版 — e-MegAsia，網上版可於本集團網站www.kenfair.com下載。MegAsia設有多個版本，確保廣告客戶產品的曝光率得以提高。

於七個月期內，MegAsia刊發了二零零六年六月號，以配合本集團第二屆「波蘭—亞洲博覽會」及於八月底在美國舉行的第四屆「拉斯維加斯 — 亞洲博覽會」，而二零零六年十月號則為本集團的香港旗艦展覽會 — 「亞洲展覽盛事」系列的官方展覽指南。十月號共刊載354頁香港及其他亞洲供應商的廣告。過萬本的十月號已於第十五屆「亞洲展覽盛事」 — 「亞洲展覽盛事第一部份」及「亞洲展覽盛事第二部份」舉行期間免費派發予到場買家，而數千本十月號亦將準備於二零零七年一月「香港春季交易會」舉行期間免費派發予到場買家。



www.kenfair.com

www.kenfair.com continues to gain popularity with membership jumped an impressive 50% during the Seven Months Period. The number of members grew from 46,000 as at the fiscal year ended 31 March 2006 to about 70,000 at the end of the Seven Months Period. The number of "Big Buyer" members with annual sales over US\$50 million also grew 25% to 800. The impressive membership gains are proof of the Group's effective recruitment efforts and the growing recognition it enjoys among global buyers and suppliers.

During the Seven Months Period, the Group have added innovative features and included information and access provision for three brand new exhibitions of the Group on the website. We also enhanced the online "Exhibitor Locator System" to accommodate multiple shots of products from exhibitors. These innovative and value-adding features have been effective in helping us recruit new exhibitors for our shows. Furthermore, we continued to expand the multi-language capability of www.kenfair.com by including Russian and Japanese for selective webpages, which will be conducive to the Group introducing its exhibitions into these markets. We are confident that www.kenfair.com will sustain exponential membership gains and continue to add great value to our core exhibition business.

www.kenfair.com

www.kenfair.com越來越受歡迎，會員數目於七個月期內大幅上升50%，由截至二零零六年三月三十一日止財政年度的46,000名增至七個月期內完結時約70,000名。每年銷售額超過50,000,000美元的「大手買家」會員數目亦上升25%至800名。會員人數顯著上升，足證本集團招募會員的策略得宜，並獲得更多國際買家及供應商的認同。

於七個月期內，本集團為www.kenfair.com注入更多新功能及納入更多資訊，並將本集團的三項全新展覽會連結至網站。我們亦提升了網上「參展商搜尋定位系統」，新增了參展商產品的圖片顯示功能。嶄新的增值功能有助我們為其展覽會招募更多參展商。此外，我們繼續增加網站的其他語言版本，包括新加入的俄羅斯語及日語版，此舉對本集團在該等市場推廣其展覽會至關重要。我們對www.kenfair.com繼續保持會員人數的強勁增長以及提高本集團核心展覽業務的價值充滿信心。



Kenfair Travel Limited

Licensed in 2003, Kenfair Travel Limited ("Kenfair Travel") is a wholly-owned subsidiary and the travel agency service arm of the Group.

Kenfair Travel provides regional exhibitors and international buyers to the Group's shows with comprehensive travel-related services including special travel packages, hotel accommodations, transportations, air-ticketing and tour arrangements.

During the Seven Months Period, Kenfair Travel had provided special travel packages to over 400 exhibitors of Asia Expo – Poland and around 300 exhibitors of the Kenfair Asian expo. It also handled over 1,000 hotel bookings for buyers and exhibitors attending the "Mega Show" series in Hong Kong.

Kenfair Travel is now an integral part of the Group's value-added support services and an additional revenue stream of the Group.

建發旅運有限公司

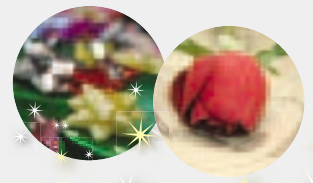
建發旅運有限公司（「建發旅運」）為本集團的全資附屬公司，於二零零三年取得旅遊代理牌照，專門提供旅遊代理服務。

建發旅運為參與本集團旗下貿易展覽會的地區參展商及國際買家提供全面的旅遊相關服務，包括特設的旅遊套票、酒店住宿、交通、票務及行程安排等。

於七個月期內，建發旅運為超過400名「波蘭 — 亞洲博覽會」參展商及約300名「拉斯維加斯 — 亞洲博覽會」參展商提供旅遊套票服務，並為參加香港「亞洲展覽盛事」系列的買家及參展商處理超過1,000宗預訂酒店房間服務。

建發旅運已成為本集團增值支援服務的一部份，為本集團帶來額外收益。





Outlook

Trade exhibitions are widely recognized as one of the most effective and useful marketing tools facilitating development of business contacts and direct deals. Recognizing the potential of the industry, including the tremendous economic benefits of hosting trade exhibitions, more and more Asian countries and regions have invested capital and other resources in making themselves into desirable locations for hosting world-standard trade exhibitions.

As one of the leading trade fair organizers in Hong Kong, Kenfair International will continue to expand its business in Hong Kong, its home base and also in new markets in China and overseas. Studies on new markets are being conducted to provide information to the Group for planning trade exhibitions of new themes that can meet the demands of different markets.

展望

眾所周知，貿易展覽會是最有效的市場推廣工具之一，並可促進業務聯繫及直接交易。有見展覽行業發展潛力優厚，以及籌辦貿易展覽會產生的可觀經濟效益，越來越多亞洲國家及地區投放資金和其他資源，以發展為籌辦世界級貿易展覽會的理想之地。

作為香港具領導地位的貿易展覽會籌辦商之一，建發國際將繼續擴展本港基地的業務，並積極進軍中國及海外新市場。本集團正於各個新市場進行研究，為籌辦新主題貿易展覽會蒐集更多資料，以切合不同市場的需求。

The People's Republic of China ("China")

中華人民共和國（「中國」）



The 2nd Hong Kong Spring Fair

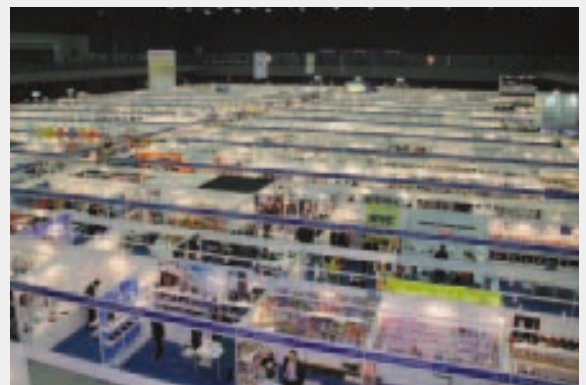
The 1st Hong Kong Spring Fair was held at the AsiaWorld-Expo from 10 to 13 January 2006. Around 990 exhibitors gathered at the fair to showcase a wide array of merchandise in over 1,100 booths. The debut fair was visited by a total of 10,710 buyers. The impressive turnouts are strong evidence of the fair being seen as an effective one-stop trading platform for participants.

Aiming for the same fruitful results, the Group will present the second edition of the Hong Kong Spring Fair in 2007 from 9 to 12 January. To accommodate more exhibitors and buyers, the coming fair will be expanded. We have every confidence that the coming fair, bigger and better, will be another great success.

第二屆香港春季交易會

第一屆「香港春季交易會」已於二零零六年一月十日至十三日假香港亞洲國際博覽館順利舉行。約990名參展商雲集會場，擺設超過1,100個攤位並展示一系列的商品。首屆「香港春季交易會」合共吸引10,710名買家到場參觀。人流暢旺足證展覽會已成為參展商及買家心目中效率超卓的一站式貿易平台。

本集團將再接再厲，於二零零七年一月九日至十二日呈獻第二屆「香港春季交易會」。本集團將擴大是次展覽會的規模，以滿足更多參展商及買家。我們非常有信心，即將來臨的「香港春季交易會」將更為龐大及出色，並再次取得成功。





A brand new Mega Show in Macao

In the past decade, alongside the booming gaming and entertainment sector in Macao, the city's exhibition industry has also flourished. And with the Macao Government dedicated to transforming Macao into one of the most important exhibition and convention cities in the Pearl River Delta, the Group sees enormous potential for expanding its business in the city. To this end, the Group will stage its first-ever trade fair in Macao in October 2007 featuring three main themes, namely Home Textile, Promotional & Advertising Premiums and Gifts & Housewares Products.

全新的澳門展覽盛事

過去十年，澳門的博彩及娛樂事業起飛，帶動濠江的展覽行業不斷發展。而澳門政府亦致力將澳門塑造為珠三角展覽及會議中心，為本集團打進當地市場締造了龐大的商機。就此，本集團將於二零零七年十月首次在澳門舉辦一項全新的貿易展覽盛事，展覽會將劃分為三個專題展覽區，包括「家用紡織」、「推廣及廣告贈品」和「禮品及家居用品」。

Potential new fair in Guangzhou

Apart from Macao, the Group also sees tremendous unexploited potentials in other parts of China for the exhibition industry. Guangzhou, one of the largest distributing centres for Chinese manufactured toys and light-industry products, is going to be its next target. Our five subsidiaries and branches in China, including Kenfair (Beijing) Exhibition Company Limited in Beijing, Kenfair International (Shanghai) Limited in Shanghai, its branch offices in Shenzhen and Dongguan and Kenfair (Sichuan) Exhibition Limited in Chengdu, are now working intensively to collect data and information for the Group to evaluate the feasibility of hosting new trade exhibition in Guangzhou. These subsidiaries and branches have also served as channels for the Group to reach existing and potential customers in China to provide them with premier pre-sale and after-sale services. They also facilitate building of an extensive databank of industry contacts in China by the Group, giving it a clear edge for tapping the huge market.

在廣州舉辦具潛力的新展覽會

本集團相信，除澳門外，中國其他城市的展覽行業亦具有龐大但尚待發掘的潛力。廣州作為中國製玩具及輕工業產品的最大型分銷中心之一，是本集團的下一個目標市場。我們在中國的五間附屬公司及分公司，包括位於北京的建發（北京）會展有限公司、位於上海的上海建發展覽有限公司及其位於深圳和東莞的分公司，以及位於成都的建發（四川）展覽有限公司，現正努力蒐集數據及資訊，供本集團評估在廣州舉辦新貿易展覽會的可行性。這些附屬公司及分公司亦充當本集團與現有及潛在客戶接觸的橋樑，讓我們為客戶提供更優質的售前和售後服務。附屬公司及分公司亦有助集團在中國設立一個龐大的行業聯絡資料庫，為本集團於這個龐大市場締造明確的優勢。



Overseas

To expand its global reach, the Group has kept its eyes on opportunities for launching trade fairs overseas and forming strategic partnerships and alliances in target markets around the world.

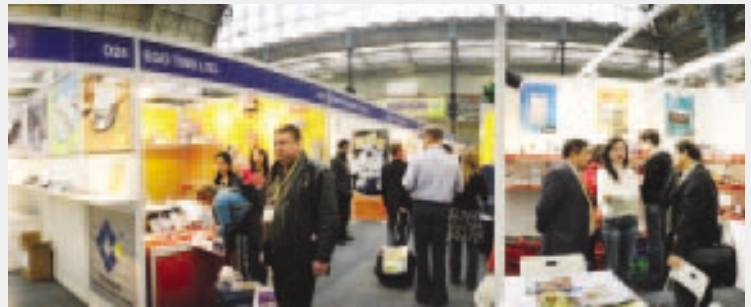
海外

為拓展全球業務，本集團一直積極物色機會，在海外舉辦貿易展覽會，以及在全球目標市場成立策略夥伴關係及聯盟。



Asia Expo (London, United Kingdom)

Asia Expo in London is the first exhibition of the Group's "Asia Expo" series. Since its debut in 2001, this trade show has been well received by Western European buyers and is recognized as the largest and most effective platform for sourcing Asian toys, gifts, premium and household products in the United Kingdom. For Asian manufacturers taking part in the show, it has been effective in helping them expand their international buyer contacts and in turn achieve very rewarding results. The trade show became an "UFI-Approved Event" in 2003, which confirmed its significance in the international trade fair scene.

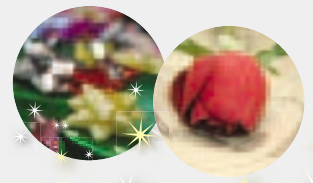


In the upcoming 7th Asia Expo in London to be held from 30 January to 2 February 2007 at the Grand Hall of Olympia Exhibition Centre, a brand new extravaganza "Asia Expo – Fashion Jewellery & Accessories" will be added, which will run concurrently with the expo at the National Hall of the Olympia. The aim of the initiative is to meet the increasing demand of European buyers to source fashion jewellery and accessories from Asia. A huge number of new buyers is expected to be drawn to the event by this new attraction.

亞洲博覽會（英國倫敦）

於倫敦舉行的「亞洲博覽會」乃本集團「亞洲博覽會」系列之首個展覽會。自二零零一年首次舉辦以來，博覽會廣受西歐買家歡迎，更被譽為英國採購亞洲玩具、禮品、贈品及家居用品的最大型和最有效平台。對於參展的亞洲製造商來說，「亞洲博覽會」有助他們有效地與國際買家聯繫，從而帶來理想的回報。該博覽會於二零零三年取得「UFI」認可，奠定其在國際貿易展覽會的崇高地位。

第七屆「亞洲博覽會」將於二零零七年一月三十日至二月二日假Olympia Exhibition Centre的Grand Hall 舉行，另一項名為「亞洲博覽會 — 時尚首飾及配件」的嶄新展覽會亦將於Olympia的National Hall同步舉行。此舉旨在滿足歐洲買家對採購亞洲時尚首飾及配件日益殷切的需求。預計這項新展覽會將可吸引為數不少的新買家入場參觀。



Asian Jewellery expo (London, United Kingdom)

The impressive figures of jewellery export of Asian countries and regions such as China, India, Thailand and Hong Kong in recent years point clearly to a booming global market for Asian jewellery products. To bring Asian jewellery suppliers together with international buyers, the Group will launch its first-ever jewellery expo named “Asian Jewellery expo” in the United Kingdom.

The “Asia Jewellery expo” is scheduled to be held from 6 to 9 January 2008 at Earls Court, London. This first-ever Asian-exclusive jewellery fair is designed to meet the needs of jewellery suppliers from Asia and buyers from lucrative European markets.

亞洲珠寶展（英國倫敦）

近年，多個亞洲國家及地區如中國、印度、泰國及香港的珠寶出口數量驚人，顯示亞洲珠寶產品於全球市場發展蓬勃。為了讓亞洲珠寶供應商及國際買家聚首一堂，本集團將在英國推出名為「亞洲珠寶展」的首項珠寶展覽會。

「亞洲珠寶展」將於二零零八年一月六日至九日假倫敦Earls Court舉行。此首度舉辦之亞洲珠寶展，旨在滿足亞洲珠寶供應商及歐洲優質買家的需求。

Asia Expo – Middle East (Kingdom of Bahrain)

To help Asian manufacturers reach emerging markets worldwide, the Group has been working towards staging a brand new trade show – Asia Expo – Middle East – in Bahrain. However, cultural differences have prolonged related discussions but negotiations are still in process. Details of the show will be announced in due course.

中東（巴林王國）— 亞洲博覽會

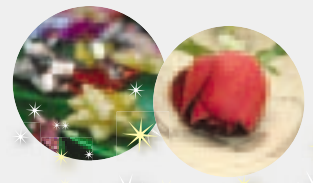
為協助亞洲製造商開拓世界各地的新興市場，本集團致力在巴林舉辦一項全新貿易展覽會 — 「中東（巴林）— 亞洲博覽會」。然而，文化差異延長其討論進度，目前各方尚在磋商階段，本集團將於適當時候公布展覽會的有關詳情。

Strategic Partnership Development Worldwide

To facilitate business growth and to extend international market reach, the Group is seeking to form strategic partnerships and alliances, the like of that with Cathay Pacific and Alibaba.com, in the international arena. In the future, the Group will continue to seek opportunities for cooperation with leading corporations, trade associations and government bodies in different countries and regions, and especially its target markets.

全球策略夥伴

為促進業務發展及拓展國際市場業務，本集團正尋求於國際市場成立策略夥伴及聯盟，正如與國泰及Alibaba.com的合作關係。未來，本集團將繼續物色機會，與各國及地區，尤其是目標市場的大型企業、貿易協會及政府團體合作。



Corporate Governance

Kenfair International firmly believes that for a corporation to achieve business excellence and long-term growth, it must have good corporate governance. Therefore, the Group diligently adheres to the Code of Corporate Governance Practices (“CG Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), and other measures recommended with the exceptions listed in the section “Additional Information” in the later part of this report. In addition to abiding by rules and regulations, the Group also believes that the values held by a company and its leaders are critical to ensuring company’s creditability and overall performance. Hence, Kenfair International values the governance, counsel and guidance of its directors. All executive directors are responsible for the day-to-day management of the Group’s operations and they hold regular meetings with senior management to communicate and formulate the Group’s overall strategies and corporate policies. Furthermore, the Board remains vigilant to all conditions that may affect the Group’s financial situation and business performance, and shareholders’ interests. The Group is committed to enhancing overall transparency of its operations for public scrutiny. It set up a Remuneration Committee and Nomination Committee on 14 July 2006 to review the remuneration of directors and nomination of replacement for any directors resigned or retired.

To ensure the Group’s financial and accounting policies are strictly implemented, our audit committee meets regularly to review the completeness, accuracy and fairness of the Group’s financial statements. We also take the nature and scope of external auditors’ reviews into account in guiding 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及長遠增長的重要因素。本集團全力執行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14之企業管治常規守則（「企業管治守則」），以及其他建議措施，惟本報告較後部份「附加資料」一欄所列者除外。除遵守條例及規則外，本集團亦深信公司及其管理層的價值觀亦對確保公司誠信和整體表現至關重要。因此，建發國際將繼續重視其董事的管治、意見及指導。所有執行董事均負責本集團之日常營運管理，並定期與高級管理層進行會議，商討及制訂本集團的整體策略及企業政策。此外，董事會並會密切留意每個可影響本集團財務狀況、業績表現及股東利益的情況。本集團亦致力提升公司整體的高透明度，供公眾監察。本集團於二零零六年七月十四日成立薪酬委員會及提名委員會，以檢討董事酬金及審閱替代任何辭任或退任董事之提名。

為堅守一貫嚴謹的財務及會計政策，我們的審核委員會定期檢閱本集團的財務報告，確保文件之完整、正確及公平，以及檢討本集團外聘核數師報告的性質及範圍，以給予企業財務計劃有效的指引。

Human Resources

As at 30 September 2006, the Group had a total of 180 employees in Hong Kong and China. All employees are remunerated according to their performance, experience and prevailing industry practices.

The Group also participates in retirement benefit schemes for staff in Hong Kong and China. It introduced a share option scheme on 10 April 2002, with options to be granted to employees at the discretion of the Board. No option had been granted up to the date of approval of this report.

人力資源

於二零零六年九月三十日，本集團於香港及中國共僱有180名員工。本集團給予僱員之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。

本集團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。截至本報告日期止，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 at 30 September 2006, the Group had bank balances and fixed deposits of approximately HK\$77 million (30.9.2005: approximately HK\$89 million).

As at 30 September 2006, the Group's total investment in listed securities amounted to approximately HK\$26 million (30.9.2005: approximately HK\$49 million). They are classified into long-term holding for capital growth and short-term holding for profit.

The Group did not have any bank borrowings (30.9.2005: Nil) and was in a satisfactory financial position as at 30 September 2006. Its current ratio was 84% (30.9.2005: 94%) and gearing ratio (total debts to total assets) was nil (30.9.2005: Nil). Both the Group and Kenfair International had no significant contingent liabilities as at 30 September 2006. The Group's cash balances are mainly denominated in Hong Kong and U.S. 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。於二零零六年九月三十日，本集團之銀行結餘及定期存款總值約77,000,000港元（二零零五年九月三十日：約89,000,000港元）。

於二零零六年九月三十日，本集團於上市證券的投資總值約26,000,000港元（二零零五年九月三十日：約49,000,000港元），可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。

於二零零六年九月三十日，本集團之財務狀況理想，並無任何銀行借貸（二零零五年九月三十日：零）。本集團的流動比率約為84%（二零零五年九月三十日：94%），資產負債比率（以總負債對比總資產）則為零（二零零五年九月三十日：零）。於二零零六年九月三十日，本集團及建發國際均無重大的或然負債。本集團的現金結餘主要為港元及美元。故此，本集團並無任何重大的外匯風險。

Conclusion

Thanks to the shrewd leadership of our Board and experienced management team, the hard work of our staff and guidance of our mission – to act as “a gateway to achieve business opportunities” for international suppliers and buyers, we accomplished satisfying results in all aspects of our business during the Seven Months Period. Looking ahead at the second half year, despite that the exhibition industry has become more and more competitive, the Group is confident of its ability in overcoming different challenges and sustaining strong results in the future.

Cheung Shui Kwai

Managing Director

Hong Kong, 15 December 2006

總結

本人特此感謝董事會和經驗豐富的管理層之英明領導，以及全體職員所付出的努力，引領本集團履行為國際供應商及買家「爭取業務機會的門戶」的使命，讓本集團於七個月期內取得令人滿意的業績。展望下半年，儘管展覽行業的競爭日趨激烈，本集團對克服接踵而來的挑戰以及維持強勁的業績充滿信心。

董事總經理
張瑞貴

香港，二零零六年十二月十五日